

# COMPREHENSIVE ANNUAL FINANCIAL REPORT 2017



Pittsfield Charter Township  
Michigan

Fiscal Year ended December 31, 2017  
[www.pittsfield-mi.gov](http://www.pittsfield-mi.gov)

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Pittsfield  
Charter  
Township,  
Michigan



Year Ended  
December 31,  
2017

Comprehensive  
Annual  
Financial  
Report

*Mandy Grewal, Ph.D., Township Supervisor*

*Tracy Watkins, Finance Director*

Prepared by: Finance Department

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# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

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## INTRODUCTORY SECTION

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## Pittsfield Charter Township

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Website: [www.pittsfield-mi.gov](http://www.pittsfield-mi.gov)

### *Office of the Supervisor*

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April 30, 2018

To the Honorable Board of Trustees of Pittsfield Charter Township:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for Pittsfield Charter Township for the fiscal year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the Township’s financial statements for the year ended December 31, 2017. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

#### Profile of the Government

Organized in 1834 and chartered in 1972, Pittsfield Charter Township, which is approximately 28 square miles with a population of 39,730, bridges the territory between the City of Ann Arbor and the City of Saline. Pittsfield Charter Township has the second largest tax base in Washtenaw County, second only to the City of Ann Arbor. Pittsfield has an outstanding Department of Public Safety which extends fire and police protection to all township residents with a response rate of 5 minutes or less. Pittsfield also provides rubbish collection and recycling, public water and sanitary sewer services. With about 1,100 acres of public park land, Pittsfield offers numerous recreational activities for youth, adults and seniors along with offering an outstanding variety of park and open spaces increasingly accessible by non-motorized amenities.

Pittsfield Charter Township is a vibrant community with a wide spectrum of land uses including commercial corridors, business parks, agricultural lands, park land, open spaces, and many strong residential neighborhoods representing a variety of housing options. The true hallmark of the Township, however, is the diversity and talent of its residents. Pittsfield is bordered by the three communities of Ann Arbor, Saline, and Ypsilanti. Pittsfield is uniquely poised to take advantage of the density supported by its proximity to these communities while simultaneously providing for existing larger-scale agricultural, residential, commercial, and business use developments. Leveraging the existing mix of urban, suburban, and rural influences, along with the various mixture of land uses and its demographic diversity, Pittsfield has taken a leadership role in establishing a new standard for mainstreaming non-motorized transportation, dense mixed-use, green/open space preservation and infill development within a township context.

Pittsfield Township has operated under the charter township form of government since 1972. A charter township status is a special township classification created by the Michigan Legislature in 1947 to provide additional powers and streamlined administration for governing a growing community. Pittsfield Township government is conducted by a township board consisting of seven members - a supervisor, clerk, treasurer, and four trustees - who are elected by Township residents.

Procedures for the Township's financial administration, such as budgets, accounting, investments and deposits, are closely regulated by the State. Township meetings must comply with Michigan's Open Meetings Act (*MCL 15.261-15.275*), and Township records must be stored and made available in conformance with specific laws, such as the Freedom of Information Act (*MCL 15.231-15.246*). The Charter Act (*MCL 42.1 - 42.34*) gives charter townships broad powers to enact and enforce a variety of ordinances. Zoning ordinances enacted under the Michigan Zoning Enabling Act (*MCL 125.3101 - 125.3702*) give townships the authority to regulate land use, while many other specific ordinances control activities that infringe on the rights of citizens. The Michigan Constitution and state statutes also limit the amount of property tax millage that townships can levy for general township operations. Charter townships may levy up to five mills. Townships also utilize other sources of revenue to support services. User fees, permits, fines and special assessments on real property are the most frequently used sources.

All powers of the Township shall be vested in and all matters of policy of the Township shall be exercised and determined by the Township board of trustees. The Township board typically holds two regular meetings per month. The Township board is the Township's legislative and policy making body. The Township board is responsible for adopting the annual budget, contracts, laws, ordinances and resolutions; approving purchases; and granting permits and license terms. Board members are elected at large to a four year term, and general elections are held in November of a Presidential election year. The Township board serves as the direct citizen's link to Township Hall.

The Township board appoints all boards, committees and commissions except for the Parks & Recreation Commission Board, which is independently elected. Statutorily, the Township supervisor, clerk and treasurer appoint their deputies. The government's three full-time elected officials (supervisor, clerk, and treasurer) are responsible for carrying out the policies and ordinances of the Township board, for supervising the day-to-day operations of the government, and for appointing the heads of the government's various operating departments.

The Township is also financially accountable for a legally separate entity, which is reported separately within the Townships' financial statements. Additional information on this legally separate entity can be found in the notes to the basic financial statements.

Pittsfield Township operates on a calendar year fiscal cycle. For its regular budget development schedule, the Charter Township Act provides that the Township must conduct a budget public hearing by December 15 or earlier, and adopt the budget by December 31 of the year preceding the calendar year for which the budget is being prepared. Concurrent with budget adoption, the Township board is required to provide for a tax levy necessary to meet the budget expenditures up to the authorized charter millage of the Township. This annual budget serves as the foundation for the Township's financial planning and control. The budget is prepared by fund, department, and function. The Township supervisor is authorized to approve transfers of budgetary funds within a cost center, excluding wages, salaries, overtime and fringes, in consultation with the effected department director and/or the Finance Director.

### Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the Township operates as described below:

#### *Local economy*

Many municipalities in Michigan are struggling to address the fundamental flaws in the existing local government financing system. The combined effects of Proposal A and the Headlee Amendment caps a township's ability to generate revenue at the rate of inflation, while the cost of providing services continues to increase faster than inflation. The state and federal government also limit a township's ability to raise non-tax revenue.

The Township's 2017 ad valorem taxable valuation of \$1,800,894,745 represents a 2.92% increase from 2016. The ratio of total township tax collections to date for tax year 2017 (current and delinquent) to the current tax levy is 99.80%.

The State of Michigan is currently in the midst of a fundamental economic shift from a manufacturing base to a new economy. Many national forces are also having a profound impact on the State: a slowing national economy, the foreclosure crisis and volatile energy costs. While many would view this as a time to forego various projects, Pittsfield Township is moving forward on ensuring the economic health and vitality of the Township's future.

#### *Long-term financial planning*

Pittsfield Township continues to refine and update its financial forecast model to address changes and trends identified. By seeing what potential outcomes are available, the Township can position itself to more adequately deal with its future.

#### *Relevant financial policies*

The Township has recently reviewed some of its financial policies and procedures and made changes to ensure that adequate controls are in place. The Township is constantly undergoing a review of its current water and sewer rates in order to develop a long-term rate track plan. The plan will help to ensure the financial stability of the water and sewer utilities. The Township is in the process of evaluating outstanding debt generated from utility capital improvement projects and exploring what potential savings can be recognized.

## *Major initiatives*

The Township was awarded a Stormwater, Asset Management, and Wastewater (SAW) Grant in the amount of \$1,263,416 from the Michigan Department of Environmental Quality (MDEQ). The purpose of this grant is to (1) collect information from our existing sanitary sewers, (2) perform a condition assessment, and (3) create a formal asset management plan for maintenance and replacement. The scope of this work will be completed though utilizing a closed caption television camera (CCTV) which will travel through approximately 70 miles of sewer pipe throughout the township. This work does not require any open cut/excavation of sewers. All sewers are accessed through existing manholes. The evaluation of the current system was completed in 2017 and a compiled conditional assessment report with a capital plan in place by the end of 2018.

The Township completed in 2017 the Sidewalk Gap Filling Project, Phase II, with Community Development Block Grant Funds (CDBG). In the effort to continue pedestrian connectivity, Pittsfield was awarded federal funding to fill in the missing sidewalk along the south side of Washtenaw Avenue between Dalton and Golfside. With this project now complete, Pittsfield Township has continuous sidewalk connectivity on the south side of Washtenaw from Carpenter Road to Golfside Road, which also defines the township's boundaries along Washtenaw Avenue. The total cost of this project was \$343,150.

After receipt of grant funds, the Township started design work in 2017 on the Platt-Textile Greenway (PTG) project. This project is the final link that will connect over six miles of existing greenways within Pittsfield Township. PTG will provide area residents with seamless non-motorized connectivity to nearly 600 acres of recreational, historic, and administration facilities. This pathway will consist of a ten foot wide pathway on the south side of Textile Rd. This project will be constructed, in 2018, in conjunction with a Michigan Department of Transportation (MDOT) funded project to pave Textile Road between Hines Drive and Michigan Avenue. The Township has received a Transportation Alternatives Program (TAP) grant in the amount of \$800,000 for the design and construction of PTG. The Township was also award a grant through the Washtenaw County Parks & Recreation Commission (WCPAC) in the amount of \$250,000 for this project with the remainder of the cost, \$387,500, to be funded by Township General Fund. The total estimated project cost is \$1,437,500.

### Awards and Acknowledgements

<http://pittsfield-mi.gov/awards>

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pittsfield Charter Township for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. This is the seventh consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Pittsfield Township was awarded in June 2017, a Gold Certification in the Michigan Green Communities Challenge for commitment to sustainability. Michigan communities were honored in the statewide Michigan Green Communities Challenge for commitment to sustainability projects, from green infrastructure improvements to renewable energy projects. Program benefits include creating a roadmap for sustainability initiatives; establishing benchmarks for your community's progress toward sustainability initiatives; and the motivation of comparing and competing with other Michigan communities.

Pittsfield Township has been named, in the Niche.com annual list of the Best Places to Live in 2017, as the 8th most desirable community in the State of Michigan. The best places to live ranking provides a comprehensive assessment of the overall livability of an area. This ranking takes into account several key factors of a location, including the quality of local schools, crime rates, housing trends, employment statistics and access to amenities in an attempt to measure the overall quality of an area.

In March 2016, Pittsfield Charter Township was ranked among the top 50 safest places to live in the State of Michigan, coming in at #40.

In 2017, Pittsfield Charter Township was once again, recognized for its successes and efforts in contributing to Michigan's entrepreneurial growth and economic development in the annual eCities study conducted by researchers at iLabs, the University of Michigan-Dearborn's Center for Innovation Research. The program uniquely researches factors that contribute to economic success at the local level. Pittsfield Charter Township was selected, for the third consecutive year, as one of a handful in the state, to receive the highest designation of being a 5-star Best Practices Community for clearly identifying and implementing a vision to foster economic success, including articulating a placemaking strategy.

The Southeast Michigan Council of Governments (SEMCOG) selected Pittsfield Charter Township to receive the Sustainable Community Leader Award at the gold level in December 2014. Pittsfield is the first community in Washtenaw County and the 14th in southeast Michigan to receive this award and distinction. This award recognizes SEMCOG member communities that are incorporating sustainable practices.

For local governments, sustainability is about achieving economic prosperity while protecting the environment and providing a high quality of life for resident. SEMCOG supported initiatives help local governments achieve and maintain sustainability along economic, fiscal, environmental, placemaking, and accessibility parameters.

In addition, Pittsfield Township Parks and Recreation received its third Marketing Award for Best Single Brochure for Fall 2012 and Winter 2013 from the Michigan Recreation and Park Association (MRPA) on March 1, 2013.

The MRPA honors exemplary parks and recreation professionals and citizen advocates through the Association's annual awards. Honorees embody the core values of the profession, demonstrate the highest level of performance in their job duties and maintain a tremendous commitment to MRPA and its membership. Marketing Awards honor outstanding promotional activities of members and agencies, recognizing single and special brochures, web sites, integrated marketing campaigns, videos and media advocates.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the governing township board for its unfailing support for maintaining the highest standards of professionalism in the management of Pittsfield Charter Township's finances.

Respectfully submitted,

*Signature not included for security purposes*

Mandy Grewal, Ph.D.  
Township Supervisor

Tracy Watkins  
Finance Director

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**Pittsfield Charter Township  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morrell*

Executive Director/CEO



# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## LIST OF ELECTED AND APPOINTED OFFICERS

For the Year Ended December 31, 2017

### Elected Officials

Mandy Grewal, Township Supervisor  
Michelle Anzaldi, Clerk  
Patricia Tupacz Scribner, Treasurer  
Linda Edwards-Brown, Trustee  
Gerald Krone, Trustee  
Yameen Jaffer, Trustee  
George Ralph, Trustee

### Appointed Officials

Lyn Sebestyen, Deputy Clerk  
Orna Angus, Deputy Treasurer

### Administration

Matthew Harshberger, Public Safety Director  
Craig Lyons, Utilities and Municipal Services Director  
Patricia Denig, Human Resources Director  
Tracy Watkins, Finance Director  
Kurt Weiland, Building Director  
Barbara McDermott, Assessor  
John Adams, Information Technology Director  
Phillip Biscorner, Parks and Recreation Director

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## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

April 30, 2018

To the Board of Trustees  
Pittsfield Charter Township  
Ann Arbor, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of *Pittsfield Charter Township, Michigan* (the "Township"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2017, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefits plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements and schedules, the introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Rehmann Lohman LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

As management of Pittsfield Charter Township, Michigan (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

· Total net position	\$71,861,622
· Change in total net position	1,443,412
· Fund balances, governmental funds	9,638,659
· Change in fund balances, governmental funds	(769,966)
· Unassigned fund balance, general fund	3,532,873
· Change in fund balance, general fund	(296,114)
· Bonded debt outstanding	7,211,080
· Change in bonded debt	(1,200,000)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remaining amount reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, planning and zoning, and culture and recreation. The business-type activities of the Township are water and sewer.

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate entity for which the Township is financially accountable. Financial information for the Economic Development Corporation component unit is reported separately from the financial information presented for the primary government itself.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, public safety special revenue fund, and the Michigan Avenue East debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The combining statements referred to earlier in connection with nonmajor and fiduciary funds are presented immediately following the required supplementary information.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided for these funds to demonstrate compliance with the budgets.

**Proprietary Funds.** The Township has two types of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Township uses an enterprise fund to account for its combined water and sewer operations, which is considered to be a major fund of the Township. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. The Township uses an internal service fund to account for its insurance. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis and schedules concerning the Township's progress in funding its obligation to provide pension and other postemployment benefits to certain employees.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Pittsfield Charter Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71,861,622 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2017 as compared to the prior fiscal year):

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other assets	\$13,947,334	\$13,877,071	\$13,535,049	\$12,482,930	\$27,482,383	\$26,360,001
Capital assets, net	32,160,625	32,341,215	33,216,611	34,057,948	65,377,236	66,399,163
<b>Total assets</b>	<b>46,107,959</b>	<b>46,218,286</b>	<b>46,751,660</b>	<b>46,540,878</b>	<b>92,859,619</b>	<b>92,759,164</b>
<b>Deferred outflows of resources</b>						
Deferred pension amount	2,182,733	2,724,266	191,868	255,028	2,374,601	2,979,294
Deferred loss on refunding	-	13,153	84,279	94,194	84,279	107,347
<b>Total deferred outflows of resources</b>	<b>2,182,733</b>	<b>2,737,419</b>	<b>276,147</b>	<b>349,222</b>	<b>2,458,880</b>	<b>3,086,641</b>
<b>Liabilities</b>						
Other liabilities	1,925,667	1,807,201	1,354,669	1,292,559	3,280,336	3,099,760
Long-term liabilities	2,508,179	3,146,136	7,307,978	7,915,706	9,816,157	11,061,842
Net pension liability	8,222,196	9,818,764	722,752	919,167	8,944,948	10,737,931
<b>Total liabilities</b>	<b>12,656,042</b>	<b>14,772,101</b>	<b>9,385,399</b>	<b>10,127,432</b>	<b>22,041,441</b>	<b>24,899,533</b>
<b>Deferred inflows of resources</b>						
Deferred pension amounts	1,301,069	482,860	114,367	45,202	1,415,436	528,062
<b>Net position</b>						
Net investment in capital assets	32,160,625	31,723,059	26,089,810	26,246,868	58,250,435	57,969,927
Restricted	4,237,293	4,493,097	-	-	4,237,293	4,493,097
Unrestricted (deficit)	(2,064,337)	(2,515,412)	11,438,231	10,470,598	9,373,894	7,955,186
<b>Total net position</b>	<b>\$34,333,581</b>	<b>\$33,700,744</b>	<b>\$37,528,041</b>	<b>\$36,717,466</b>	<b>\$71,861,622</b>	<b>\$70,418,210</b>

The largest portion of the Township's net position (81.1% or \$58,250,435) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure) less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

An additional portion of the Township's net position (5.9% or \$4,237,293) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (13.0% or \$9,373,894) may be used to meet the government's ongoing obligations. The Township's total net position increased approximately 2.0% from the prior year, remaining relatively consistent with the prior year.

Governmental activities revenues increased slightly, by approximately 4.8% from the prior year, remaining relatively consistent. Governmental expenses increased by approximately 9.9% from the prior year, largely due to the increase in general government expenses.

Business-type activities revenues increased by \$661,636 from the prior year. This increase is largely due to the water and sewer rates increasing on January 17, 2017 and again on November 13, 2017.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 5,989,538	\$ 5,644,834	\$ 13,478,573	\$ 13,257,931	\$ 19,468,111	\$ 18,902,765
Grants/contributions:						
Operating	354,501	166,295	-	-	354,501	166,295
Capital	78,878	27,601	577,346	169,968	656,224	197,569
General revenues:						
Property taxes	11,722,320	11,516,766	-	-	11,722,320	11,516,766
State shared revenue	2,963,638	2,739,040	-	-	2,963,638	2,739,040
Unrestricted investment earnings	64,915	61,348	29,479	28,047	94,394	89,395
Gain on sale of capital assets	-	11,618	32,184	-	32,184	11,618
<b>Total revenues</b>	<b>21,173,790</b>	<b>20,167,502</b>	<b>14,117,582</b>	<b>13,455,946</b>	<b>35,291,372</b>	<b>33,623,448</b>
<b>Expenses</b>						
General government	3,873,204	1,866,037	-	-	3,873,204	1,866,037
Public safety	11,100,671	11,105,474	-	-	11,100,671	11,105,474
Public works	3,669,446	3,682,229	-	-	3,669,446	3,682,229
Planning and zoning	545,261	679,520	-	-	545,261	679,520
Parks and recreation	1,315,306	1,215,857	-	-	1,315,306	1,215,857
Interest on debt	41,477	121,904	-	-	41,477	121,904
Water and sewer	-	-	13,302,595	12,979,953	13,302,595	12,979,953
<b>Total expenses</b>	<b>20,545,365</b>	<b>18,671,021</b>	<b>13,302,595</b>	<b>12,979,953</b>	<b>33,847,960</b>	<b>31,650,974</b>
Change in net position, before transfers	628,425	1,496,481	814,987	475,993	1,443,412	1,972,474
Transfers	4,412	(230,000)	(4,412)	230,000	-	-
Change in net position	632,837	1,266,481	810,575	705,993	1,443,412	1,972,474
Net position:						
Beginning of year	33,700,744	32,434,263	36,717,466	36,011,473	70,418,210	68,445,736
End of year	\$34,333,581	\$33,700,744	\$37,528,041	\$36,717,466	\$71,861,622	\$70,418,210

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

### Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,638,659, a decrease of \$769,966 from the prior year. Approximately 36.7% of this total amount (or \$3,532,873) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or committed to indicate that it is not available for new spending.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance of the general fund was \$5,304,218, of which \$3,532,873 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 46.1% of total general fund expenditures. Overall, the fund balance of the general fund decreased by \$296,114 for the year, yet still resulting in a final favorable budget variance of \$1,252,440.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenues increased approximately 6.1% compared to the prior fiscal year. Most of the general fund revenues are provided by property tax collections, which were higher by 1.8% compared to last fiscal year. State shared revenue increased approximately 8.2% from the previous year.
- The Township transferred \$5.5 million to the public safety fund to support its operations.

The public safety special revenue fund had an ending fund balance of \$1,140,964. This balance is a decrease from the previous year of \$852,285 due to contractual increases in personnel costs. The Township previously elected to maintain these operations under a single separate fund to accurately reflect the true total costs of the public safety department and account for the related special-voted property tax millage.

The Michigan Avenue East debt service fund is used to account for special assessment revenue and the repayment of principal and interest. The fund had expenditures of \$75,699 during the year that were financed by special assessments revenues and transfers in. The fund has \$952,173 of special assessments receivable at year end.

### General Fund Budgetary Highlights

The Township takes an active role in monitoring all departmental needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and still provide the essential services to the citizens of Pittsfield, allowing for favorable budgetary results.

## PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

### Management's Discussion and Analysis

Revenues were \$169,065 or 1.3% over the amended budget amounts. Contributing factors include intergovernmental and charges for services revenues were over the amended budget by \$131,512 and \$65,901, respectively. The intergovernmental revenues, particularly the state shared revenue, were more than the estimated amounts per the State of Michigan. Additionally, charges for services revenues, particularly zoning and planning fees, increased due to a slight increase in interest in building within the Township.

Expenditures were \$1,001,381 under the amended budget amounts. As part of this, general government expenditures were under budget by \$114,932. Some of the contributing factors were from elections (\$65,980), assessor (\$61,583), human resources and community development services (\$119,197), and information technology (\$58,309). The elections department budget was under due to a decrease in the number of elections held. The assessing department budget for legal services was under due to the majority of cases that arose during the year were settled without the use of outside legal counsel. The human resources and community development services budgeted for an assistant position (full-time with benefits), however a part-time assistant was hired instead. The information technology department budgeted for a additional part-time position that was not filled. Additionally, reimbursements, which carry a credit balance, were budgeted for \$865,000, however, actual was only \$545,728. This was due to a decrease in the Township's cost allocation charges.

Public works expenditures were under budget by \$230,483 for highways and streets. The Township anticipated a large number of road repairs with an increased cost, however, all projects came in under budget. The municipal services budget was under by \$105,925 due to planning administrator position (full-time with benefits) budgeted for but was not filled. Culture and recreation expenditures were under budget by \$164,514 for parks and recreation (\$150,681) and historical commission (\$13,833). The parks and recreation department has experienced a decline in participation in recreation programs during the year, which contributed to a reduction of operating costs. The historical commission planned for a number of projects during the year that were not accomplished as anticipated.

Other unallocated expenditures were under budget by \$60,536. Capital outlay expenditures were under budget by \$286,277. The Township planned to repave several parking lots and replace various capital assets, however, these projects have been reassigned to the 2018 budget year.

#### Capital Asset and Debt Administration

**Capital Assets.** At the end of fiscal 2017, the Township had \$65,377,236 invested in a broad range of net capital assets including land easements, construction in progress, buildings and improvements, infrastructure, and machinery and equipment.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and easements	\$24,078,168	\$24,078,168	\$ 510,118	\$ 510,118	\$24,588,286	\$24,588,286
Construction in progress	-	-	-	176,810	-	176,810
Buildings/improvements	1,527,025	1,788,038	411,369	443,013	1,938,394	2,231,051
Infrastructure	5,265,105	5,141,776	31,531,695	32,155,359	36,796,800	37,297,135
Machinery and equipment	1,290,327	1,333,233	763,429	772,648	2,053,756	2,105,881
<b>Total capital assets, net</b>	<b>\$32,160,625</b>	<b>\$32,341,215</b>	<b>\$33,216,611</b>	<b>\$34,057,948</b>	<b>\$65,377,236</b>	<b>\$66,399,163</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Management's Discussion and Analysis

Major capital asset events during the current fiscal year included:

- Purchase of a Hendrickson Mobile Equipment ("HME") fire vehicle to be used by the Fire Department
- Purchase of one new patrol vehicle to be used by the Public Safety Department
- Replacement of carpet floor in the Township Administrative Building
- Purchase of new election tabulators and laptops to be used by the Elections Department
- Purchase of a Michigan Caterpillar CT 660 dump truck to be used by the Utilities Department
- Purchase of a Michigan Caterpillar 311 Excavator HI-Flow machinery to be used by the Utilities Department

Additional information on the Township's capital asset activity may be found in Note 5 of the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the Township had total long-term debt (excluding compensated absences and unamortized premiums) outstanding of \$8,625,700, which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Installment obligations	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000
General obligation bonds	-	-	7,211,080	7,811,080	7,211,080	7,811,080
Special assessments debt w/ government commitment	1,414,620	1,517,442	-	-	1,414,620	1,517,442
<b>Total outstanding debt</b>	<b>\$ 1,414,620</b>	<b>\$ 2,117,442</b>	<b>\$ 7,211,080</b>	<b>\$ 7,811,080</b>	<b>\$ 8,625,700</b>	<b>\$ 9,928,522</b>

The Township has an AA+ rating from Standard & Poor's on its general obligation bonds.

Additional information on the Township's long-term debt activity can be found in Note 8 of the notes to the financial statements.

### Economic Factors and Next Year's Budget and Rates

The Township's expenditure budget for next fiscal year is \$525,000 lower than the current year amended budget which includes \$1,047,798 of fund balance that will be used for capital expenditures. Revenues are budgeted to be \$361,174 higher. This increase in the budget is due to the Township adopting the maximum millage levy allowed for fiscal year 2018. The Township is expecting a slow rebound in assessed property values and continues to seek cost savings and other grant funding sources. The Township's goal is to preserve jobs with no reduction in service levels.

### Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the Clerk's Office at (734) 822-3120.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
<b>Assets</b>				
Cash and cash equivalents	\$ 10,928,777	\$ 11,016,342	\$ 21,945,119	\$ 8,926
Receivables	2,250,234	2,196,237	4,446,471	-
Internal balances	(26,226)	26,226	-	-
Other assets	47,370	296,244	343,614	-
Capital assets not being depreciated	24,078,168	510,118	24,588,286	-
Capital assets being depreciated, net	8,082,457	32,706,493	40,788,950	-
Net other postemployment benefit asset	747,179	-	747,179	-
<b>Total assets</b>	<b>46,107,959</b>	<b>46,751,660</b>	<b>92,859,619</b>	<b>8,926</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	2,182,733	191,868	2,374,601	-
Deferred loss on refunding	-	84,279	84,279	-
<b>Total deferred outflows of resources</b>	<b>2,182,733</b>	<b>276,147</b>	<b>2,458,880</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	1,649,643	1,309,425	2,959,068	6,323
Accrued liabilities	214,315	45,244	259,559	-
Unearned revenue	61,709	-	61,709	-
Long-term liabilities:				
Due within one year	857,119	660,000	1,517,119	-
Due in more than one year	1,651,060	6,647,978	8,299,038	-
Net pension liability	8,222,196	722,752	8,944,948	-
<b>Total liabilities</b>	<b>12,656,042</b>	<b>9,385,399</b>	<b>22,041,441</b>	<b>6,323</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	1,301,069	114,367	1,415,436	-
<b>Net position</b>				
Net investment in capital assets	32,160,625	26,089,810	58,250,435	-
Restricted for:				
General government	282,272	-	282,272	-
Public safety	2,327,592	-	2,327,592	-
Public works	494,749	-	494,749	-
Culture and recreation	724,041	-	724,041	-
Debt service	208,822	-	208,822	-
Other governmental programs	199,817	-	199,817	-
Unrestricted (deficit)	(2,064,337)	11,438,231	9,373,894	2,603
<b>Total net position</b>	<b>\$ 34,333,581</b>	<b>\$ 37,528,041</b>	<b>\$ 71,861,622</b>	<b>\$ 2,603</b>

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 3,873,204	\$ 4,429,619	\$ 312,608	\$ -	\$ 869,023
Public safety	11,100,671	804,053	36,893	-	(10,259,725)
Public works	3,669,446	410,965	-	78,878	(3,179,603)
Planning and zoning	545,261	60,478	-	-	(484,783)
Culture and recreation	1,315,306	284,423	5,000	-	(1,025,883)
Interest on long-term debt	41,477	-	-	-	(41,477)
Total governmental activities	20,545,365	5,989,538	354,501	78,878	(14,122,448)
Business-type activities -					
Water and sewer	13,302,595	13,478,573	-	577,346	753,324
Total primary government	<u>\$ 33,847,960</u>	<u>\$ 19,468,111</u>	<u>\$ 354,501</u>	<u>\$ 656,224</u>	<u>\$ (13,369,124)</u>
Component unit					
Economic Development Corporation	<u>\$ 1,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,537)</u>

continued...

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (14,122,448)	\$ 753,324	\$ (13,369,124)	\$ (1,537)
General revenues:				
Property taxes	11,722,320	-	11,722,320	-
State shared revenue	2,963,638	-	2,963,638	-
Unrestricted investment earnings	64,915	29,479	94,394	-
Gain on sale of capital assets	-	32,184	32,184	-
Transfers	4,412	(4,412)	-	-
Total general revenues and transfers	14,755,285	57,251	14,812,536	-
Change in net position	632,837	810,575	1,443,412	(1,537)
Net position, beginning of year	33,700,744	36,717,466	70,418,210	4,140
Net position, end of year	\$ 34,333,581	\$ 37,528,041	\$ 71,861,622	\$ 2,603

concluded.

The accompanying notes are an integral part of these basic financial statements.

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## FUND FINANCIAL STATEMENTS

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Balance Sheet

Governmental Funds

December 31, 2017

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 5,864,833	\$ 1,443,830	\$ 148,629	\$ 2,727,546	\$ 10,184,838
Receivables:					
Accounts	520,630	105,701	-	523,735	1,150,066
Special assessments	-	-	952,173	147,995	1,100,168
Due from other funds	41,243	1,674	-	-	42,917
Prepaid items	15,853	31,076	-	441	47,370
<b>Total assets</b>	<b>\$ 6,442,559</b>	<b>\$ 1,582,281</b>	<b>\$ 1,100,802</b>	<b>\$ 3,399,717</b>	<b>\$ 12,525,359</b>
<b>Liabilities</b>					
Accounts payable	\$ 475,129	\$ 262,625	\$ -	\$ 162,352	\$ 900,106
Accrued liabilities	28,377	162,345	-	8,773	199,495
Due to other funds	-	-	-	21,317	21,317
Due to other governments	75,190	-	-	-	75,190
Escrow payable	514,283	-	-	14,432	528,715
Unearned revenue	45,362	16,347	-	-	61,709
<b>Total liabilities</b>	<b>1,138,341</b>	<b>441,317</b>	<b>-</b>	<b>206,874</b>	<b>1,786,532</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - special assessments	-	-	952,173	147,995	1,100,168
<b>Fund balances</b>					
Nonspendable - prepaid items	15,853	31,076	-	441	47,370
Restricted for:					
General government	-	-	-	282,272	282,272
Public safety	-	1,050,563	-	1,277,029	2,327,592
Public works	-	-	-	494,749	494,749
Culture and recreation	-	-	-	724,041	724,041
Debt service	-	-	148,629	60,193	208,822
Drug enforcement	-	31,733	-	-	31,733
Right-a-way	136,292	-	-	-	136,292
Police/Dispatch training grants	-	23,269	-	-	23,269
Donations	4,200	4,323	-	-	8,523
Committed for:					
Capital projects	650,000	-	-	206,123	856,123
Budget stabilization	965,000	-	-	-	965,000
Unassigned	3,532,873	-	-	-	3,532,873
<b>Total fund balances</b>	<b>5,304,218</b>	<b>1,140,964</b>	<b>148,629</b>	<b>3,044,848</b>	<b>9,638,659</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,442,559</b>	<b>\$ 1,582,281</b>	<b>\$ 1,100,802</b>	<b>\$ 3,399,717</b>	<b>\$ 12,525,359</b>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds to Net Position of  
Governmental Activities  
December 31, 2017

Fund balances - total governmental funds	\$ 9,638,659
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets not being depreciated	24,078,168
Capital assets being depreciated, net	8,082,457
Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental internal service funds	588,376
Portion of internal service funds net position attributed to business-type funds	(47,826)
Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds.	
	1,100,168
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, installment contracts and special assessments payable	(1,414,620)
Unamortized premium on refunding bonds	(26,896)
Accrued interest on bonds and installment contracts payable	(4,889)
Compensated absences	(1,066,663)
Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(8,222,196)
Deferred outflows related to the net pension liability	2,182,733
Deferred inflows related to the net pension liability	(1,301,069)
Net other postemployment benefit asset	747,179
Net position of governmental activities	<u>\$ 34,333,581</u>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2017

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes and special assessments	\$ 7,494,824	\$ 3,501,218	\$ 74,851	\$ 922,110	\$ 11,993,003
Licenses and permits	154,779	36,531	-	789,457	980,767
Intergovernmental	3,259,512	36,879	-	4,750	3,301,141
Charges for services	1,550,701	26,166	-	1,909,300	3,486,167
Fines and forfeitures	1,960	128,882	-	-	130,842
Franchise fees	566,779	-	-	-	566,779
Interest income	52,975	8,073	210	3,657	64,915
Donations	15,500	1,500	-	-	17,000
Other revenues	58,009	27,473	-	33,890	119,372
<b>Total revenues</b>	<b>13,155,039</b>	<b>3,766,722</b>	<b>75,061</b>	<b>3,663,164</b>	<b>20,659,986</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	2,810,817	-	-	2,640	2,813,457
Public safety	130,450	9,563,718	-	1,029,531	10,723,699
Public works	1,993,867	-	-	1,534,024	3,527,891
Planning and zoning	540,489	-	-	-	540,489
Culture and recreation	1,298,955	-	-	40,390	1,339,345
Other unallocated	369,314	-	-	50,779	420,093
<b>Debt service:</b>					
Principal	-	-	50,000	652,822	702,822
Interest and fiscal charges	-	-	25,699	11,470	37,169
Capital outlay	515,123	555,289	-	258,987	1,329,399
<b>Total expenditures</b>	<b>7,659,015</b>	<b>10,119,007</b>	<b>75,699</b>	<b>3,580,643</b>	<b>21,434,364</b>
<b>Revenues over (under) expenditures</b>	<b>5,496,024</b>	<b>(6,352,285)</b>	<b>(638)</b>	<b>82,521</b>	<b>(774,378)</b>
<b>Other financing sources (uses)</b>					
Transfers in	87,203	5,500,000	37,850	341,491	5,966,544
Transfers out	(5,879,341)	-	-	(82,791)	(5,962,132)
<b>Total other financing sources (uses)</b>	<b>(5,792,138)</b>	<b>5,500,000</b>	<b>37,850</b>	<b>258,700</b>	<b>4,412</b>
<b>Net change in fund balances</b>	<b>(296,114)</b>	<b>(852,285)</b>	<b>37,212</b>	<b>341,221</b>	<b>(769,966)</b>
<b>Fund balances, beginning of year</b>	<b>5,600,332</b>	<b>1,993,249</b>	<b>111,417</b>	<b>2,703,627</b>	<b>10,408,625</b>
<b>Fund balances, end of year</b>	<b>\$ 5,304,218</b>	<b>\$ 1,140,964</b>	<b>\$ 148,629</b>	<b>\$ 3,044,848</b>	<b>\$ 9,638,659</b>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Reconciliation

Net Change in Fund Balances of Governmental Funds to  
Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$ (769,966)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Collection of special assessments levied in the prior years provides current financial gain in the funds, but do not affect net position.	(178,628)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	828,383
Depreciation expense	(1,008,973)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	702,822
Accrued interest expense on bonds and the amortization of bond premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.	
Change in accrued interest payable on bonds	4,432
Amortization of premium	4,413
Amortization of deferred loss on refunding	(13,153)
Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The net revenues (expense) attributable to those funds is reported with governmental activities.	
Net operating gain from governmental activities in internal service funds	583,671
Interest expense from governmental internal service fund	640
Internal service fund change in net position accounted for in business-type activities	(47,476)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in the net pension liability and related deferred amounts	236,826
Change in net other postemployment benefit asset	359,124
Change in the accrual for compensated absences	(69,278)
Change in net position of governmental activities	<u>\$ 632,837</u>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ 7,521,174	\$ 7,521,174	\$ 7,494,824	\$ (26,350)
Licenses and permits	102,800	102,800	154,779	51,979
Intergovernmental	2,768,000	3,128,000	3,259,512	131,512
Charges for services	1,484,800	1,484,800	1,550,701	65,901
Fines and forfeitures	10,000	10,000	1,960	(8,040)
Franchise fees	575,000	575,000	566,779	(8,221)
Interest income	45,000	45,000	52,975	7,975
Donations	-	15,000	15,500	500
Other revenues	104,200	104,200	58,009	(46,191)
<b>Total revenues</b>	<b>12,610,974</b>	<b>12,985,974</b>	<b>13,155,039</b>	<b>169,065</b>
<b>Expenditures</b>				
<b>General government:</b>				
Township board	72,050	72,050	64,819	(7,231)
Township supervisor	190,384	211,084	210,535	(549)
Elections	229,785	220,935	154,955	(65,980)
Finance	357,000	357,000	334,645	(22,355)
Assessor	502,433	502,433	440,850	(61,583)
Township clerk	396,050	393,050	365,642	(27,408)
Human resources / community development	675,403	675,403	556,206	(119,197)
Board of review	4,325	4,325	3,232	(1,093)
Administrative	60,000	54,000	33,223	(20,777)
Professional services	135,000	182,200	180,882	(1,318)
Township treasurer	469,419	482,419	472,042	(10,377)
Information technology	424,950	428,950	370,641	(58,309)
Building and grounds	199,100	206,900	168,873	(38,027)
Less: reimbursements	(865,000)	(865,000)	(545,728)	319,272
<b>Total general government</b>	<b>2,850,899</b>	<b>2,925,749</b>	<b>2,810,817</b>	<b>(114,932)</b>
<b>Public safety -</b>				
Property maintenance inspections	169,164	169,164	130,450	(38,714)
<b>Public works -</b>				
Highways, streets and drains	2,115,000	2,224,350	1,993,867	(230,483)

continued...

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Planning and zoning -				
Municipal services	\$ 636,414	\$ 646,414	\$ 540,489	\$ (105,925)
Culture and recreation:				
Parks and recreation	1,419,939	1,444,939	1,294,258	(150,681)
Historical commission	18,530	18,530	4,697	(13,833)
Total culture and recreation	1,438,469	1,463,469	1,298,955	(164,514)
Other unallocated	740,000	429,850	369,314	(60,536)
Capital outlay	510,000	801,400	515,123	(286,277)
<b>Total expenditures</b>	<b>8,459,946</b>	<b>8,660,396</b>	<b>7,659,015</b>	<b>(1,001,381)</b>
Revenues over expenditures	4,151,028	4,325,578	5,496,024	1,170,446
Other financing sources (uses)				
Transfers in	-	-	87,203	87,203
Transfers out	(5,560,000)	(5,884,550)	(5,879,341)	(5,209)
<b>Total other financing uses</b>	<b>(5,560,000)</b>	<b>(5,884,550)</b>	<b>(5,792,138)</b>	<b>92,412</b>
<b>Net change in fund balances</b>	<b>(1,408,972)</b>	<b>(1,558,972)</b>	<b>(296,114)</b>	<b>1,262,858</b>
Fund balances, beginning of year	5,600,332	5,600,332	5,600,332	-
<b>Fund balances, end of year</b>	<b>\$ 4,191,360</b>	<b>\$ 4,041,360</b>	<b>\$ 5,304,218</b>	<b>\$ 1,262,858</b>

concluded.

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ 3,488,513	\$ 3,488,513	\$ 3,501,218	\$ 12,705
Licenses and permits	37,000	37,000	36,531	(469)
Intergovernmental	37,000	372,651	36,879	(335,772)
Charges for services	30,300	30,300	26,166	(4,134)
Fines and forfeitures	145,000	145,000	128,882	(16,118)
Interest income	10,000	10,000	8,073	(1,927)
Donations	500	500	1,500	1,000
Other revenue	48,000	48,000	27,473	(20,527)
<b>Total revenues</b>	<b>3,796,313</b>	<b>4,131,964</b>	<b>3,766,722</b>	<b>(365,242)</b>
<b>Expenditures</b>				
Public safety	10,262,355	10,226,255	9,563,718	(662,537)
Capital outlay	216,500	588,251	555,289	(32,962)
<b>Total expenditures</b>	<b>10,478,855</b>	<b>10,814,506</b>	<b>10,119,007</b>	<b>(695,499)</b>
Revenues under expenditures	(6,682,542)	(6,682,542)	(6,352,285)	330,257
<b>Other financing sources</b>				
Transfers in	5,500,000	5,500,000	5,500,000	-
<b>Net change in fund balances</b>	<b>(1,182,542)</b>	<b>(1,182,542)</b>	<b>(852,285)</b>	<b>330,257</b>
Fund balances, beginning of year	1,993,249	1,993,249	1,993,249	-
<b>Fund balances, end of year</b>	<b>\$ 810,707</b>	<b>\$ 810,707</b>	<b>\$ 1,140,964</b>	<b>\$ 330,257</b>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Net Position

Proprietary Funds  
December 31, 2017

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 11,016,342	\$ 743,939
Accounts receivable	2,196,237	-
Due from other funds	19,643	-
Inventory	284,916	-
Prepaid items	11,328	-
Total current assets	<u>13,528,466</u>	<u>743,939</u>
Noncurrent assets:		
Capital assets not being depreciated	510,118	-
Capital assets being depreciated, net	32,706,493	-
Total noncurrent assets	<u>33,216,611</u>	<u>-</u>
Total assets	<u>46,745,077</u>	<u>743,939</u>
Deferred outflows of resources		
Deferred pension amounts	191,868	-
Deferred loss on refunding	84,279	-
Total deferred outflows of resources	<u>276,147</u>	<u>-</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	1,107,926	145,632
Accrued liabilities	12,568	9,931
Accrued interest	32,676	-
Escrow payable	201,499	-
Due to other funds	41,243	-
Compensated absences, current portion	50,000	-
Bonds payable, current portion	610,000	-
Total current liabilities	<u>2,055,912</u>	<u>155,563</u>

continued...

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Net Position

Proprietary Funds  
December 31, 2017

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Liabilities (concluded)		
Noncurrent liabilities:		
Net pension liability	722,752	-
Compensated absences, net of current portion	46,898	-
Bonds payable, net of current portion	6,601,080	-
Total noncurrent liabilities	<u>7,370,730</u>	<u>-</u>
 Total liabilities	 <u>9,426,642</u>	 <u>155,563</u>
 Deferred inflows of resources		
Deferred pension amounts	<u>114,367</u>	<u>-</u>
 Net position		
Net investment in capital assets	26,089,810	-
Unrestricted	<u>11,390,405</u>	<u>588,376</u>
 Total net position	 <u>\$ 37,480,215</u>	 <u>\$ 588,376</u>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Reconciliation

Net Position of Enterprise Funds  
to Net Position of Business-type Activities  
December 31, 2017

Net position - enterprise fund \$ 37,480,215

Amounts reported for *business-type activities* in the statement of net position  
are different because:

Internal service funds are used by management to charge the costs of certain services  
to individual governmental and enterprise funds. The net revenues (expense) of  
the internal service funds are allocated to governmental and business-type activities.

Portion of internal service fund cumulative net operating income  
attributed to enterprise fund.

47,826

Net position of business-type activities

\$ 37,528,041

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Operating revenues		
Charges for services	\$ 13,442,606	\$ 2,238,605
Other	1,663	-
<b>Total operating revenues</b>	<b>13,444,269</b>	<b>2,238,605</b>
Operating expenses		
Personal services	1,119,435	-
Materials and supplies	9,207,915	-
Contractual	582,890	-
Insurance	38,625	-
Maintenance	232,414	-
Benefits and insurance premiums	-	1,654,934
Other expense	536,772	-
Depreciation	1,420,238	-
<b>Total operating expenses</b>	<b>13,138,289</b>	<b>1,654,934</b>
Operating income	305,980	583,671
Nonoperating revenues (expenses)		
Interest income	29,479	640
Gain on sale of capital assets	32,184	-
Interest expense and fees	(177,478)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(115,815)</b>	<b>640</b>
Income before contributions and transfers	190,165	584,311
Capital contributions - tap fees and other	577,346	-
Transfers out	(4,412)	-
Change in net position	763,099	584,311
Net position, beginning of year	36,717,116	4,065
<b>Net position, end of year</b>	<b>\$ 37,480,215</b>	<b>\$ 588,376</b>

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Reconciliation

Change in Net Position of Enterprise Funds  
to Change in Net Position of Business-type Activities  
For the Year Ended December 31, 2017

Change in net position - enterprise fund \$ 763,099

Amounts reported for *business-type activities* in the statement of activities  
are different because:

Internal service funds are used by management to charge the costs of certain services  
to individual governmental and enterprise funds. The current year net operating gain of  
the internal service fund is allocated to governmental and business-type activities.

47,476

Change in net position of business-type activities \$ 810,575

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Cash flows from operating activities		
Receipts from customers and users	\$ 13,012,162	\$ -
Receipts from interfund services	-	2,246,594
Payments to suppliers	(10,613,220)	(1,503,295)
Payments to employees	(1,127,949)	-
	<u>1,270,993</u>	<u>743,299</u>
Net cash provided by operating activities		
Cash flows used in noncapital financing activities		
Transfers out	(4,412)	-
	<u>(4,412)</u>	<u>-</u>
Cash flows from capital and related financing activities		
Principal paid on debt	(600,000)	-
Interest paid on debt	(170,125)	-
Purchase of capital assets	(610,357)	-
Proceeds from sale of capital assets	63,640	-
Cash contributions for tap fees	577,346	-
	<u>(739,496)</u>	<u>-</u>
Net cash used in capital and related financing activities		
Cash flows provided by investing activities		
Interest income received	29,479	640
	<u>29,479</u>	<u>640</u>
Change in cash and cash equivalents	556,564	743,939
Cash and cash equivalents, beginning of year	<u>10,459,778</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 11,016,342</u>	<u>\$ 743,939</u>

continued...

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Cash flows from operating activities		
Operating income	\$ 305,980	\$ 583,671
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,420,238	-
Change in:		
Accounts receivable	(432,107)	7,989
Due from other funds	(18,397)	-
Inventory	(28,930)	-
Prepaid items	(8,848)	107,792
Accounts payable	41,078	145,632
Accrued liabilities	(786)	(101,785)
Escrow payable	24,380	-
Due to other funds	40,203	-
Net pension liability and deferred amounts	(64,090)	-
Compensated absences	(7,728)	-
Net cash provided by operating activities	<u>\$ 1,270,993</u>	<u>\$ 743,299</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statement of Fiduciary Assets and Liabilities

Agency Funds  
December 31, 2017

### Assets

Cash and cash equivalents	\$ 13,755,488
Due from other governments	<u>335</u>

Total assets	<u><u>\$ 13,755,823</u></u>
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### Liabilities

Undistributed receipts	<u><u>\$ 13,755,823</u></u>
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The accompanying notes are an integral part of these basic financial statements.

## NOTES TO FINANCIAL STATEMENTS

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, Washtenaw County, Michigan (the "Township") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

#### *Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, if any, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

#### *Discretely Presented Component Unit*

Pittsfield Township Economic Development Corporation (the "EDC") - The EDC, established pursuant to State statutes, was formed to assist economic activity in the Township, primarily through the issuance of tax-exempt bonds. The Township has no obligation to fund deficits of the EDC nor does it guarantee its debt. Members of the EDC's Board of Directors are appointed by the Township's Board of Trustees. Although the EDC does not otherwise meet the criteria for inclusion, the Township has determined that its exclusion would render the financial statements misleading. Separate financial statements are not issued for the EDC. Instead, the activities of the EDC are presented in the statements of net position and activities (and no adjustments are required for this accrual basis presentation).

#### *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the *direct expenses* of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the respective fund financial statements.

### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *public safety special revenue fund* accounts for the public safety millage revenue and related expenditures.

The *Michigan Avenue East debt service fund* accounts for the resources accumulated and payments made for principal and interest on the Michigan Avenue East drain assessment debt.

The government reports the following major proprietary fund:

The *water and sewer enterprise fund* accounts for the activities of the water distribution and the sewage disposal and treatment system, which are financed primarily by user charges.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *internal service fund* accounts for the self-insurance services provided to other departments or funds on a cost reimbursement basis.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity*

#### *Deposits and Investments*

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds, if any, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

### *Inventory and Prepaid Items*

Inventory is valued at cost, which approximates market, using the first in/first out method. The costs of governmental fund type inventory is primarily recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit future periods are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

### *Capital Assets*

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (e.g., roads, bridges, drains and similar items), with an initial cost greater than \$5,000, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight-line method over the useful lives of the assets as follows:

Asset	Years
Buildings and improvements	15-30
Infrastructure	15-50
Machinery and equipment	5-20

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Township has two items that qualifies for reporting in this category, reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Township also reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plans.

### *Compensated Absences*

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due. The compensated absences balance related to the governmental funds is a liability recorded in the statement of net position.

### *Long-term Obligations*

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. First, the governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the Township reports deferred inflows of resources related to pension amounts.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### *Fund Equity and Net Position Flow Assumption*

Governmental funds report *nonspendable* fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted* fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed* fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township may report *assigned* fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed; however, the Board of Trustees has not yet authorized anyone to assign fund balance. *Unassigned* fund balance is the residual classification for the general fund or deficit fund balances in other funds, of which there are none.

The Township Board of Trustees has established a budget stabilization policy whose goal is to keep a reserve not to exceed either 15 percent of the General Fund operating budget or 15 percent of the average of the municipality's five most recent General Fund operating budgets, whichever is less. If the Budget Stabilization balance exceeds the maximum, the excess money shall be appropriated in the Township's next General Fund operating budget, but shall not be appropriated to the fund. As of December 31, 2017, the balance in the stabilization arrangement was \$965,000, which is reported in the General Fund within committed fund balance.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amount to restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## 2. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. Public hearings are conducted in September and October to obtain citizen comment. Prior to December 15 of each year, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. A budget is legally enacted by the Township Board through the passage of a budget resolution on or before December 15. Line item budgets are adopted for internal financial management; however, the legal level of control for the budgets is at the departmental basis. Formal budgetary integration is employed as a management control device for the general and special revenue funds; budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposits and investments as of December 31, 2017:

	Primary Government	Component Unit	Totals
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 21,945,119	\$ 8,926	\$ 21,954,045
<b>Statement of Fiduciary Assets and Liabilities</b>			
Cash and cash equivalents	13,755,488	-	13,755,488
<b>Total</b>	<b>\$ 35,700,607</b>	<b>\$ 8,926</b>	<b>\$ 35,709,533</b>
<b>Deposits and investments</b>			
Bank deposits (checking, savings and certificates of deposit)			\$ 18,104,233
Collateralized sweep accounts			17,604,600
Cash on hand			700
<b>Total</b>			<b>\$ 35,709,533</b>

*Custodial Credit Risk - Deposits.* Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the Township does not have a policy for deposit custodial credit risk.

At year-end, \$8,143,504 of the combined bank balance of \$26,188,377 of deposits and collateralized sweep accounts (total book balance of \$35,708,833) was exposed to custodial credit risk as it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

### 4. RECEIVABLES

Receivables are comprised of the following at year end:

	Governmental Activities	Business-type Activities
Accounts receivable	\$ 1,150,066	\$ 2,196,237
Special assessments	1,100,168	-
	<u>\$ 2,250,234</u>	<u>\$ 2,196,237</u>
Amount not expected to be collected within one year	<u>\$ 982,761</u>	<u>\$ -</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 5. CAPITAL ASSETS

#### Primary government

Capital asset activity for the primary government for the year ended December 31, 2017, was as follows:

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Governmental activities					
Capital assets					
not being depreciated:					
Land and easements	\$ 24,078,168	\$ -	\$ -	\$ -	\$ 24,078,168
Capital assets being depreciated:					
Buildings and improvements	6,160,488	-	-	-	6,160,488
Infrastructure	16,011,714	-	385,842	-	16,397,556
Machinery and equipment	8,699,955	-	442,541	(56,758)	9,085,738
	<u>30,872,157</u>	<u>-</u>	<u>828,383</u>	<u>(56,758)</u>	<u>31,643,782</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,372,450)	-	(261,013)	-	(4,633,463)
Infrastructure	(10,869,938)	-	(262,513)	-	(11,132,451)
Machinery and equipment	(7,366,722)	-	(485,447)	56,758	(7,795,411)
	<u>(22,609,110)</u>	<u>-</u>	<u>(1,008,973)</u>	<u>56,758</u>	<u>(23,561,325)</u>
Total capital assets being depreciated, net	<u>8,263,047</u>	<u>-</u>	<u>(180,590)</u>	<u>-</u>	<u>8,082,457</u>
Governmental activities capital assets, net	<u>\$ 32,341,215</u>	<u>\$ -</u>	<u>\$ (180,590)</u>	<u>\$ -</u>	<u>\$ 32,160,625</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 431,216
Public safety	443,523
Public works	21,684
Planning and zoning	90,776
Parks and recreation	21,774
	<u>21,774</u>
Total depreciation expense	<u>\$ 1,008,973</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 510,118	\$ -	\$ -	\$ -	\$ 510,118
Construction in progress	176,810	(569,379)	392,569	-	-
	<u>686,928</u>	<u>(569,379)</u>	<u>392,569</u>	<u>-</u>	<u>510,118</u>
Capital assets being depreciated:					
Infrastructure	54,672,080	569,379	-	-	55,241,459
Buildings	949,314	-	-	-	949,314
Machinery and equipment	2,138,518	-	217,788	(297,800)	2,058,506
	<u>57,759,912</u>	<u>569,379</u>	<u>217,788</u>	<u>(297,800)</u>	<u>58,249,279</u>
Less accumulated depreciation for:					
Infrastructure	(22,516,721)	-	(1,193,043)	-	(23,709,764)
Buildings	(506,301)	-	(31,644)	-	(537,945)
Machinery and equipment	(1,365,870)	-	(195,551)	266,344	(1,295,077)
	<u>(24,388,892)</u>	<u>-</u>	<u>(1,420,238)</u>	<u>266,344</u>	<u>(25,542,786)</u>
Total capital assets being depreciated, net	<u>33,371,020</u>	<u>569,379</u>	<u>(1,202,450)</u>	<u>(31,456)</u>	<u>32,706,493</u>
Business-type activities capital assets, net	<u>\$ 34,057,948</u>	<u>\$ -</u>	<u>\$ (809,881)</u>	<u>\$ (31,456)</u>	<u>\$ 33,216,611</u>

## 6. PAYABLES

Payables are comprised of the following at year end:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 1,045,738	\$ 1,107,926	\$ 6,323
Due to other governments	75,190	-	-
Escrow payable	528,715	201,499	-
	<u>\$ 1,649,643</u>	<u>\$ 1,309,425</u>	<u>\$ 6,323</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2017, amounts due from and due to other funds were as follows:

Receivable funds	Payable Funds		
	Nonmajor Governmental	Water and Sewer	Totals
General	\$ -	\$ 41,243	\$ 41,243
Public safety	1,674	-	1,674
Water and sewer	19,643	-	19,643
	<u>\$ 21,317</u>	<u>\$ 41,243</u>	<u>\$ 62,560</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Interfund receivables and payables represent routine and temporary cash flow assistance.

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

Transfers Out	Transfers In				
	General	Public Safety	Michigan Avenue East	Nonmajor Governmental	Totals
General	\$ -	\$ 5,500,000	\$ 37,850	\$ 341,491	\$ 5,879,341
Nonmajor governmental	82,791	-	-	-	82,791
Water and sewer	4,412	-	-	-	4,412
	<u>\$ 87,203</u>	<u>\$ 5,500,000</u>	<u>\$ 37,850</u>	<u>\$ 341,491</u>	<u>\$ 5,966,544</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 8. LONG-TERM DEBT

Special assessment debt with government commitment. The government has been assessed for its at-large share of certain drainage district project costs, payable over a multiyear period with interest at 1.625% to 5.0%. Special assessment debt with government commitment, for which debt proceeds are received and expended by the Washtenaw County Drain Commission (and the resulting infrastructure capital asset is its property), currently outstanding is as follows:

\$2,180,000 2006 Mallets Creek Serial Bonds due in annual installments of \$19,878 to \$23,664 through 2026, interest 1.625%. The Township's share of the bond is \$412,706 or 17.86% and Washtenaw County's share of the bond is \$1,767,294 or 82.14%.	\$ 169,620
\$1,340,000 2016 Refunding of Michigan Avenue East Serial Bonds due in annual installments of \$85,000 to \$125,000 through 2029, interest at 2.00% to 3.00%.	<u>1,245,000</u>
Total drain assessment bonds payable	<u><u>\$ 1,414,620</u></u>

Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2018	\$ 104,878	\$ 27,106
2019	109,878	25,033
2020	114,879	22,855
2021	120,825	20,587
2022	121,771	18,249
2023-2027	612,389	54,456
2028-2029	<u>230,000</u>	<u>5,150</u>
	<u><u>\$ 1,414,620</u></u>	<u><u>\$ 173,436</u></u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

General obligation bonds - business-type activities. The government issues general obligation bonds to provide funds for the acquisition and construction of major water and sewer system capital infrastructure. The original amount of the outstanding general obligation bonds was \$9,484,650.

General obligation bonds currently outstanding are as follows:

\$4,630,000 2016 Refunding of the 2004 Capital Improvement Serial Bonds due in annual installments of \$405,000 to \$525,000 through 2026, interest at 1.99%.	\$ 4,225,000
\$4,854,650 2010 Drinking Water Revolving Bonds due in annual installments of \$185,000 to \$266,080 through 2030, interest at 2.50%.	<u>2,986,080</u>
Total general obligation bonds	<u><u>\$ 7,211,080</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Business-type Activities	
	Principal	Interest
2018	\$ 610,000	\$ 154,600
2019	625,000	141,368
2020	645,000	127,762
2021	665,000	113,730
2022	690,000	99,277
2023-2027	3,195,000	268,702
2028-2030	<u>781,080</u>	<u>39,332</u>
	<u><u>\$ 7,211,080</u></u>	<u><u>\$ 944,771</u></u>

Compensated absences, net pension liability and net OPEB obligations are generally liquidated by the general fund.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 600,000	\$ -	\$ (600,000)	\$ -	\$ -
Special assessment debt with government commitment	1,517,442	-	(102,822)	1,414,620	104,878
Unamortized premium	31,309	-	(4,413)	26,896	2,241
Compensated absences	997,385	1,081,583	(1,012,305)	1,066,663	750,000
<b>Total governmental activities</b>	<b>\$ 3,146,136</b>	<b>\$ 1,081,583</b>	<b>\$ (1,719,540)</b>	<b>\$ 2,508,179</b>	<b>\$ 857,119</b>
<b>Business-type activities</b>					
General obligation bonds	\$ 7,811,080	\$ -	\$ (600,000)	\$ 7,211,080	\$ 610,000
Compensated absences	104,626	59,549	(67,277)	96,898	50,000
<b>Total business-type activities</b>	<b>\$ 7,915,706</b>	<b>\$ 59,549</b>	<b>\$ (667,277)</b>	<b>\$ 7,307,978</b>	<b>\$ 660,000</b>

## 9. OPERATING LEASES

The Township has lease agreements for four copy machines, one each expiring on September 5, 2021, September 18, 2021, September 20, 2021, and February 22, 2022. Rent expense totaled \$11,165 for the year ended December 31, 2017. The remaining future commitments are as follows:

Year Ended December 31,	Amount
2018	\$ 8,723
2019	8,723
2020	8,723
2021	6,217
2022	113
<b>Total</b>	<b>\$ 32,499</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2017, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

The general, public safety, building safety department, 911 service, and water/sewer funds of the Township make payments to the medical insurance internal service fund based on rates established to fund estimated actual liabilities. The total claims liability of \$9,931 reported in the fund at December 31, 2017, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements. The Township has estimated its ultimate liability based upon estimates of known claims and actuarial based computations of incurred but not reported claims.

Changes in the fund's claims liability amount was:

	2017	2016
Balance at the beginning of year	\$ 111,716	\$ -
Current year claims and changes in estimates	2,135,084	1,885,472
Claims paid	<u>(2,236,869)</u>	<u>(1,773,756)</u>
Balance at end of year	<u>\$ 9,931</u>	<u>\$ 111,716</u>

### 11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component unit, individually or jointly, are the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 12. PROPERTY TAXES AND ABATEMENTS

Property taxes become an enforceable lien on the property as of December 31. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes along with collecting taxes for various other taxing jurisdictions. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed.

Assessed values, as established annually by the government, are subject to acceptance by the County and equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the Township totaled \$1,800,894,745. The government's general operating tax rate for fiscal year 2017 was 4.1286 mills, with an additional 1.9371 and 0.4822 special-voted mills for public safety and parks, respectively.

The Township received reduced property tax revenues during 2017 as a result of industrial facilities tax exemptions (IFT's). The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the Township. The abatements amounted to \$46,000 in reduced Township tax revenues for 2017.

### 13. PENSION PLAN

#### *General Information About the Plan*

*Plan Description.* The Township participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.50% to 2.50%. Participants vesting requirements range from 6 to 10 years. Normal retirement age is 60 with early retirement at age 50 or 55 with 25 or 15 years of service, respectively. Member contributions range from 0.00% to 9.06%. The plan is closed to certain union and non-union employees.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

*Employees Covered by Benefit Terms.* At December 31, 2017, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	26
Active employees	134
	<hr/>
Total membership	207
	<hr/> <hr/>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. During the year ended December 31, 2017, the Township's contributions ranged from 5.16% to 26.71% of annual payroll for open divisions. Closed divisions employer contributions ranged from \$236 to \$40,054 per month. Employee contributions ranged from 2.00% to 9.06%.

*Net Pension Liability.* The Township's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 (rolled forward to December 31, 2017).

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2016 (and rolled forward to December 31, 2017, the measurement date), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment expense and including inflation

Although no explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	10.00%	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.25%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.0% for 2017 (down from 8.25% for 2016). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

*Changes in Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	\$ 34,156,414	\$ 23,418,483	\$ 10,737,931
Changes for the year:			
Service cost	977,200	-	977,200
Interest	2,726,214	-	2,726,214
Difference between expected and actual experience	56,321	-	56,321
Employer contributions	-	1,475,913	(1,475,913)
Employee contributions	-	902,319	(902,319)
Net Investment income	-	3,195,447	(3,195,447)
Benefit payments, including refunds of employee contributions	(1,134,680)	(1,134,680)	-
Administrative expense	-	(50,335)	50,335
Other changes	(29,374)	-	(29,374)
Net changes	<u>2,595,681</u>	<u>4,388,664</u>	<u>(1,792,983)</u>
Balances at December 31, 2017	<u>\$ 36,752,095</u>	<u>\$ 27,807,147</u>	<u>\$ 8,944,948</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Township, calculated using the discount rate of 8.0%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Township's net pension liability	<u>\$ 14,247,911</u>	<u>\$ 8,944,948</u>	<u>\$ 4,588,932</u>

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended December 31, 2017, the Township recognized pension expense of \$654,045. The Township reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Net difference between projected and actual earnings on pension plan investments	\$ 2,374,601	\$ (1,415,436)	\$ 959,165

Amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2018	\$ 274,150
2019	274,152
2020	(123,720)
2021	8,296
2022	263,142
2023	263,145
Total	\$ 959,165

*Payable to the Pension Plan.* At December 31, 2017, the Township reported a payable of \$161,271 for the outstanding amount of contributions required for the year ended December 31, 2017.

## 14. OTHER POSTEMPLOYMENT BENEFITS

*Plan Description.* The Township participates in the Municipal Employees' Retirement System (MERS) Retirement Health Funding Vehicle, an agent multiple-employer other postemployment benefit plan that provides healthcare benefits to eligible retirees and their beneficiaries. The Plan was adopted and established by the Township Board of Trustees. MERS issues a publicly available financial report that includes financial statements and required supplementary information, which may be obtained by accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Plan Membership.* As of January 1, 2017, the date of the latest actuarial valuation, 7 retirees were currently receiving benefits; the Plan has 127 active participants.

*Funding Policy.* The contribution requirements of plan members and the Township are established and may be amended by the Township Board of Trustees, subject to applicable labor contracts, although the Township has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment. In other words, the plan may be financed on a *pay-as-you-go* basis.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

Currently, active plan members are not required to contribute to the plan. Plan members receiving benefits are not required to contribute towards their own individual coverage. The Township made contributions to the plan totaling \$669,674.

*Funding Progress.* For the year ended December 31, 2017, the Township estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2017. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 4.3% of annual covered payroll.

*Annual OPEB Cost and Net OPEB Asset.* For 2017, the components of the Township’s annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Township’s net OPEB asset to the Plan were as follows:

Annual required contribution	\$ 303,212
Interest on net OPEB asset	(16,763)
Adjustment to annual required contribution	24,101
Net OPEB cost	<u>310,550</u>
Contributions made	<u>(669,674)</u>
Change in net OPEB asset	(359,124)
Net OPEB asset, beginning of year	<u>(388,055)</u>
 Net OPEB asset, end of year	 <u><u>\$ (747,179)</u></u>

The Township’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the current and two preceding years were as follows:

Three-Year Trend Information				
Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/2015	\$ 439,044	\$ 759,983	173.1%	\$ (412,665)
12/31/2016	439,044	414,434	94.4%	(388,055)
12/31/2017	310,550	669,674	215.6%	(747,179)

*Funded Status.* The funded status of the Plan as of January 1, 2017, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liabilities (a)	\$ 9,216,000
Actuarial value of plan assets (b)	7,877,000
Unfunded actuarial accrued liability (a-b)	<u><u>\$ 1,339,000</u></u>
 Funded ratio (b/a)	 85.5%
Covered payroll (c)	\$ 7,482,000
Unfunded actuarial accrued liability as a percentage of covered payroll ((a-b)/c)	17.9%

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate (investment return)	7.00%
Projected salary increases	3.75%
Healthcare inflation rate	4.00%
Inflation rate	3.75%

## 15. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2017, was as follows:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 24,078,168	\$ 510,118
Capital assets being depreciated, net	8,082,457	32,706,493
	<u>32,160,625</u>	<u>33,216,611</u>
Less related debt:		
Bonds payable	-	7,211,080
Unamortized refunding loss	-	(84,279)
	<u>-</u>	<u>7,126,801</u>
Net investment in capital assets	<u>\$ 32,160,625</u>	<u>\$ 26,089,810</u>

Long-term debt related to special assessments is not included in the calculation for net investment in capital assets since these assets do not belong to the Township.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Notes To Financial Statements

### 16. COMMITMENTS

The Township entered into an agreement with the Washtenaw County Road Commission on December 19, 2017, for the Platt-Textile Greenway between Marsh View Meadows Park and Platt Road to be constructed as part of the Textile Road project, commencing in 2018. As of December 31, 2017, the Township has committed to spending \$637,500 on the project.

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## REQUIRED SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,		
	2015	2016	2017
Total pension liability			
Service cost	\$ 903,775	\$ 977,110	\$ 977,200
Interest	2,288,114	2,468,421	2,726,214
Differences between expected and actual experience	-	534,889	56,321
Changes of assumptions	-	1,505,883	-
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)	(1,134,680)
Other changes	(77,905)	(253,685)	(29,374)
Net change in total pension liability	2,199,593	4,216,799	2,595,681
Total pension liability, beginning of year	27,740,022	29,939,615	34,156,414
Total pension liability, end of year	29,939,615	34,156,414	36,752,095
Plan fiduciary net position			
Employer contributions	992,974	1,226,767	1,475,913
Employee contributions	460,559	649,802	902,319
Net investment income (loss)	(313,982)	2,363,526	3,195,447
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)	(1,134,680)
Administrative expense	(44,917)	(46,573)	(50,335)
Net change in plan fiduciary net position	180,243	3,177,703	4,388,664
Plan fiduciary net position, beginning of year	20,060,537	20,240,780	23,418,483
Plan fiduciary net position, end of year	20,240,780	23,418,483	27,807,147
Township's net pension liability	\$ 9,698,835	\$ 10,737,931	\$ 8,944,948
Plan fiduciary net position as a percentage of total pension liability	67.6%	68.6%	75.7%
Covered payroll	\$ 7,708,416	\$ 8,476,189	\$ 8,424,988
Township's net pension liability as a percentage of covered payroll	125.8%	126.7%	106.2%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Contributions

Fiscal Year Ending December 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2017	\$ 1,475,913	\$ 1,475,913	\$ -	\$ 8,424,988	17.5%
2016	1,226,767	1,226,767	-	8,476,189	14.5%
2015	992,974	992,974	-	7,708,416	12.9%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

#### Notes to Schedule of Contributions

Valuation Date December 31, 2016 (rolled forward to December 31, 2017)  
 Notes Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	24 years
Asset valuation method	Open; 10-year smooth market
Inflation	3.0% to 4.0%
Salary increases	4.5% in the long-term (2.0% and 3.0% for calendars years 2015 and 2016, respectively)
Investment rate of return	8.0%, net of investment expense and including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2009 actuarial valuations. The Early Retirement rates were first used for the December 31, 2011 actuarial valuations.
Mortality	1994 Group Annuity Mortality Table of a 50% Male 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.
Other information	Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Other Postemployment Benefits

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Funded Ratio (a / b)	Unfunded AAL (UAAL) (b - a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
1/1/2010	\$ 1,545,277	\$ 8,033,569	19.2%	\$ 6,488,292	\$ 6,465,155	100.4%
1/1/2013	4,109,000	9,437,000	43.5%	5,328,000	6,703,000	79.5%
1/1/2015	6,220,000	10,135,000	61.4%	3,915,000	6,988,000	56.0%
1/1/2017	7,877,000	9,216,000	85.5%	1,339,000	7,482,000	17.9%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2014	\$ 534,079	138.2%
2015	450,039	168.9%
2016	450,039	92.1%
2017	303,212	220.9%

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 2,455,811	\$ 60,193	\$ 211,542	\$ 2,727,546
Accounts receivable	523,735	-	-	523,735
Special assessments receivable	-	147,995	-	147,995
Prepaid items	441	-	-	441
<b>Total assets</b>	<b>\$ 2,979,987</b>	<b>\$ 208,188</b>	<b>\$ 211,542</b>	<b>\$ 3,399,717</b>
<b>Liabilities</b>				
Accounts payable	\$ 156,933	\$ -	\$ 5,419	\$ 162,352
Accrued liabilities	8,773	-	-	8,773
Due to other funds	21,317	-	-	21,317
Escrow payable	14,432	-	-	14,432
<b>Total liabilities</b>	<b>201,455</b>	<b>-</b>	<b>5,419</b>	<b>206,874</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	-	147,995	-	147,995
<b>Fund balances</b>				
Nonspendable - prepaid items	441	-	-	441
Restricted:				
General government	282,272	-	-	282,272
Public safety	1,277,029	-	-	1,277,029
Public works	494,749	-	-	494,749
Culture and recreation	724,041	-	-	724,041
Debt service	-	60,193	-	60,193
Committed -				
Capital projects	-	-	206,123	206,123
<b>Total fund balances</b>	<b>2,778,532</b>	<b>60,193</b>	<b>206,123</b>	<b>3,044,848</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,979,987</b>	<b>\$ 208,188</b>	<b>\$ 211,542</b>	<b>\$ 3,399,717</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2017

	Special Revenue	Debt Service	Capital Projects	Total
<b>Revenues</b>				
Taxes and special assessments	\$ 895,768	\$ 26,342	\$ -	\$ 922,110
Licenses and permits	789,457	-	-	789,457
Intergovernmental	4,750	-	-	4,750
Charges for services	1,909,300	-	-	1,909,300
Interest income	3,549	108	-	3,657
Other revenue	-	33,890	-	33,890
<b>Total revenues</b>	<b>3,602,824</b>	<b>60,340</b>	<b>-</b>	<b>3,663,164</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	2,640	-	-	2,640
Public safety	1,029,531	-	-	1,029,531
Public works	1,534,024	-	-	1,534,024
Culture and recreation	40,390	-	-	40,390
Other unallocated	-	50,779	-	50,779
<b>Debt service:</b>				
Principal	600,000	52,822	-	652,822
Interest and fiscal charges	8,100	3,370	-	11,470
Capital outlay	120,029	-	138,958	258,987
<b>Total expenditures</b>	<b>3,334,714</b>	<b>106,971</b>	<b>138,958</b>	<b>3,580,643</b>
<b>Revenues over (under) expenditures</b>	<b>268,110</b>	<b>(46,631)</b>	<b>(138,958)</b>	<b>82,521</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	341,491	341,491
Transfers out	-	-	(82,791)	(82,791)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>258,700</b>	<b>258,700</b>
<b>Net change in fund balances</b>	<b>268,110</b>	<b>(46,631)</b>	<b>119,742</b>	<b>341,221</b>
<b>Fund balances, beginning of year</b>	<b>2,510,422</b>	<b>106,824</b>	<b>86,381</b>	<b>2,703,627</b>
<b>Fund balances, end of year</b>	<b>\$ 2,778,532</b>	<b>\$ 60,193</b>	<b>\$ 206,123</b>	<b>\$ 3,044,848</b>

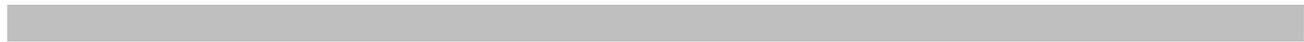
# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage
<b>Assets</b>				
Cash and cash equivalents	\$ 248,622	\$ 192,261	\$ 913,350	\$ 718,129
Accounts receivable	409,744	-	8,551	8,604
Prepaid items	-	-	384	-
<b>Total assets</b>	<b>\$ 658,366</b>	<b>\$ 192,261</b>	<b>\$ 922,285</b>	<b>\$ 726,733</b>
<b>Liabilities</b>				
Accounts payable	\$ 129,542	\$ -	\$ 19,489	\$ 2,692
Accrued liabilities	-	-	721	-
Due to other funds	19,643	-	210	-
Escrow payable	14,432	-	-	-
<b>Total liabilities</b>	<b>163,617</b>	<b>-</b>	<b>20,420</b>	<b>2,692</b>
<b>Fund balances</b>				
Nonspendable - prepaid items	-	-	384	-
Restricted:				
General government	-	192,261	-	-
Public safety	-	-	901,481	-
Public works	494,749	-	-	-
Culture and recreation	-	-	-	724,041
<b>Total fund balances</b>	<b>494,749</b>	<b>192,261</b>	<b>901,865</b>	<b>724,041</b>
<b>Total liabilities and fund balances</b>	<b>\$ 658,366</b>	<b>\$ 192,261</b>	<b>\$ 922,285</b>	<b>\$ 726,733</b>



E 911 Service	Fire FEMA Grant Fund	800 MHz Consortium	Sidewalk Reserve	State Street Corridor-TIFA/CIA	Total
\$ 256,149	\$ 613	\$ 36,676	\$ 27,953	\$ 62,058	\$ 2,455,811
96,836	-	-	-	-	523,735
-	-	57	-	-	441
<u>\$ 352,985</u>	<u>\$ 613</u>	<u>\$ 36,733</u>	<u>\$ 27,953</u>	<u>\$ 62,058</u>	<u>\$ 2,979,987</u>
\$ 3,884	\$ -	\$ 1,326	\$ -	\$ -	\$ 156,933
8,052	-	-	-	-	8,773
1,464	-	-	-	-	21,317
-	-	-	-	-	14,432
<u>13,400</u>	<u>-</u>	<u>1,326</u>	<u>-</u>	<u>-</u>	<u>201,455</u>
-	-	57	-	-	441
-	-	-	27,953	62,058	282,272
339,585	613	35,350	-	-	1,277,029
-	-	-	-	-	494,749
-	-	-	-	-	724,041
<u>339,585</u>	<u>613</u>	<u>35,407</u>	<u>27,953</u>	<u>62,058</u>	<u>2,778,532</u>
<u>\$ 352,985</u>	<u>\$ 613</u>	<u>\$ 36,733</u>	<u>\$ 27,953</u>	<u>\$ 62,058</u>	<u>\$ 2,979,987</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 871,609
Licenses and permits	-	-	789,457	-
Intergovernmental	-	-	-	-
Charges for services	1,576,081	-	-	-
Interest income	221	293	1,276	1,098
<b>Total revenues</b>	<b>1,576,302</b>	<b>293</b>	<b>790,733</b>	<b>872,707</b>
<b>Expenditures</b>				
Current:				
General government	-	2,640	-	-
Public safety	-	-	683,820	-
Public works	1,534,024	-	-	-
Culture and recreation	-	-	-	40,390
Debt service:				
Principal	-	-	-	600,000
Interest and fiscal charges	-	-	-	8,100
Capital outlay	-	-	-	4,866
<b>Total expenditures</b>	<b>1,534,024</b>	<b>2,640</b>	<b>683,820</b>	<b>653,356</b>
Net change in fund balances	42,278	(2,347)	106,913	219,351
Fund balances, beginning of year	452,471	194,608	794,952	504,690
<b>Fund balances, end of year</b>	<b>\$ 494,749</b>	<b>\$ 192,261</b>	<b>\$ 901,865</b>	<b>\$ 724,041</b>



E 911 Service	Fire FEMA Grant Fund	800 MHz Consortium	Sidewalk Reserve	State Street Corridor-TIFA/CIA	Total
\$ -	\$ -	\$ -	\$ -	\$ 24,159	\$ 895,768
-	-	-	-	-	789,457
-	4,750	-	-	-	4,750
200,369	-	132,850	-	-	1,909,300
526	-	88	28	19	3,549
<u>200,895</u>	<u>4,750</u>	<u>132,938</u>	<u>28</u>	<u>24,178</u>	<u>3,602,824</u>
-	-	-	-	-	2,640
223,490	-	122,221	-	-	1,029,531
-	-	-	-	-	1,534,024
-	-	-	-	-	40,390
-	-	-	-	-	600,000
-	-	-	-	-	8,100
111,026	4,137	-	-	-	120,029
<u>334,516</u>	<u>4,137</u>	<u>122,221</u>	<u>-</u>	<u>-</u>	<u>3,334,714</u>
(133,621)	613	10,717	28	24,178	268,110
<u>473,206</u>	<u>-</u>	<u>24,690</u>	<u>27,925</u>	<u>37,880</u>	<u>2,510,422</u>
<u>\$ 339,585</u>	<u>\$ 613</u>	<u>\$ 35,407</u>	<u>\$ 27,953</u>	<u>\$ 62,058</u>	<u>\$ 2,778,532</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Refuse Collection

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,556,968	1,556,968	1,576,081	19,113
Interest income	100	100	221	121
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>1,557,068</b>	<b>1,557,068</b>	<b>1,576,302</b>	<b>19,234</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,556,275	1,556,275	1,534,024	(22,251)
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>1,556,275</b>	<b>1,556,275</b>	<b>1,534,024</b>	<b>(22,251)</b>
Net change in fund balance	793	793	42,278	41,485
Fund balance, beginning of year	452,471	452,471	452,471	-
<b>Fund balance, end of year</b>	<b>\$ 453,264</b>	<b>\$ 453,264</b>	<b>\$ 494,749</b>	<b>\$ 41,485</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Tree Mitigation

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	500	500	293	(207)
Other revenues	100,000	100,000	-	(100,000)
<b>Total revenues</b>	<b>100,500</b>	<b>100,500</b>	<b>293</b>	<b>(100,207)</b>
<b>Expenditures</b>				
Current:				
General government	100,500	100,500	2,640	(97,860)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>100,500</b>	<b>100,500</b>	<b>2,640</b>	<b>(97,860)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>(2,347)</b>	<b>(2,347)</b>
Fund balance, beginning of year	194,608	194,608	194,608	-
<b>Fund balance, end of year</b>	<b>\$ 194,608</b>	<b>\$ 194,608</b>	<b>\$ 192,261</b>	<b>\$ (2,347)</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Building Department

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	680,000	680,000	789,457	109,457
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	1,000	1,000	1,276	276
Other revenues	2,000	2,000	-	(2,000)
<b>Total revenues</b>	<b>683,000</b>	<b>683,000</b>	<b>790,733</b>	<b>107,733</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	971,500	971,500	683,820	(287,680)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	5,000	5,000	-	(5,000)
<b>Total expenditures</b>	<b>976,500</b>	<b>976,500</b>	<b>683,820</b>	<b>(292,680)</b>
<b>Net change in fund balance</b>	<b>(293,500)</b>	<b>(293,500)</b>	<b>106,913</b>	<b>400,413</b>
Fund balance, beginning of year	794,952	794,952	794,952	-
<b>Fund balance, end of year</b>	<b>\$ 501,452</b>	<b>\$ 501,452</b>	<b>\$ 901,865</b>	<b>\$ 400,413</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Parks and Recreation Millage

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ 871,092	\$ 871,092	\$ 871,609	\$ 517
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	1,000	1,000	1,098	98
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>872,092</b>	<b>872,092</b>	<b>872,707</b>	<b>615</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	121,500	121,500	40,390	(81,110)
Debt service:				
Principal	600,000	600,000	600,000	-
Interest and fiscal charges	8,100	8,100	8,100	-
Capital outlay	120,000	120,000	4,866	(115,134)
<b>Total expenditures</b>	<b>849,600</b>	<b>849,600</b>	<b>653,356</b>	<b>(196,244)</b>
<b>Net change in fund balance</b>	<b>22,492</b>	<b>22,492</b>	<b>219,351</b>	<b>196,859</b>
Fund balance, beginning of year	504,690	504,690	504,690	-
<b>Fund balance, end of year</b>	<b>\$ 527,182</b>	<b>\$ 527,182</b>	<b>\$ 724,041</b>	<b>\$ 196,859</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - E 911 Service

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	311,000	311,000	200,369	(110,631)
Interest income	500	500	526	26
Other revenues	500	500	-	(500)
<b>Total revenues</b>	<b>312,000</b>	<b>312,000</b>	<b>200,895</b>	<b>(111,105)</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	233,070	248,070	223,490	(24,580)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	112,000	112,000	111,026	(974)
<b>Total expenditures</b>	<b>345,070</b>	<b>360,070</b>	<b>334,516</b>	<b>(25,554)</b>
<b>Net change in fund balance</b>	<b>(33,070)</b>	<b>(48,070)</b>	<b>(133,621)</b>	<b>(85,551)</b>
Fund balance, beginning of year	473,206	473,206	473,206	-
<b>Fund balance, end of year</b>	<b>\$ 440,136</b>	<b>\$ 425,136</b>	<b>\$ 339,585</b>	<b>\$ (85,551)</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Fire FEMA Grant Fund For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	4,750	4,750	-
Charges for services	-	-	-	-
Interest income	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>4,750</b>	<b>4,750</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	4,750	4,137	(613)
<b>Total expenditures</b>	<b>-</b>	<b>4,750</b>	<b>4,137</b>	<b>(613)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>613</b>	<b>613</b>
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 613</b>	<b>\$ 613</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 800 MHz Consortium

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	132,850	132,850	132,850	-
Interest income	50	50	88	38
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>132,900</b>	<b>132,900</b>	<b>132,938</b>	<b>38</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	138,900	138,900	122,221	(16,679)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>138,900</b>	<b>138,900</b>	<b>122,221</b>	<b>(16,679)</b>
<b>Net change in fund balance</b>	<b>(6,000)</b>	<b>(6,000)</b>	<b>10,717</b>	<b>16,717</b>
Fund balance, beginning of year	24,690	24,690	24,690	-
<b>Fund balance, end of year</b>	<b>\$ 18,690</b>	<b>\$ 18,690</b>	<b>\$ 35,407</b>	<b>\$ 16,717</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Sidewalk Reserve

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	25	25	28	3
Other revenues	25,000	25,000	-	(25,000)
<b>Total revenues</b>	<b>25,025</b>	<b>25,025</b>	<b>28</b>	<b>(24,997)</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	25,000	25,000	-	(25,000)
<b>Total expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>	<b>(25,000)</b>
<b>Net change in fund balance</b>	<b>25</b>	<b>25</b>	<b>28</b>	<b>3</b>
Fund balance, beginning of year	27,925	27,925	27,925	-
<b>Fund balance, end of year</b>	<b>\$ 27,950</b>	<b>\$ 27,950</b>	<b>\$ 27,953</b>	<b>\$ 3</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - State Street Corridor-TIFA/CIA

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes and special assessments	\$ 41,036	\$ 41,036	\$ 24,159	\$ (16,877)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	75	75	19	(56)
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>41,111</b>	<b>41,111</b>	<b>24,178</b>	<b>(16,933)</b>
<b>Expenditures</b>				
Current:				
General government	15,000	15,000	-	(15,000)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>(15,000)</b>
<b>Net change in fund balance</b>	<b>26,111</b>	<b>26,111</b>	<b>24,178</b>	<b>(1,933)</b>
Fund balance, beginning of year	37,880	37,880	37,880	-
<b>Fund balance, end of year</b>	<b>\$ 63,991</b>	<b>\$ 63,991</b>	<b>\$ 62,058</b>	<b>\$ (1,933)</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2017

	Mallets Creek	State & Textile Road	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 60,193	\$ -	\$ 60,193
Special assessments receivable	147,995	-	147,995
<b>Total assets</b>	<b>\$ 208,188</b>	<b>\$ -</b>	<b>\$ 208,188</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	\$ 147,995	\$ -	\$ 147,995
<b>Fund balances</b>			
Restricted for debt service	60,193	-	60,193
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 208,188</b>	<b>\$ -</b>	<b>\$ 208,188</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2017

	Mallets Creek	State & Textile Road	Total
<b>Revenues</b>			
Taxes and special assessments	\$ 26,342	\$ -	\$ 26,342
Interest income	86	22	108
Other revenue	33,890	-	33,890
<b>Total revenues</b>	<b>60,318</b>	<b>22</b>	<b>60,340</b>
<b>Expenditures</b>			
Current:			
Other unallocated	-	50,779	50,779
Debt service:			
Principal	52,822	-	52,822
Interest and fiscal charges	3,370	-	3,370
<b>Total expenditures</b>	<b>56,192</b>	<b>50,779</b>	<b>106,971</b>
<b>Net change in fund balances</b>	<b>4,126</b>	<b>(50,757)</b>	<b>(46,631)</b>
<b>Fund balances, beginning of year</b>	<b>56,067</b>	<b>50,757</b>	<b>106,824</b>
<b>Fund balances, end of year</b>	<b>\$ 60,193</b>	<b>\$ -</b>	<b>\$ 60,193</b>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Balance Sheet

Nonmajor Capital Projects Fund

December 31, 2017

	Township Greenways	AOL Pedestrian Crossing	Total
<b>Assets</b>			
Cash	\$ 211,542	\$ -	\$ 211,542
<b>Liabilities</b>			
Accounts payable	\$ 5,419	\$ -	\$ 5,419
<b>Fund balance</b>			
Committed	206,123	-	206,123
<b>Total liabilities and fund balance</b>	\$ 211,542	\$ -	\$ 211,542

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## PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

### Combining Statement of Revenues, Expenditures and Change in Fund Balance

Nonmajor Capital Projects Fund

For the Year Ended December 31, 2017

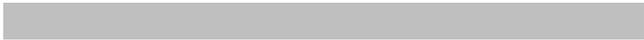
	Township Greenways	AOL Pedestrian Crossing	Total
Expenditures			
Capital outlay	\$ 135,368	\$ 3,590	\$ 138,958
Other financing sources (uses)			
Transfers in	341,491	-	341,491
Transfers out	(82,791)	-	(82,791)
Total other financing sources	258,700	-	258,700
Net change in fund balance	123,332	(3,590)	119,742
Fund balance, beginning of year	82,791	3,590	86,381
Fund balance, end of year	\$ 206,123	\$ -	\$ 206,123

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
December 31, 2017

	Tax Collection Fund	Performance Bonds Fund	Imprest Payroll Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 12,810,703	\$ 896,565	\$ 29,329
Due from other governments	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<u><u>\$ 12,810,703</u></u>	<u><u>\$ 896,565</u></u>	<u><u>\$ 29,329</u></u>
<b>Liabilities</b>			
Undistributed receipts	<u><u>\$ 12,810,703</u></u>	<u><u>\$ 896,565</u></u>	<u><u>\$ 29,329</u></u>



Trust and Agency Fund	World Services Fund	Total
\$ 13,698 335	\$ 5,193 -	\$ 13,755,488 335
<u>\$ 14,033</u>	<u>\$ 5,193</u>	<u>\$ 13,755,823</u>
<u>\$ 14,033</u>	<u>\$ 5,193</u>	<u>\$ 13,755,823</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
<i>Tax Collection Fund</i>				
Assets				
Cash and cash equivalents	\$ 11,837,849	\$ 94,195,054	\$ 93,222,200	\$ 12,810,703
Liabilities				
Undistributed receipts	\$ 11,837,849	\$ 94,195,054	\$ 93,222,200	\$ 12,810,703
<i>Performance Bonds Fund</i>				
Assets				
Cash and cash equivalents	\$ 872,454	\$ 121,053	\$ 96,942	\$ 896,565
Liabilities				
Undistributed receipts	\$ 872,454	\$ 121,053	\$ 96,942	\$ 896,565
<i>Imprest Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 27,299	\$ 2,448	\$ 418	\$ 29,329
Liabilities				
Undistributed receipts	\$ 27,299	\$ 2,448	\$ 418	\$ 29,329
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 30,184	\$ 235,172	\$ 251,658	\$ 13,698
Due from other governments	172	163	-	335
Total assets	\$ 30,356	\$ 235,335	\$ 251,658	\$ 14,033
Liabilities				
Undistributed receipts	\$ 30,356	\$ 235,335	\$ 251,658	\$ 14,033
<i>World Services Fund</i>				
Assets				
Cash and cash equivalents	\$ 6,645	\$ -	\$ 1,452	\$ 5,193
Liabilities				
Undistributed receipts	\$ 6,645	\$ -	\$ 1,452	\$ 5,193
<i>Totals</i>				
Assets				
Cash and cash equivalents	\$ 12,774,431	\$ 94,553,727	\$ 93,572,670	\$ 13,755,488
Due from other governments	172	163	-	335
Total assets	\$ 12,774,603	\$ 94,553,890	\$ 93,572,670	\$ 13,755,823
Liabilities				
Undistributed receipts	\$ 12,774,603	\$ 94,553,890	\$ 93,572,670	\$ 13,755,823

## STATISTICAL SECTION

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# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Statistical Section Table of Contents

This part of the Pittsfield Charter Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	100-111
Revenue Capacity	These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	112-117
Debt Capacity	These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	118-122
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	123-131

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Net Position by Component

Last Ten Years  
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012
<b>Governmental activities</b>					
Net investment in capital assets	\$ 22,189,818	\$ 21,660,473	\$ 25,132,342	\$ 26,397,690	\$ 27,933,571
Restricted	1,263,137	1,111,309	1,032,121	8,693,577	6,458,014
Unrestricted (deficit)	<u>13,279,763</u>	<u>15,309,961</u>	<u>12,253,510</u>	<u>4,136,827</u>	<u>4,385,932</u>
<b>Total net position</b>	<b><u>\$ 36,732,718</u></b>	<b><u>\$ 38,081,743</u></b>	<b><u>\$ 38,417,973</u></b>	<b><u>\$ 39,228,094</u></b>	<b><u>\$ 38,777,517</u></b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 23,149,275	\$ 23,372,211	\$ 25,643,948	\$ 26,018,663	\$ 25,980,446
Unrestricted	<u>10,125,602</u>	<u>9,889,282</u>	<u>10,460,246</u>	<u>9,337,710</u>	<u>8,530,740</u>
<b>Total net position</b>	<b><u>\$ 33,274,877</u></b>	<b><u>\$ 33,261,493</u></b>	<b><u>\$ 36,104,194</u></b>	<b><u>\$ 35,356,373</u></b>	<b><u>\$ 34,511,186</u></b>
<b>Total primary government</b>					
Net investment in capital assets	\$ 45,339,093	\$ 45,032,684	\$ 50,776,290	\$ 52,416,353	\$ 53,914,017
Restricted	1,263,137	1,111,309	1,032,121	1,008,374	1,228,596
Unrestricted	<u>23,405,365</u>	<u>25,199,243</u>	<u>22,713,756</u>	<u>21,159,740</u>	<u>18,146,090</u>
<b>Total net position</b>	<b><u>\$ 70,007,595</u></b>	<b><u>\$ 71,343,236</u></b>	<b><u>\$ 74,522,167</u></b>	<b><u>\$ 74,584,467</u></b>	<b><u>\$ 73,288,703</u></b>

[1] GASB Statement No. 68 adopted; prior years are not restated.

Source: Pittsfield Charter Township Finance Department

Schedule 1  
Unaudited

2013	2014	[1] 2015	2016	2017
\$ 28,568,888	\$ 28,591,948	\$ 29,339,544	\$ 31,723,059	\$ 32,160,625
5,228,038	5,483,842	5,522,883	4,493,097	4,237,293
4,955,360	5,249,141	(2,428,164)	(2,515,412)	(2,064,337)
<u>\$ 38,752,286</u>	<u>\$ 39,324,931</u>	<u>\$ 32,434,263</u>	<u>\$ 33,700,744</u>	<u>\$ 34,333,581</u>
\$ 25,944,485	\$ 25,681,148	\$ 25,287,945	\$ 26,246,868	\$ 26,089,810
9,899,374	10,473,159	10,723,528	10,470,598	11,438,231
<u>\$ 35,843,859</u>	<u>\$ 36,154,307</u>	<u>\$ 36,011,473</u>	<u>\$ 36,717,466</u>	<u>\$ 37,528,041</u>
\$ 54,513,373	\$ 54,273,096	\$ 54,627,489	\$ 57,969,927	\$ 58,250,435
1,303,303	5,483,842	5,522,883	4,493,097	4,237,293
18,779,469	15,722,300	8,295,364	7,955,186	9,373,894
<u>\$ 74,596,145</u>	<u>\$ 75,479,238</u>	<u>\$ 68,445,736</u>	<u>\$ 70,418,210</u>	<u>\$ 71,861,622</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,059,630	\$ 2,332,030	\$ 4,078,120	\$ 3,812,930
Public safety	7,829,666	8,110,750	8,551,293	9,067,580
Public works	2,030,837	1,934,371	2,007,627	2,130,785
Planning and zoning	370,600	366,557	290,955	278,881
Parks and recreation	1,053,631	2,887,250	1,169,157	1,505,128
Interest on long-term debt	384,683	544,989	311,110	201,180
Subtotal governmental activities	15,729,047	16,175,947	16,408,262	16,996,484
Business-type activities -				
Water and sewer	9,627,408	9,253,922	9,793,912	10,577,971
Total expenses	25,356,455	25,429,869	26,202,174	27,574,455
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	2,625,317	2,709,575	2,968,165	3,901,421
Public safety	724,694	650,619	900,443	863,627
Public works	264,271	256,560	288,061	361,037
Planning and zoning	-	-	-	-
Culture and recreation	166,713	180,560	235,157	249,137
Operating grants and contributions	292,966	336,912	612,133	486,388
Capital grants and contributions	1,159,037	430,468	369,128	369,859
Subtotal governmental activities	5,232,998	4,564,694	5,373,087	6,231,469
Business-type activities:				
Charges for services	8,737,990	8,552,060	9,334,315	9,653,203
Capital grants and contributions	337,092	110,088	3,290,454	160,703
Subtotal business-type activities	9,075,082	8,662,148	12,624,769	9,813,906
Total program revenues	14,308,080	13,226,842	17,997,856	16,045,375
<b>Net (expense)/revenue</b>				
Governmental activities	(10,496,049)	(11,611,253)	(11,035,175)	(10,765,015)
Business-type activities	(552,326)	(591,774)	2,830,857	(764,065)
Total net expense	(11,048,375)	(12,203,027)	(8,204,318)	(11,529,080)

Schedule 2  
Unaudited

	2012	2013	2014	2015	2016	2017
\$	3,062,073	\$ 3,354,770	\$ 4,436,503	\$ 4,991,228	\$ 1,866,037	\$ 3,873,204
	9,539,187	10,648,372	10,142,446	10,827,667	11,105,474	11,100,671
	2,704,712	2,345,450	2,897,197	2,935,584	3,682,229	3,669,446
	450,033	496,898	571,306	580,313	679,520	545,261
	1,539,044	1,013,722	1,020,879	1,040,377	1,215,857	1,315,306
	23,829	173,350	137,072	113,348	121,904	41,477
	<u>17,318,878</u>	<u>18,032,562</u>	<u>19,205,403</u>	<u>20,488,517</u>	<u>18,671,021</u>	<u>20,545,365</u>
	<u>12,301,239</u>	<u>10,668,630</u>	<u>11,322,705</u>	<u>11,714,090</u>	<u>12,979,953</u>	<u>13,302,595</u>
	<u>29,620,117</u>	<u>28,701,192</u>	<u>30,528,108</u>	<u>32,202,607</u>	<u>31,650,974</u>	<u>33,847,960</u>
	2,847,185	3,395,348	3,598,373	3,555,319	3,544,774	4,429,619
	1,152,975	1,175,576	1,195,130	1,226,894	1,437,775	804,053
	476,125	350,302	351,817	345,507	323,379	410,965
	19,755	22,350	42,243	36,380	65,437	60,478
	263,295	280,129	244,734	292,818	273,469	284,423
	576,870	594,970	943,292	159,059	166,295	354,501
	295,353	257,855	178,659	1,001,700	27,601	78,878
	<u>5,631,558</u>	<u>6,076,530</u>	<u>6,554,248</u>	<u>6,617,677</u>	<u>5,838,730</u>	<u>6,422,917</u>
	11,446,602	10,712,639	10,897,820	11,639,920	13,257,931	13,478,573
	74,840	611,530	413,541	125,076	169,968	577,346
	<u>11,521,442</u>	<u>11,324,169</u>	<u>11,311,361</u>	<u>11,764,996</u>	<u>13,427,899</u>	<u>14,055,919</u>
	<u>17,153,000</u>	<u>17,400,699</u>	<u>17,865,609</u>	<u>18,382,673</u>	<u>19,266,629</u>	<u>20,478,836</u>
	(11,687,320)	(11,956,032)	(12,651,155)	(13,870,840)	(12,832,291)	(14,122,448)
	(779,797)	655,539	(11,344)	50,906	447,946	753,324
	<u>(12,467,117)</u>	<u>(11,300,493)</u>	<u>(12,662,499)</u>	<u>(13,819,934)</u>	<u>(12,384,345)</u>	<u>(13,369,124)</u>

continued...

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2008	2009	2010	2011
<b>General revenues</b>				
Governmental activities:				
Property taxes	\$ 9,532,657	\$ 8,991,812	\$ 9,452,278	\$ 8,999,710
State shared revenues	2,099,893	1,863,410	1,893,059	2,553,734
Unrestricted investment earnings	601,810	79,205	26,068	21,692
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Subtotal governmental activities	<u>12,234,360</u>	<u>10,934,427</u>	<u>11,371,405</u>	<u>11,575,136</u>
Business-type activities:				
Unrestricted investment earnings	262,755	19,051	11,844	10,037
Gain on sale of capital assets	-	-	-	6,207
Transfers	-	-	-	-
Subtotal business-type activities	<u>262,755</u>	<u>19,051</u>	<u>11,844</u>	<u>16,244</u>
<b>Total general revenues</b>	<u>12,497,115</u>	<u>10,953,478</u>	<u>11,383,249</u>	<u>11,591,380</u>
<b>Change in net position</b>				
Governmental activities	1,738,311	(676,826)	336,230	810,121
Business-type activities	<u>(289,571)</u>	<u>(572,723)</u>	<u>2,842,701</u>	<u>(747,821)</u>
<b>Total change in net position</b>	<u>\$ 1,448,740</u>	<u>\$ (1,249,549)</u>	<u>\$ 3,178,931</u>	<u>\$ 62,300</u>

Source: Pittsfield Charter Township Finance Department

Schedule 2  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 8,764,881	\$ 9,987,401	\$ 10,806,241	\$ 10,920,470	\$ 11,516,766	\$ 11,722,320
2,511,761	2,581,031	2,661,470	2,707,778	2,739,040	2,963,638
11,948	25,035	51,585	52,729	61,348	64,915
-	-	-	21,100	11,618	-
21,561	(662,666)	(295,496)	(230,000)	(230,000)	4,412
<u>11,310,151</u>	<u>11,930,801</u>	<u>13,223,800</u>	<u>13,472,077</u>	<u>14,098,772</u>	<u>14,755,285</u>
6,226	14,468	26,296	27,997	28,047	29,479
1,245	-	-	17,120	-	32,184
(21,561)	662,666	295,496	230,000	230,000	(4,412)
<u>(14,090)</u>	<u>677,134</u>	<u>321,792</u>	<u>275,117</u>	<u>258,047</u>	<u>57,251</u>
<u>11,296,061</u>	<u>12,607,935</u>	<u>13,545,592</u>	<u>13,747,194</u>	<u>14,356,819</u>	<u>14,812,536</u>
(377,169)	(25,231)	572,645	(398,763)	1,266,481	632,837
(793,887)	1,332,673	310,448	326,023	705,993	810,575
<u>\$ (1,171,056)</u>	<u>\$ 1,307,442</u>	<u>\$ 883,093</u>	<u>\$ (72,740)</u>	<u>\$ 1,972,474</u>	<u>\$ 1,443,412</u>

concluded.

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2008	2009	2010	[1] 2011
<b>General Fund</b>				
Nonspendable				\$ 6,591
Restricted				1,076,932
Committed				245,000
Unassigned				4,957,687
Reserved	\$ 39,773	\$ 34,159	\$ 9,853	-
Unreserved	4,531,325	4,243,052	4,340,077	-
<b>Total general fund</b>	<b>\$ 4,571,098</b>	<b>\$ 4,277,211</b>	<b>\$ 4,349,930</b>	<b>\$ 6,286,210</b>
<b>All Other Governmental Funds</b>				
Nonspendable				\$ 479
Restricted				7,598,645
Committed				19,839
Reserved	\$ 1,223,364	\$ 373,239	\$ 4,752	-
Unreserved, reported in:				
Special revenue funds	9,786,982	9,091,852	8,737,370	-
Debt service funds	-	1,062,490	995,102	-
Capital project funds	-	41,714	37,019	-
<b>Total all other governmental funds</b>	<b>\$ 11,010,346</b>	<b>\$ 10,569,295</b>	<b>\$ 9,774,243</b>	<b>\$ 7,618,963</b>

[1] GASB No. 54 adopted in 2011.

Source: Pittsfield Charter Township Finance Department

Schedule 3  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 54,243	\$ 22,288	\$ 63,572	\$ 8,244	\$ 16,446	\$ 15,853
1,080,154	1,047,218	1,060,350	1,071,963	127,432	140,492
300,000	985,000	950,000	-	650,000	1,615,000
5,138,749	5,245,990	5,267,352	5,107,325	3,841,454	3,532,873
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,573,146</u>	<u>\$ 7,300,496</u>	<u>\$ 7,341,274</u>	<u>\$ 6,187,532</u>	<u>\$ 4,635,332</u>	<u>\$ 5,304,218</u>
\$ 92,676	\$ 8,569	\$ 100,119	\$ 20,027	\$ 15,441	\$ 31,517
5,377,860	4,180,820	4,423,492	4,450,920	4,365,665	4,096,801
-	28,190	184,887	619,316	427,187	206,123
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,470,536</u>	<u>\$ 4,217,579</u>	<u>\$ 4,708,498</u>	<u>\$ 5,090,263</u>	<u>\$ 4,808,293</u>	<u>\$ 4,334,441</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011
<b>Revenues</b>				
Taxes and special assessments	\$ 9,987,080	\$ 9,955,367	\$ 10,109,464	\$ 9,838,106
Licenses and permits	443,173	400,372	426,274	639,248
Intergovernmental	2,766,545	1,955,297	2,364,884	2,929,228
Charges for services	2,157,958	2,472,761	2,773,534	3,499,837
Fines and forfeitures	99,726	91,569	100,299	107,786
Franchise fees	412,165	442,812	483,740	499,731
Investment earnings	601,810	79,205	26,068	12,049
Donations	-	152,500	1,000	-
Other revenues	998,901	379,706	611,307	633,799
<b>Total revenues</b>	<b>17,467,358</b>	<b>15,929,589</b>	<b>16,896,570</b>	<b>18,159,784</b>
<b>Expenditures</b>				
General government	1,963,345	2,106,033	2,434,215	2,198,339
Public safety	7,250,367	7,325,475	8,449,082	8,802,945
Public works	1,602,267	1,588,487	1,588,022	1,771,989
Planning and zoning	364,286	361,169	287,868	277,006
Culture and recreation	973,780	2,820,554	1,127,171	1,069,192
Other unallocated	2,015,332	-	1,178,893	1,182,084
Debt service:				
Principal	1,198,802	1,323,801	1,127,534	752,531
Interest and other charges	384,683	337,025	346,477	194,838
Capital outlay	374,599	801,983	1,167,780	2,129,860
<b>Total expenditures</b>	<b>16,127,461</b>	<b>16,664,527</b>	<b>17,707,042</b>	<b>18,378,784</b>
<b>Revenues over (under) expenditures</b>	<b>1,339,897</b>	<b>(734,938)</b>	<b>(810,472)</b>	<b>(219,000)</b>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	-	3,735,000	-
Premium on debt	-	-	15,192	-
Payments to escrow agent	-	-	(3,662,053)	-
Transfers in	100,965	56,108	221,545	1,336,315
Transfers out	(100,965)	(56,108)	(221,545)	(1,336,315)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>88,139</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 1,339,897</b>	<b>\$ (734,938)</b>	<b>\$ (722,333)</b>	<b>\$ (219,000)</b>
<b>Debt services as a percentage of noncapital expenditures</b>	<b>10.42%</b>	<b>10.60%</b>	<b>8.88%</b>	<b>5.49%</b>

Source: Pittsfield Charter Township Finance Department

2012	2013	2014	2015	2016	2017
\$ 9,407,420	\$ 10,732,225	\$ 11,190,558	\$ 11,372,476	\$ 11,753,664	\$ 11,993,003
550,757	867,021	1,001,339	842,851	767,172	980,767
2,925,226	3,000,110	3,066,993	2,818,791	2,816,250	3,301,141
2,840,862	2,963,635	3,002,764	3,148,082	3,359,736	3,486,167
115,501	160,140	160,253	131,057	119,656	130,842
514,309	519,593	544,575	570,869	581,539	566,779
9,828	22,146	51,585	52,729	61,348	64,915
24,351	29,666	19,822	6,400	9,707	17,000
836,267	824,558	1,220,209	799,694	876,446	119,372
<u>17,224,521</u>	<u>19,119,094</u>	<u>20,258,098</u>	<u>19,742,949</u>	<u>20,345,518</u>	<u>20,659,986</u>
2,657,052	2,859,147	2,795,747	3,129,331	3,207,498	2,813,457
9,073,259	9,437,128	9,583,519	10,020,995	10,291,358	10,723,699
2,463,230	2,123,037	2,676,387	2,768,533	3,560,605	3,527,891
433,127	475,587	544,518	543,822	649,780	540,489
1,074,929	949,886	932,448	988,230	1,111,672	1,339,345
670,459	598,028	446,142	333,469	319,491	420,093
867,532	877,532	804,878	714,878	675,824	702,822
213,773	172,605	134,648	105,930	82,960	37,169
1,654,212	1,489,085	1,512,618	1,679,738	1,085,500	1,329,399
<u>19,107,573</u>	<u>18,982,035</u>	<u>19,430,905</u>	<u>20,284,926</u>	<u>20,984,688</u>	<u>21,434,364</u>
<u>(1,883,052)</u>	<u>137,059</u>	<u>827,193</u>	<u>(541,977)</u>	<u>(639,170)</u>	<u>(774,378)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,171,859	4,983,013	5,500,498	6,941,019	5,668,781	5,966,544
(5,150,298)	(5,645,679)	(5,795,994)	(7,171,019)	(5,898,781)	(5,962,132)
<u>21,561</u>	<u>(662,666)</u>	<u>(295,496)</u>	<u>(230,000)</u>	<u>(230,000)</u>	<u>4,412</u>
<u>\$ (1,861,491)</u>	<u>\$ (525,607)</u>	<u>\$ 531,697</u>	<u>\$ (771,977)</u>	<u>\$ (869,170)</u>	<u>\$ (769,966)</u>
<u>6.33%</u>	<u>5.92%</u>	<u>4.94%</u>	<u>4.28%</u>	<u>4.20%</u>	<u>3.59%</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011
<b>Revenues</b>				
Property taxes	\$ 6,824,545	\$ 6,825,336	\$ 7,052,399	\$ 6,847,597
Licenses and permits	59,340	112,332	66,448	135,084
Intergovernmental	2,161,456	1,913,937	2,258,849	2,783,910
Charges for services	1,169,029	1,195,715	1,406,216	1,961,966
Fines and forfeitures	99,726	91,569	100,299	107,786
Franchise fees	412,165	442,812	483,740	490,088
Investment earnings	375,038	59,774	13,333	12,049
Donations	-	152,500	1,000	-
Other revenues	687,236	290,457	488,343	487,648
<b>Total revenues</b>	<b>11,788,535</b>	<b>11,084,432</b>	<b>11,870,627</b>	<b>12,826,128</b>
<b>Expenditures</b>				
General government	1,963,345	2,079,990	2,403,165	2,182,209
Public safety	6,053,564	5,570,177	5,786,344	4,984,788
Public works	581,332	550,855	551,552	647,308
Planning and zoning	364,286	361,169	287,868	277,006
Culture and recreation	857,532	843,704	971,112	1,003,494
Other unallocated	1,376,346	1,416,852	1,178,893	1,182,084
Debt service	605,761	-	-	-
Capital outlay	161,357	500,074	412,429	247,594
<b>Total expenditures</b>	<b>11,963,523</b>	<b>11,322,821</b>	<b>11,591,363</b>	<b>10,524,483</b>
<b>Revenues over (under) expenditures</b>	<b>(174,988)</b>	<b>(238,389)</b>	<b>279,264</b>	<b>2,301,645</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	305	-	-
Transfers out	(55,410)	(55,803)	(206,545)	(1,330,365)
<b>Total other financing sources (uses)</b>	<b>(55,410)</b>	<b>(55,498)</b>	<b>(206,545)</b>	<b>(1,330,365)</b>
<b>Net change in fund balance</b>	<b>\$ (230,398)</b>	<b>\$ (293,887)</b>	<b>\$ 72,719</b>	<b>\$ 971,280</b>

Source: Pittsfield Charter Township Finance Department

Schedule 5  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 6,556,789	\$ 6,413,007	\$ 6,914,364	\$ 7,045,243	\$ 7,358,916	\$ 7,494,824
86,145	117,006	89,365	108,740	132,753	154,779
2,673,668	2,725,466	2,735,937	2,733,084	2,775,551	3,259,512
1,435,782	1,332,844	1,320,181	1,374,995	1,395,045	1,550,701
1,200	2,350	3,300	1,550	1,800	1,960
512,189	516,704	544,575	570,869	581,539	566,779
7,100	17,060	38,080	41,022	48,916	52,975
24,106	29,666	6,850	6,400	5,000	15,500
506,132	517,542	492,917	602,488	614,102	58,009
<u>11,803,111</u>	<u>11,671,645</u>	<u>12,145,569</u>	<u>12,484,391</u>	<u>12,913,622</u>	<u>13,155,039</u>
2,650,810	2,846,263	2,795,747	3,061,592	3,195,798	2,810,817
138,685	108,353	116,585	165,884	112,145	130,450
1,243,107	849,836	1,336,487	1,336,654	2,105,004	1,993,867
433,127	475,587	544,518	543,822	649,780	540,489
1,017,255	939,392	891,966	951,687	1,053,287	1,298,955
670,459	598,028	446,142	333,469	319,491	369,314
-	-	-	-	-	-
436,786	426,598	345,845	151,727	177,625	515,123
<u>6,590,229</u>	<u>6,244,057</u>	<u>6,477,290</u>	<u>6,544,835</u>	<u>7,613,130</u>	<u>7,659,015</u>
<u>5,212,882</u>	<u>5,427,588</u>	<u>5,668,279</u>	<u>5,939,556</u>	<u>5,300,492</u>	<u>5,496,024</u>
112,176	193,651	61,824	-	3,595	87,203
(5,038,122)	(4,893,889)	(5,689,325)	(7,093,298)	(5,891,287)	(5,879,341)
<u>(4,925,946)</u>	<u>(4,700,238)</u>	<u>(5,627,501)</u>	<u>(7,093,298)</u>	<u>(5,887,692)</u>	<u>(5,792,138)</u>
<u>\$ 286,936</u>	<u>\$ 727,350</u>	<u>\$ 40,778</u>	<u>\$ (1,153,742)</u>	<u>\$ (587,200)</u>	<u>\$ (296,114)</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Taxable and Estimated Actual Value of Property

Last Ten Years

As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2016	2017	\$ 1,685,245,245	\$ 3,370,490,490	\$ 115,649,500	\$ 231,299,000
2015	2016	1,630,269,442	3,260,538,884	119,400,002	238,800,004
2014	2015	1,574,701,371	3,149,402,742	116,147,300	232,294,600
2013	2014	1,534,854,820	3,069,709,640	122,153,900	244,307,800
2012	2013	1,529,357,932	3,058,715,864	122,398,500	244,797,000
2011	2012	1,558,976,815	3,117,953,630	123,020,600	246,041,200
2010	2011	1,604,821,156	3,209,642,312	122,029,200	244,058,400
2009	2010	1,653,147,342	3,306,294,684	127,555,000	255,110,000
2008	2009	1,694,059,053	3,388,118,106	127,730,900	255,461,800
2007	2008	1,711,715,683	3,423,431,366	120,334,500	240,669,000

(1) Does not include properties subject to Industrial Facility Tax exemptions.

(2) Per \$1,000 of taxable value.

Source: Pittsfield Charter Township Assessing Department

Schedule 6  
Unaudited



Total		(2) Total
Taxable Value	Estimated Actual Value	Direct Tax Rate
\$ 1,800,894,745	\$ 3,601,789,490	6.5479
1,749,669,444	3,499,338,888	6.5916
1,690,848,671	3,381,697,342	6.5916
1,657,008,720	3,314,017,440	6.5916
1,651,756,432	3,303,512,864	6.3113
1,681,997,415	3,363,994,830	5.3554
1,726,850,356	3,453,700,712	5.3554
1,780,702,342	3,561,404,684	5.3554
1,821,789,953	3,643,579,906	5.1500
1,832,050,183	3,664,100,366	5.1950

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended December 31,	Township Total Direct Rate	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College
2017	6.5479	25.5406	30.9694	26.8452	5.4286	3.4360
2016	6.5916	21.4168	30.9748	25.8500	6.0000	3.4576
2015	6.5916	21.4500	27.3148	25.8500	6.0000	3.4576
2014	6.5916	21.4500	26.0148	25.8500	6.0000	3.4576
2013	6.3113	21.4500	26.9148	25.8500	6.0000	3.6376
2012	5.3554	21.1497	26.0148	25.8500	6.0000	3.7176
2011	5.3554	21.1226	26.0148	25.8500	6.0000	3.6856
2010	5.3554	20.9880	26.0148	25.8500	6.0000	3.6856
2009	5.1500	21.2295	26.0148	25.8311	6.0000	3.6856
2008	5.1950	21.2327	26.0148	25.8311	6.0000	3.6956

### Components of Total Direct Rate

	Special Voted			Total
	Operating	Public Safety	Parks	
2017	4.1286	1.9371	0.4822	6.5479
2016	4.1561	1.9500	0.4855	6.5916
2015	4.1561	1.9500	0.4855	6.5916
2014	4.1561	1.9500	0.4855	6.5916
2013	3.8758	1.9500	0.4855	6.3113
2012	3.8758	0.9941	0.4855	5.3554
2011	3.8758	0.9941	0.4855	5.3554
2010	3.8758	0.9941	0.4855	5.3554
2009	3.6704	0.9941	0.4855	5.1500
2008	3.7154	0.9941	0.4855	5.1950

Source: Pittsfield Charter Township Treasurer's Department



Washtenaw County	Washtenaw Intermediate School District	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non-Homestead
6.2432	5.4509	1.9000	1.3753	95.7371	113.7371
6.3058	3.9745	1.6500	1.1830	89.4041	112.9225
6.2838	3.9745	1.5500	1.1830	85.6553	103.6553
5.7801	3.9745	1.5500	1.1830	83.8516	101.8516
5.7654	3.9745	1.5500	1.1830	84.6366	102.6366
5.7518	3.9745	1.5500	1.3164	82.6802	100.6802
5.7448	3.9745	1.5500	1.3095	82.6072	100.6072
5.7418	3.9745	1.5500	1.3066	82.4667	100.4667
5.7018	3.9745	1.9214	1.3011	82.8098	100.8098
5.6768	3.9745	1.9214	1.5003	83.0422	101.0422

**Principal Property Taxpayers**  
Current Year and Nine Years Ago

Taxpayer	2017			2008		
	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value
Tidon Valley Ranch Apartments	\$ 15,846,900	1	0.86%	\$ -	-	-
Pines of Cloverlane LLC	15,576,612	2	0.85%	15,233,900	4	0.83%
DTE Electric Company	15,011,700	3	0.82%	13,057,706	5	0.71%
Hamptons of Cloverlane LLC	14,513,173	4	0.79%	-	-	-
Meijer Inc.	14,125,537	5	0.77%	10,407,657	9	0.57%
Spicetree Apartment Properties	13,564,612	6	0.74%	-	-	-
Glencoe Hills LLC	13,279,306	7	0.72%	12,240,896	7	0.67%
Oak Valley Partner LLC	11,981,400	8	0.65%	-	-	-
Michigan Consolidated Gas	10,737,800	9	0.58%	-	-	-
Oak Valley Center LLC	10,163,293	10	0.55%	-	-	-
CitiMortgage	-	-	-	25,927,100	1	1.42%
McMullen Properties	-	-	-	21,630,541	2	1.18%
Highland Industrial Dev Co	-	-	-	19,714,210	3	1.08%
Hunt Club Apartments	-	-	-	12,414,900	6	0.68%
National Amusements	-	-	-	10,971,212	8	0.60%
Airport Boulevard Associates	-	-	-	9,693,029	10	0.53%
	<u>\$ 134,800,333</u>		<u>7.33%</u>	<u>\$ 151,291,151</u>		<u>8.27%</u>

[1] Includes ad valorem and Industrial Facilities Tax properties.

Source: Pittsfield Charter Township Treasurer's Department

**Property Tax Levies and Collections**  
Last Ten Years

(1) Fiscal Year Ended December 31,	(2) Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2008	\$ 9,529,994	\$ 9,064,779	95.12%	\$ 411,262	\$ 9,476,041	99.43%
2009	9,400,448	8,895,990	94.63%	470,126	9,366,116	99.63%
2010	9,261,746	8,745,901	94.43%	482,575	9,228,476	99.64%
2011	8,985,189	8,594,157	95.65%	358,994	8,953,151	99.64%
2012	10,360,713	10,010,053	96.62%	320,524	10,330,577	99.71%
2013	10,889,827	10,485,003	96.28%	338,926	10,823,929	99.39%
2014	11,097,413	10,741,137	96.79%	317,544	11,058,681	99.65%
2015	11,553,223	11,240,899	97.30%	290,799	11,531,698	99.81%
2016	11,774,835	11,427,074	97.05%	324,602	11,751,676	99.80%
2017	11,985,168	11,629,610	97.03%	331,299	11,960,909	99.80%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The Township's delinquent real property taxes are purchased by Washtenaw County. Uncollected personal property taxes must be collected by the Township Treasurer.

(2) Includes Industrial Facility Tax.

(3) Includes settlement payment from Washtenaw County Treasurer's department for purchase of delinquent real property tax roll.

Source: Pittsfield Charter Township Treasurer's Department

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Ratios of Outstanding Debt by Type Last Ten Years

	2008	2009	2010	2011
<b>Governmental activities</b>				
General obligation bonds	\$ 6,562,216	\$ 5,345,000	\$ 4,540,000	\$ 3,950,000
Special assessment debt	952,636	2,566,051	2,408,517	2,245,986
	<u>7,514,852</u>	<u>7,911,051</u>	<u>6,948,517</u>	<u>6,195,986</u>
<b>Business-type activities</b>				
General obligation bonds	<u>7,565,000</u>	<u>7,285,000</u>	<u>10,865,611</u>	<u>10,483,466</u>
<b>Total outstanding debt</b>	<u>\$ 15,079,852</u>	<u>\$ 15,196,051</u>	<u>\$ 17,814,128</u>	<u>\$ 16,679,452</u>
Total taxable value	\$1,832,050,183	\$1,821,789,953	\$1,780,702,342	\$1,726,850,356
Ratio of total debt to taxable value	0.83%	0.85%	1.03%	0.99%
Total population	34,191	34,509	34,663	35,288
Total debt per capita	\$ 441	\$ 440	\$ 514	\$ 473
% of personal income	1.10%	1.16%	1.36%	1.22%

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Schedule 10  
Unaudited

2012	2013	2014	2015	2016	2017
\$ 3,255,852	\$ 2,543,682	\$ 1,821,512	\$ 1,189,342	\$ 602,172	\$ -
<u>2,083,454</u>	<u>1,915,922</u>	<u>1,698,144</u>	<u>1,613,266</u>	<u>1,546,579</u>	<u>1,441,516</u>
5,339,306	4,459,604	3,519,656	2,802,608	2,148,751	1,441,516
<u>10,217,580</u>	<u>9,717,080</u>	<u>9,281,080</u>	<u>8,825,080</u>	<u>7,811,080</u>	<u>7,211,080</u>
<u>\$ 15,556,886</u>	<u>\$ 14,176,684</u>	<u>\$ 12,800,736</u>	<u>\$ 11,627,688</u>	<u>\$ 9,959,831</u>	<u>\$ 8,652,596</u>
\$1,681,997,415	\$1,651,756,432	\$1,657,008,720	\$1,690,848,671	\$1,749,669,444	\$1,800,894,745
0.95%	0.86%	0.77%	0.69%	0.57%	0.48%
35,821	36,068	37,588	38,309	38,435	39,730
\$ 436	\$ 393	\$ 341	\$ 304	\$ 259	\$ 218
1.06%	0.91%	0.78%	0.63%	0.50%	0.41%

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Years**

Year	Governmental Activities	Business-type Activities	Amounts Available in Debt Service Funds	Total	% of Total Personal Income	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds					
2017	\$ -	\$ 7,211,080	\$ (60,193)	\$ 7,150,887	0.34%	0.40%	\$ 179.99
2016	602,172	7,811,080	(106,824)	8,306,428	0.03%	0.03%	12.89
2015	1,189,342	8,825,080	(104,445)	9,909,977	0.06%	0.06%	28.32
2014	1,821,512	9,281,080	(153,919)	10,948,673	0.10%	0.10%	42.77
2013	2,543,682	9,717,080	(232,547)	12,028,215	0.13%	0.12%	54.06
2012	3,255,852	10,217,580	(928,596)	12,544,836	0.13%	0.12%	54.06
2011	3,950,000	10,483,466	(988,535)	13,444,931	0.18%	0.14%	68.62
2010	4,540,000	10,865,611	(995,097)	14,410,514	0.21%	0.16%	79.04
2009	5,345,000	7,285,000	(1,062,490)	11,567,510	0.25%	0.18%	92.95
2008	6,562,216	7,565,000	(1,158,374)	12,968,842	0.29%	0.22%	117.25

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

**Computation of Net Direct and Overlapping Debt**

As of December 31, 2017

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
Special assessment bonds	\$ 1,441,516	\$ 1,441,516	-
Overlapping debt			
School districts:			
Saline			45,144,184
Ann Arbor			22,919,160
Milan			8,883,449
Washtenaw County			3,518,241
Washtenaw Community College			1,289,048
Saline District Library			425,457
Net overlapping debt			82,179,539
Net direct and overlapping debt			\$ 82,179,539

Source: Municipal Advisory Council of Michigan

*Overlapping Debt* - The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative Assessed Values.

The Assessed Values is the appraised worth of a property as set by a taxing authority for purposes of ad valorem taxation. The method of establishing assessed valuation varies from state to state. For example, in certain jurisdictions the assessed valuation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a set percentage of full or market value.

**Legal Debt Margin**  
Last Ten Years

Legal debt margin calculation for fiscal 2017

Assessed value (excluding IFT values)	<u>\$ 1,800,894,745</u>
Debt limit (10% of assessed value)	\$ 180,089,475
Less: net debt applicable to limit	<u>(7,211,080)</u>
Legal debt margin	<u>\$ 172,878,395</u>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2017	\$ 180,089,475	\$ 7,211,080	\$ 172,878,395	4.00%
2016	180,089,475	8,411,080	171,678,395	4.67%
2015	174,966,944	10,066,080	164,900,864	5.75%
2014	169,084,867	11,096,080	157,988,787	6.56%
2013	165,700,872	12,096,080	153,604,792	7.30%
2012	165,175,643	13,151,080	152,024,563	7.96%
2011	168,199,742	13,893,466	154,306,276	8.26%
2010	172,685,036	14,600,611	158,084,425	8.46%
2009	189,357,360	11,555,000	177,802,360	6.10%
2008	197,607,620	12,732,216	184,875,404	6.44%

Source: Pittsfield Charter Township Finance Department & Assessing Department

**Demographic and Economic Statistics**  
Last Ten Years

Year	Population	(1) Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2017	39,730	\$ 2,098,300	\$ 52,814	3.10%
2016	38,435	1,975,559	51,400	3.00%
2015	38,309	1,852,815	48,365	3.30%
2014	37,588	1,651,128	43,927	4.50%
2013	36,068	1,558,210	43,202	5.40%
2012	35,821	1,462,249	40,821	5.30%
2011	35,288	1,370,057	38,825	6.10%
2010	34,663	1,312,307	37,859	7.60%
2009	34,509	1,306,476	37,859	7.80%
2008	34,191	1,365,178	39,928	5.40%

(1) Data specific for the Township is not available; accordingly, amount shown is calculated based on Township's population and per capita personal income for Washtenaw County.

Sources: Regional Economic Information System, Bureau of Economic Analysis,  
U.S. Department of Commerce, Bureau of Economic Analysis

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**Principal Employers**  
Current Year and Eight Years Ago [1]

Employer	Category	2017			2009		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
Thomson Reuters	Software/IT	1000+	1	6%	N/A	-	-
Huron Valley Correctional	Correctional Institutions	500-999	2	3%	250-499	3	3%
Extang Corp	Recreational Vehicle Dealers	250-499	3	2%	N/A	-	-
Meijer	Supermarket and other grocery stores	250-499	3	2%	500-999	1	4%
Nexient	Software Development	250-499	3	1%	N/A	-	-
Saline High School	Elementary and secondary schools	250-499	3	1%	250-499	3	3%
Walmart Superstore	Department stores, except discounts	250-499	3	1%	N/A	-	-
A&D Technology	Testing apparatus manufacturers	100-249	8	1%	100-249	9	1%
Ann Arbor Hospice Residence	Nursing care facilities	100-249	8	1%	N/A	-	-
Arotech Corp	Miscellaneous electrical Equipment Mfg.	100-249	8	1%	N/A	-	-
AV Fuels	Aviation	100-249	8	1%	N/A	-	-
Costco	Warehouse clubs and supercenters	100-249	8	1%	N/A	-	-
FAAC Inc.	Engineering services	100-249	8	1%	N/A	-	-
Kroger	Supermarket and other grocery stores	100-249	8	1%	250-499	3	3%
Pittsfield Care LLC	Senior Community Living	100-249	8	1%	N/A	-	-
Target	Department stores, except discounts	100-249	8	1%	250-499	3	2%
Tecumseh Products	Other Electrical Components Mfg.	100-249	8	1%	100-249	9	1%
Infra Source	Site preparation contractors	N/A	-	-	500-999	1	4%
ANS Communications	Data Processing and related services	N/A	-	-	250-499	3	2%
Mobility Transportation	Special needs transportation	N/A	-	-	250-499	3	2%

[1] Data prior to 2009 is not readily available.

Source: Michigan Department of Energy, Labor and Economic Growth, Labor Market  
Ann Arbor USA

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Full-Time Equivalent Governmental Employees by Function/Program

Last Ten Years

Function/Program	2008	2009	2010	2011	2012
<b>General Government</b>					
Supervisor	3	2	2	2	2
Clerk/Elections	5	5	6	5	5
Treasurer	4	4	4	4	4
Assessing	4	4	5	5	5
Finance	2	2	1	2	2
Administrative Services		2	2	1	1
Human Resources	1	-	-	1	1
Information Technology	1	1	1	1	1
Community Development	5	6	5	5	5
Building Safety	5	5	5	5	5
<b>Public Safety</b>					
Police	39	38	39	40	42
Fire	21	21	24	24	24
Dispatch/Clerical	12	13	11	12	10
<b>Public Works</b>					
Department of Public Works	10	11	9	9	8
Grounds Maintenance	-	-	-	-	-
Parks and recreation	10	10	10	10	10
<b>Total</b>	<b>122</b>	<b>124</b>	<b>124</b>	<b>126</b>	<b>125</b>

Source: Pittsfield Charter Township Finance Department

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Unaudited

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2013	2014	2015	2016	2017
2	2	2	2	2
4	5	5	5	5
5	5	5	5	5
4	4	4	4	4
2	2	3	3	3
1	1	2	2	3
2	2	2	2	2
1	1	1	1	2
8	7	7	7	5
5	5	7	5	5
41	36	38	39	39
24	25	25	26	26
11	11	14	10	12
10	10	10	12	13
-	3	3	3	3
10	8	9	8	9
<u>130</u>	<u>127</u>	<u>137</u>	<u>134</u>	<u>138</u>

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Operating Indicators by Function/Program Last Ten Years

Function/Program	2008	2009	2010	2011	2012
<b>Election data</b>					
Registered voters	18,758	20,973	22,049	22,673	23,878
Voters (at the polls or absentee)	10,800	3,684	14,561	6,190	16,367
Percentage voting	57.60%	17.60%	66.04%	27.30%	68.54%
<b>Police</b>					
Traffic citations	2,943	3,364	2,975	2,564	3,181
Arrests	1,168	1,325	1,280	1,417	1,737
Calls for service	16,399	13,161	13,407	13,827	14,469
<b>Fire</b>					
Medical runs	1,248	1,342	1,383	1,426	1,487
Accident runs	487	520	482	523	479
Fire runs	377	360	352	130	133
Other calls for service	293	257	312	498	557

Source: Pittsfield Charter Township Clerk's Department  
Pittsfield Charter Township Public Safety Department

Schedule 17  
Unaudited



2013	2014	2015	2016	2017
24,878	23,151	23,211	25,535	25,118
1,939	9,921	4,974	19,590	4,001
7.79%	42.85%	21.43%	76.72%	15.93%
3,730	2,890	2,506	2,116	2,951
1,599	1,551	1,282	1,206	1,593
15,660	16,147	14,948	16,411	17,491
1,474	1,509	1,448	1,498	1,552
564	628	496	495	530
373	144	208	500	592
359	534	556	220	347

# PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

## Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2008	2009	2010	2011	2012
<b>Police</b>					
Police department building	1	1	1	1	1
Vehicle patrol units	28	26	26	26	27
<b>Fire</b>					
Number of stations	3	3	3	3	3
Fire units:					
Fire engines	3	3	4	4	3
Ladder trucks	2	2	2	2	2
Tanker trucks	1	1	1	1	1
Rescue vehicles	1	1	1	1	1
Brush trucks	1	1	1	1	1
Adm/Utility trucks	4	4	4	4	3
<b>Public Works</b>					
Sewer:					
Feet of sanitary mains	712,646	712,646	712,861	712,861	712,861
Water:					
Feet of water mains	968,718	969,827	970,230	972,442	974,554
Number of fire hydrants	2,232	2,240	2,244	2,249	2,255
<b>Parks and Recreation</b>					
Parks	14	14	14	16	16
Park acreage	1,004	1,004	1,004	1,032	1,036
Fishing docks	2	2	2	2	2
Play structures	10	10	10	11	12
Historical Farm	1	1	1	1	1
Community center	1	1	1	1	1
Tennis courts	4	4	4	4	4
Pavilions	7	7	7	7	8

Source: Pittsfield Charter Township

Schedule 18  
Unaudited



2013	2014	2015	2016	2017
1	1	1	1	1
27	31	31	27	25
3	3	3	3	3
4	5	5	3	3
2	2	2	2	2
1	1	1	1	1
1	1	1	-	-
1	1	1	1	1
3	3	3	5	5
713,356	728,230	731,962	756,916	766,867
978,570	981,524	988,943	1,015,771	1,027,796
2,274	2,290	2,313	2,328	2,361
16	16	16	16	17
1,036	1,036	1,066	1,070	1,070
2	2	2	2	2
11	11	13	14	14
1	1	1	1	1
1	1	1	1	1
4	2	2	2	2
8	8	9	9	9

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