

**Charter Township of White Lake
Oakland County, Michigan**

**Financial Report
with Supplemental Information
December 31, 2015**

Charter Township of White Lake

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Charter Township of White Lake

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Independent Auditor's Report

To the Township Board of Trustees
Charter Township of White Lake

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of White Lake (the "Township") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Charter Township of White Lake'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.

Auditor's 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 the auditor's 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 entity'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 entity'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, each major fund, and the aggregate remaining fund information of the Charter Township of White Lake as of December 31, 2015 and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Township Board of Trustees
Charter Township of White Lake

Emphasis of Matter

As discussed in Note 11 to the basic financial statements, during the year ended December 31, 2015, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.*, which establish accounting and financial reporting standards for defined benefit pensions provided to the employees of governmental employers through pension plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedules, other postemployment benefit plan schedule, schedule of changes in the township net pension liability and related ratios, and schedule of township contributions, as identified on 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, which 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 supplemental 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 Charter Township of White Lake's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates 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 other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

April 1, 2016

Charter Township of White Lake

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of White Lake's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the Township's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Charter Township of White Lake as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Township in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

Governmental Activities

The following table shows, in a condensed format, the current year's net position and changes in net position, compared to the prior year:

	2015	2014	Change	Percent Change
Assets				
Current assets	\$ 33,470,495	\$ 31,152,207	\$ 2,318,288	7.4%
Capital assets - Net	19,618,969	20,601,317	(982,348)	-4.8%
Total assets	53,089,464	51,753,524	1,335,940	2.6%
Deferred Outflows of Resources	905,379	-	905,379	
Liabilities				
Current liabilities	1,477,411	1,411,060	66,351	4.7%
Long-term liabilities	15,576,984	10,643,346	4,933,638	46.4%
Total liabilities	17,054,395	12,054,406	4,999,989	41.5%
Deferred Inflows of Resources	10,359,699	10,462,356	(102,657)	-1.0%
Net Position				
Net investment in capital assets	15,990,497	16,138,002	(147,505)	-0.9%
Restricted	12,744,648	11,574,733	1,169,915	10.1%
Unrestricted	(2,154,396)	1,524,027	(3,678,423)	-241.4%
Total net position	<u>\$ 26,580,749</u>	<u>\$ 29,236,762</u>	<u>\$ (2,656,013)</u>	-9.1%

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The Township's governmental activities net position was \$26.6 million at the close of December 31, 2015, which was a decrease from December 31, 2014 of approximately \$2.7 million. The decrease is due primarily to the new Government Accounting Standards Board (GASB) reporting requirement. GASB 68, *Accounting and Financial Reporting for Pensions*, requires entities that provide employees with pension benefits to begin reporting their net pension liability (NPL). The NPL is basically the difference between the pension plan's total liability and its current net position measured at fair market value. At December 31, 2015, White Lake Township's NPL was approximately \$5.6 million. It should be noted that the liability is not new, only its requirement to be disclosed and that White Lake Township's overall funding of the pension plan has historically been around 80 percent.

Business-type Activities - Financial Position

The following table shows, in a condensed format, the current year's net position compared to the prior year:

	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Current assets	\$ 6,468,273	\$ 6,342,447	\$ 125,826	2.0%
Capital assets - Net	<u>6,025,641</u>	<u>6,061,698</u>	<u>(36,057)</u>	-0.6%
Total assets	12,493,914	12,404,145	89,769	0.7%
Deferred Outflows of Resources	18,370	-	18,370	
Liabilities				
Current liabilities	190,470	61,807	128,663	208.2%
Long-term liabilities	<u>1,227,621</u>	<u>1,250,549</u>	<u>(22,928)</u>	-1.8%
Total liabilities	<u>1,418,091</u>	<u>1,312,356</u>	<u>105,735</u>	8.1%
Net Position				
Net investment in capital assets	5,105,641	5,091,698	13,943	0.3%
Restricted	4,890,701	4,896,024	(5,323)	-0.1%
Unrestricted	<u>1,097,851</u>	<u>1,104,067</u>	<u>(6,216)</u>	-0.6%
Total net position	<u>\$ 11,094,193</u>	<u>\$ 11,091,789</u>	<u>\$ 2,404</u>	0.0%

The Township's business-type activity consists of the Water Fund. The change in net position from December 31, 2014 was effected by GASB 68, reducing by approximately \$2,000.

In 2015, the Township began the work on a new water iron infiltration facility at its Village Acres site, which, when completed, will provide iron-free water to 80 percent of the Township's water customers.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

Governmental Activities

Unrestricted net position is net position that can be used to finance day-to-day operations. Restricted net position has limitations on its use that may be the result of enabling legislation, grant, or bond covenants. The net investment in capital assets represents the Township's capital assets that provide services to citizens; accordingly, these assets are not available for future spending.

Governmental Activities - Results of Operations

The following table shows, in a condensed format, the current year's changes in net position compared to the prior year:

	2015	2014	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 4,511,128	\$ 4,264,992	\$ 246,136	5.8%
Operating grants	257,162	254,808	2,354	0.9%
Capital grants	690,362	601,054	89,308	14.9%
General revenue:				
Property taxes	8,618,800	7,565,735	1,053,065	13.9%
State-shared revenue	2,339,937	2,337,732	2,205	0.1%
Unrestricted investment earnings	116,884	137,271	(20,387)	-14.9%
Franchise fees	503,648	479,900	23,748	4.9%
Other revenue	982,552	343,728	638,824	185.9%
Total revenue	18,020,473	15,985,220	2,035,253	12.7%
Program Expenses				
General government	3,396,587	2,984,813	411,774	13.8%
Public safety	8,134,781	8,074,025	60,756	0.8%
Public works	3,810,375	3,820,100	(9,725)	-0.3%
Health and welfare	84,896	105,490	(20,594)	-19.5%
Community and economic development	409,621	412,642	(3,021)	-0.7%
Recreation and cultural	344,822	296,757	48,065	16.2%
Interest on long-term debt	54,154	72,662	(18,508)	-25.5%
Total expenses	16,235,236	15,766,489	468,747	3.0%
Change in Net Position	\$ 1,785,237	\$ 218,731	\$ 1,566,506	716.2%

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

Governmental activities revenue was approximately \$18,020,000 for the year ended December 31, 2015, an increase of approximately \$2,035,000 over 2014. Of this revenue, 48 percent was obtained through property taxes, 25 percent for fees charged for services, and 13 percent from state-shared revenue. Total governmental activities expenditures were approximately \$16,235,000, an increase of approximately \$469,000 over 2014. The increase in expenditures is more than offset by the increase in revenues. The revenue increase was due primarily to improving property values and the sale of township properties. The primary causes of the increase in expenditures was for OPEB funding and GASB 68.

Business-type Activities - Results of Operations

The following table shows, in a condensed format, changes in net position compared to the prior year:

	2015	2014	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 869,455	\$ 767,775	\$ 101,680	13.2%
Capital grants and contributions	55,500	41,614	13,886	33.4%
General revenue - Unrestricted				
investment earnings	36,473	46,242	(9,769)	-21.1%
Other revenue	-	500	(500)	100.0%
Total revenue	961,428	856,131	105,297	12.3%
Program Expenses	869,784	1,020,850	(151,066)	-14.8%
Change in Net Position	\$ 91,644	\$ (164,719)	\$ 256,363	-155.6%

Total revenue was approximately \$961,000 for the year ended December 31, 2015. Charges for services represented 90 percent of total revenue. At December 31, 2015, the Township was providing water to 1,960 customers. The primary cause of increased revenue in 2015 was the result of new water connections and increased use from 2014. The decrease in expenditures was primarily due to the completion updating water meters which occurred in 2014.

Township Funds

The analysis of the Township's major funds begins on page 12, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2015 include the General Fund, the Fire Fund, the Police Fund, and the Solid Waste Special Assessment Fund.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The General Fund is the main operating fund of the Township. Total revenue and other financing sources for the year were approximately \$4,910,000. Of this revenue, state-shared revenue accounted for 49 percent and property taxes accounted for 22 percent. Total expenditures and other financing uses for the year were approximately \$4,274,000, which included operating transfers of approximately \$200,000 to the Sewer Debt Fund (to subsidize operating shortfalls in that fund). At December 31, 2015, the unassigned fund balance of \$1,613,535 represented 38 percent of the total General Fund expenditures and other financing uses for the year.

The Fire Fund is used to account for fire services to Township residents. Total revenue and other financing sources for the year were approximately \$3,161,000. Of this revenue, property taxes accounted for 91 percent. Total expenditures for the year were approximately \$2,637,000, of which 69 percent is related to employee costs. The fund balance of \$5,401,387 is restricted for future fire operating costs, equipment acquisitions, and new personnel.

The Police Fund is used to account for police services to Township residents. Total revenue and other financing sources for the year were approximately \$5,137,000. Of this revenue, property taxes accounted for 91 percent. Total expenditures for the year were approximately \$4,406,000, of which 86 percent related to employee costs. The fund balance of \$2,474,608 is restricted for future police operating costs.

The Solid Waste Special Assessment Fund is used to account for the solid waste of the Township. Total revenue and other financing sources for the year were approximately \$1,892,000 and were earned through special assessment charges. The fund balance of \$129,081 is restricted for solid waste expenditures.

Capital Asset and Debt Administration

Capital Assets

At the end of 2015, the Township had \$25,644,610 invested in a broad range of capital assets (net of accumulated depreciation), including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads and related infrastructure within the Township. Although these roads are the property of the Oakland County Road Commission (along with the responsibility to maintain them), the Township has invested in their construction and maintenance.

Long-term Debt

The Township's total long-term indebtedness as of December 31, 2015 is \$4,671,431. Of this amount, \$3,582,900 represents governmental general obligation bonds, \$39,400 represents a loan from Oakland County, \$920,000 represents a loan from the State of Michigan's Drinking Water Revolving Fund, and \$6,172 represents governmental capital leases.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets

The Township's budget for 2016 is reflective of anticipated revenue and costs. The economic downturn and lowered home values have significantly impacted the revenue of the Township and, although the housing market continues to rebound, property values and tax revenue will continue to be a major focus during the 2017 and 2018 budget processes. Three other items that will be of significant focus are first: the forecasted increases in healthcare insurance as the Federal Health Care Reform program continues to take effect; second, the funding issue of the sewer debt funds; and finally, the Township will continue to fund the OPEB liability, which it started to do in 2015.

Request for Information

This financial report is intended to provide 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 any questions or concerns about this report or need additional information, contact the clerk's office at the Township of White Lake, 7525 Highland Road, White Lake, Michigan 48383.

Charter Township of White Lake

Statement of Net Position December 31, 2015

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 27,633,063	\$ 1,178,157	\$ 28,811,220
Receivables:			
Property taxes receivable	3,671,918	27,932	3,699,850
Receivables from sales to customers on account	-	221,528	221,528
Accrued interest receivable	16,011	4,972	20,983
Other receivables	197,945	2,388	200,333
Due from other governmental units	658,337	-	658,337
Special assessments receivable	1,250,736	185,080	1,435,816
Internal balances	42,485	(42,485)	-
Restricted assets	-	4,890,701	4,890,701
Capital assets (Note 3):			
Assets not subject to depreciation	1,398,777	526,992	1,925,769
Assets subject to depreciation	18,220,192	5,498,649	23,718,841
Total assets	53,089,464	12,493,914	65,583,378
Deferred Outflows of Resources (Note 8)			
Net difference between projected and actual earnings on pension plan investments	276,133	5,603	281,736
Employer contributions to the plan subsequent to the measurement date	629,246	12,767	642,013
Total deferred outflows of resources	905,379	18,370	923,749
Liabilities			
Accounts payable	438,083	20,865	458,948
Accrued liabilities and other	154,614	7,564	162,178
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	24,592	-	24,592
Current portion of long-term debt (Note 5)	860,122	50,000	910,122
Due in more than one year:			
Compensated absences (Note 5)	98,367	-	98,367
Net OPEB obligation (Note 9)	7,188,163	357,621	7,545,784
Net pension liability (Note 8)	5,522,104	112,041	5,634,145
Long-term debt (Note 5)	2,768,350	870,000	3,638,350
Total liabilities	17,054,395	1,418,091	18,472,486
Deferred Inflows of Resources - Property taxes levied for the following year	10,359,699	-	10,359,699
Net Position			
Net investment in capital assets	15,990,497	5,105,641	21,096,138
Restricted for:			
Debt service	1,780,152	-	1,780,152
Fire	5,401,387	-	5,401,387
Police	2,474,608	-	2,474,608
Water debt and system improvements	-	4,890,701	4,890,701
Parks and recreation	811,924	-	811,924
Drug law enforcement	101,844	-	101,844
Building activity	1,133,410	-	1,133,410
Solid waste	129,081	-	129,081
Sewer	884,291	-	884,291
Public access programming	27,951	-	27,951
Unrestricted	(2,154,396)	1,097,851	(1,056,545)
Total net position	\$ 26,580,749	\$ 11,094,193	\$ 37,674,942

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of White Lake

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,396,587	\$ 112,820	\$ 60,194	\$ 883
Public safety	8,134,781	788,793	153,664	-
Public works	3,810,375	3,597,300	-	492,479
Health and welfare	84,896	-	43,304	-
Community and economic development	409,621	5,050	-	-
Recreation and culture	344,822	7,165	-	197,000
Interest on long-term debt	54,154	-	-	-
Total governmental activities	16,235,236	4,511,128	257,162	690,362
Business-type activities - Water	869,784	863,113	-	61,842
Total primary government	<u>\$ 17,105,020</u>	<u>\$ 5,374,241</u>	<u>\$ 257,162</u>	<u>\$ 752,204</u>

General revenues:
 Property taxes
 State-shared revenue
 Investment income
 Cable franchise fees
 Other miscellaneous income
 Gain on sale of fixed assets

Total general revenues

Change in Net Position

Net Position - Beginning of year - As restated

Net Position - End of year

Statement of Activities
Year Ended December 31, 2015

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,222,690)	\$ -	\$ (3,222,690)
(7,192,324)	-	(7,192,324)
279,404	-	279,404
(41,592)	-	(41,592)
(404,571)	-	(404,571)
(140,657)	-	(140,657)
(54,154)	-	(54,154)
(10,776,584)	-	(10,776,584)
-	55,171	55,171
(10,776,584)	55,171	(10,721,413)
8,618,800	-	8,618,800
2,339,937	-	2,339,937
116,884	36,473	153,357
503,648	-	503,648
517,100	-	517,100
465,452	-	465,452
12,561,821	36,473	12,598,294
1,785,237	91,644	1,876,881
24,795,512	11,002,549	35,798,061
\$ 26,580,749	\$ 11,094,193	\$ 37,674,942

Charter Township of White Lake

Governmental Funds Balance Sheet December 31, 2015

	General Fund	Fire Fund	Police Fund	Solid Waste Special Assessment Fund	Non-Major Funds	Total
Assets						
Cash and cash equivalents	\$ 5,891,291	\$ 7,141,068	\$ 5,401,162	\$ 1,343,633	\$ 7,855,909	\$ 27,633,063
Receivables:						
Property taxes receivable	423,305	1,237,134	2,011,479	-	-	3,671,918
Special assessments receivable	-	-	-	542,017	708,719	1,250,736
Accrued interest receivable	-	-	-	-	16,011	16,011
Other receivables	130,613	61,227	4,925	-	1,180	197,945
Due from other governmental units	532,193	-	7,553	-	118,591	658,337
Due from other funds (Note 4)	169,061	-	-	-	-	169,061
Total assets	\$ 7,146,463	\$ 8,439,429	\$ 7,425,119	\$ 1,885,650	\$ 8,700,410	\$ 33,597,071
Liabilities						
Accounts payable	\$ 82,648	\$ 47,638	\$ 80,214	\$ 141,502	\$ 86,081	\$ 438,083
Due to other funds (Note 4)	-	-	-	39,252	87,324	126,576
Accrued liabilities and other	28,053	33,276	61,327	-	10,026	132,682
Total liabilities	110,701	80,914	141,541	180,754	183,431	697,341
Deferred Inflows of Resources						
Property taxes levied for the following year	1,017,786	2,957,128	4,808,970	1,575,815	-	10,359,699
Unavailable special assessment revenue	-	-	-	-	656,635	656,635
Unavailable grant revenue	80,845	-	-	-	-	80,845
Total deferred inflows of resources	1,098,631	2,957,128	4,808,970	1,575,815	656,635	11,097,179
Fund Balances						
Restricted:						
Police	-	-	2,474,608	-	-	2,474,608
Fire	-	5,401,387	-	-	-	5,401,387
Debt service	-	-	-	-	1,364,319	1,364,319
Sewer	-	-	-	-	884,291	884,291
Solid waste	-	-	-	129,081	-	129,081
Drug law enforcement	-	-	-	-	101,844	101,844
Building activity	-	-	-	-	1,133,410	1,133,410
Parks and recreation	-	-	-	-	811,924	811,924
Public access programming	27,951	-	-	-	-	27,951
Assigned:						
Subsequent year's budget	345,645	-	-	-	-	345,645
Sewer debt service	300,000	-	-	-	480,164	780,164
Capital projects	2,500,000	-	-	-	3,084,392	5,584,392
OPEB and pension	700,000	-	-	-	-	700,000
Technology projects	300,000	-	-	-	-	300,000
Election equipment	150,000	-	-	-	-	150,000
Unassigned	1,613,535	-	-	-	-	1,613,535
Total fund balances	5,937,131	5,401,387	2,474,608	129,081	7,860,344	21,802,551
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,146,463	\$ 8,439,429	\$ 7,425,119	\$ 1,885,650	\$ 8,700,410	\$ 33,597,071

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of White Lake

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2015

Fund Balance Reported in Governmental Funds	\$ 21,802,551
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	19,618,969
Special assessments and grant revenue that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	737,480
Net other postemployment benefit obligations are not reported as fund liabilities	(7,188,163)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(3,628,472)
Accrued interest is not due and payable in the current period and is not reported in the funds	(21,932)
Compensated absences are not due and payable in the current period and are not reported in the funds	(122,959)
Deferred outflows of resources - Pension difference between projected and actual investment earnings as well as contributions made to the plan after the measurement date	905,379
Net pension liability is not due and payable in the current period and is not reported on the funds	<u>(5,522,104)</u>
Net Position of Governmental Activities	<u>\$ 26,580,749</u>

Charter Township of White Lake

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2015

	General Fund	Fire Fund	Police Fund	Solid Waste		Total
				Assessment Fund	Nonmajor Governmental Funds	
Revenue						
Property taxes	\$ 1,057,390	\$ 2,878,922	\$ 4,682,488	\$ -	\$ -	\$ 8,618,800
Licenses and permits	30,839	1,155	13,782	-	530,970	576,746
Federal grants	5,516	103,933	15,400	-	43,304	168,153
State-shared revenue and grants	2,389,756	-	4,859	-	147,000	2,541,615
Charges for services	119,702	9,093	14,391	-	2,033,443	2,176,629
Fines and forfeitures	-	-	124,866	-	35,837	160,703
Investment income	51,651	25,392	17,334	1,790	60,155	156,322
Rental income	16,699	-	-	-	-	16,699
Other revenue:						
Special assessments	18,393	-	-	1,890,274	209,439	2,118,106
Cable franchise fees	503,648	-	-	-	-	503,648
Other miscellaneous income	262,114	79,429	249,409	-	3,193	594,145
Total revenue	4,455,708	3,097,924	5,122,529	1,892,064	3,063,341	17,631,566
Expenditures						
Current:						
General government	2,496,064	3,129	538	-	-	2,499,731
Public safety	-	2,586,352	4,274,773	-	408,452	7,269,577
Public works	229,770	-	-	1,755,527	1,473,548	3,458,845
Health and welfare	123,433	-	-	-	-	123,433
Community and economic development	352,435	-	-	-	43,304	395,739
Recreation and culture	200,419	-	-	-	248,276	448,695
Capital outlay	281,062	47,399	130,384	-	102,672	561,517
Debt service	6,327	-	-	-	927,420	933,747
Total expenditures	3,689,510	2,636,880	4,405,695	1,755,527	3,203,672	15,691,284
Excess of Revenue Over (Under) Expenditures	766,198	461,044	716,834	136,537	(140,331)	1,940,282
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	387,600	63,000	14,852	-	-	465,452
Transfers in	66,563	-	-	-	754,434	820,997
Transfers out	(584,434)	-	-	(66,563)	(170,000)	(820,997)
Total other financing (uses) sources	(130,271)	63,000	14,852	(66,563)	584,434	465,452
Net Change in Fund Balances	635,927	524,044	731,686	69,974	444,103	2,405,734
Fund Balances - Beginning of year	5,301,204	4,877,343	1,742,922	59,107	7,416,241	19,396,817
Fund Balances - End of year	\$ 5,937,131	\$ 5,401,387	\$ 2,474,608	\$ 129,081	\$ 7,860,344	\$ 21,802,551

Charter Township of White Lake

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 2,405,734
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	601,532
Depreciation expense	(976,636)
Net book value of assets disposed of	(607,244)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(31,044)
Change in accrued interest payable and other	4,237
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	835,293
Decreases in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and therefore are not reported in the fund statements until they come due for payment	2,480
Increases in net other postemployment benefit obligations are not reported as fund liabilities	(273,640)
The change in the net pension liability is recorded when incurred in the statement of activities	<u>(175,475)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,785,237</u>

Charter Township of White Lake

Proprietary Funds Statement of Net Position December 31, 2015

	Enterprise Fund - Water Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,178,157
Receivables:	
Property taxes receivable	27,932
Special assessments receivable - Current portion	31,056
Receivables from sales to customers on account	221,528
Accrued interest receivable	4,972
Other receivables	2,388
Total current assets	1,466,033
Noncurrent assets:	
Restricted assets	4,890,701
Special assessment receivables - Greater than one year	154,024
Capital assets (Note 3):	
Assets not subject to depreciation	526,992
Assets subject to depreciation	5,498,649
Total noncurrent assets	11,070,366
Total assets	12,536,399
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	5,603
Employer contributions to the plan subsequent to the measurement date	12,767
Total deferred outflows	18,370
Liabilities	
Current liabilities:	
Accounts payable	20,865
Due to other funds (Note 4)	42,485
Accrued liabilities and other	7,564
Current portion of long-term debt (Note 5)	50,000
Total current liabilities	120,914
Noncurrent liabilities:	
Net OPEB obligation (Note 9)	357,621
Net pension liability (Note 8)	112,041
Long-term debt (Note 5)	870,000
Total noncurrent liabilities	1,339,662
Total liabilities	1,460,576
Net Position	
Net investment in capital assets	5,105,641
Restricted - Water debt and system improvements	4,890,701
Unrestricted	1,097,851
Total net position	\$ 11,094,193

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of White Lake

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2015

	Enterprise Fund - Water Fund
Operating Revenue	
Sale of water	\$ 849,035
Interest and penalty charges	12,203
Installation fees	1,875
Total operating revenue	<u>863,113</u>
Operating Expenses	
Salaries and wages	203,240
Fringe benefits	114,526
Workers' compensation and general liability insurance	32,166
Other operating expenses	21,257
Utilities	54,212
Tools and supplies	69,069
Repairs and maintenance	75,488
Depreciation	276,514
Total operating expenses	<u>846,472</u>
Operating Income	16,641
Nonoperating Revenue (Expense)	
Investment income	36,473
Interest expense	(23,312)
Total nonoperating revenue	<u>13,161</u>
Income - Before contributions	29,802
Capital Contributions - Tap-in and recovery fees	<u>61,842</u>
Change in Net Position	91,644
Net Position - Beginning of year - As restated	<u>11,002,549</u>
Net Position - End of year	<u><u>\$ 11,094,193</u></u>

Charter Township of White Lake

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2015

	Enterprise Fund - Water Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 842,305
Payments to suppliers	(318,121)
Payments to employees	(203,399)
Internal activity - Payments from other funds	14,042
Other payments	43,654
	378,481
Cash Flows from Capital and Related Financing Activities	
Special assessment collections	42,065
Tap-in and other capital contributions	61,842
Purchase of capital assets	(240,457)
Principal and interest paid on capital debt	(73,625)
	(210,175)
Cash Flows from Investing Activities - Interest received on investments	37,400
Net Increase in Cash and Cash Equivalents	205,706
Cash and Cash Equivalents - Beginning of year	5,863,152
Cash and Cash Equivalents - End of year	\$ 6,068,858
Balance Sheet Classification of Cash and Cash Equivalents	
Cash and investments	\$ 1,178,157
Restricted cash	4,890,701
	\$ 6,068,858
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 16,641
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	276,514
Other postemployment benefits	27,072
Changes in assets and liabilities:	
Receivables	22,846
Accounts payable	17,094
Due to others	14,042
Accrued and other liabilities	4,272
	\$ 378,481

Charter Township of White Lake

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2015

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 1,740,347</u>
Liabilities	
Due to other governmental units	\$ 389
Refundable deposits, bonds, etc.	1,318,617
Unremitted tax collections	<u>421,341</u>
Total liabilities	<u>\$ 1,740,347</u>

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies

Reporting Entity

The Charter Township of White Lake (the "Township") is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its blended component unit, an entity for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township's operations.

Blended Component Units - The Charter Township of White Lake Building Authority is governed by a board appointed by the Township's governing body. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Fund Accounting

The Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenues were used. The various funds are aggregated into three broad fund types:

Governmental Funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as "major" governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Fire Fund is used by the Township to account for the assets and operating of the fire department that are financed primarily by dedicated property taxes.
- The Police Fund is used by the Township to account for the assets and operation of the police department that are financed primarily by dedicated property taxes.
- The Solid Waste Special Assessment Fund is a special revenue fund used to account for the collection of special assessments and the payment for the disposal of the Township's solid waste.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Proprietary Funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following fund as a “major” enterprise fund:

- The Water Fund accounts for the operation, maintenance, and distribution of the water system.

Fiduciary Funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- The Trust and Agency Fund accounts for the assets held by the Township in a trustee capacity.
- The Tax Collection Fund, which collects taxes on behalf of all the taxing authorities (State, County, School District, Township, and the various smaller authorities) and remits the taxes to each authority.

Interfund Activity - During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Township has spent its resources.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare-related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with "deferred inflows."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (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. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Unpaid property taxes become a lien on the property March 1 of the second year following the year of the levy.

The Township's 2015 tax revenue is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended December 31, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the Township totaled \$966 million, on which taxes levied consisted of .9948 mills for operating purposes, 4.8301 mills for police services, and 2.9699 mills for fire service. This resulted in \$965 thousand for operating, \$4.7 million for police services, and \$2.9 million for fire service. These amounts are recognized in the respective General Fund and Special Revenue Fund financial statements as property tax revenue.

A provision has been recorded for potential refunds related to disputed taxable values and potential chargebacks from Oakland County, Michigan.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income from the General Fund is generally allocated to each fund using a weighted average.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Receivables and Payables - In general, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are considered fully collectible by the Township. No provision has been made in the financial statements for noncollection.

Restricted Assets - Certain Township ordinances require amounts to be set aside for debt service principal and interest, operations and maintenance, and improvements and replacement of the water system. These amounts, which consist of cash and investments, have been classified as restricted assets and net position have been restricted.

Capital Assets - Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, drains, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Water system	50 years
Vehicles	5-12 years
Machinery and equipment	5-20 years
Buildings and improvements	5-50 years
Sewer system	50 years
Furniture and equipment	5-20 years

Compensated Absences (Sick Leave) - It is the Township’s policy to permit police employees to accumulate earned but unused sick pay benefits. Upon meeting all requirements for full retirement, an employee will be entitled to 50 percent with a 100-day cap (maximum payment of 50 days) of his or her sick day bank. Upon favorable separation, with a minimum of 10 years of service, an employee is entitled to a 30 percent payout with a 100-day cap (maximum payment of 30 days). A liability for these amounts is reported in governmental funds only when they have matured or come due for payment - generally when an individual’s employment has terminated as of year end. Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the 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. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows 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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Due to the implementation of GASB 68, the Township has deferred outflows of resources related to the defined benefit pension liability, consisting of the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, as well as employer contributions made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes levied the following year qualify for reporting in this category. The governmental funds report unavailable revenue from two sources: grants and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumption

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Pension - The Township offers a defined benefit pension plan to its employees through the Municipal Employees' Retirement System of Michigan (MERS). The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Township's Pension Plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General, Police, Fire, and Water Funds will be used to liquidate the net pension liability, based on whichever fund an employee or retiree is assigned and to which fund the employee's pension costs are charged.

Other Postemployment Benefit Costs - The Township offers retiree healthcare benefits to retirees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Equity - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable** - Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted** - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed** - Amounts that have been formally set aside by the Township board of trustees for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of trustees
- **Assigned** - Intent to spend resources on specific purposes expressed by the Township board as a whole or the supervisor, treasurer, and clerk, who are authorized by resolution approved by the Township board to make assignments
- **Unassigned** - Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the Water Fund is charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the allowable vehicles mentioned above, except repurchase agreements.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$12,944,832 of bank deposits (certificates of deposit and checking and savings accounts) that were 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 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 estimated risk level are used as depositories.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 2 - Deposits and Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy restricts investment maturities as follows:

1. Commercial paper, which can only be purchased with a 270-day maturity.
2. Unless matched to specific cash flow, the Township will not directly invest in securities maturing more than two years from the date of purchase.
3. Reserve funds and capital improvement funds may be invested in securities exceeding two but not more than five years if the maturity of such investments is made to coincide as nearly practicable with expected use of funds.
4. Investment maturities for operating funds shall coincide with projected cash flow needs, taking into account routine needs as well as considering anticipated revenue.

Investment	Fair Value	Weighted Average Maturity
Oakland County Local Government Investment Pool	\$ <u>7,472,597</u>	572 days

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Oakland County Local Government Investment Pool	\$ <u>7,472,597</u>	Not rated	N/A

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 3 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2015	Reclassifications	Additions	Disposals	Balance December 31, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,985,999	\$ -	\$ -	\$ 607,244	\$ 1,378,755
Construction in progress	13,255	(13,255)	20,022	-	20,022
Subtotal	1,999,254	(13,255)	20,022	607,244	1,398,777
Capital assets being depreciated:					
Sewer system	15,449,893	-	33,514	-	15,483,407
Buildings and improvements	5,833,696	-	226,186	-	6,059,882
Vehicles	5,343,218	-	95,496	985,650	4,453,064
Furniture and equipment	1,806,676	13,255	226,314	190,593	1,855,652
Subtotal	28,433,483	13,255	581,510	1,176,243	27,852,005
Accumulated depreciation:					
Sewer system	3,297,918	-	309,334	-	3,607,252
Buildings and improvements	2,210,753	-	186,153	-	2,396,906
Vehicles	2,956,018	-	351,335	985,650	2,321,703
Furniture and equipment	1,366,731	-	129,814	190,593	1,305,952
Subtotal	9,831,420	-	976,636	1,176,243	9,631,813
Net capital assets being depreciated	18,602,063	13,255	(395,126)	-	18,220,192
Net capital assets	\$ 20,601,317	\$ -	\$ (375,104)	\$ 607,244	\$ 19,618,969
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 253,080	\$ -	\$ -	\$ -	\$ 253,080
Construction in progress	91,531	-	182,381	-	273,912
Subtotal	344,611	-	182,381	-	526,992
Capital assets being depreciated:					
Water system	12,203,714	-	28,622	-	12,232,336
Machinery and equipment	157,737	-	29,454	-	187,191
Subtotal	12,361,451	-	58,076	-	12,419,527
Accumulated depreciation:					
Water system	6,504,612	-	264,120	-	6,768,732
Machinery and equipment	139,752	-	12,394	-	152,146
Subtotal	6,644,364	-	276,514	-	6,920,878
Net capital assets being depreciated	5,717,087	-	(218,438)	-	5,498,649
Net capital assets	\$ 6,061,698	\$ (36,057)	\$ (36,057)	\$ -	\$ 6,025,641

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 3 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 118,988
Public safety	436,877
Public works	336,442
Economic development	9,794
Health and welfare	7,547
Recreation and culture	<u>66,988</u>
Total governmental activities	<u>\$ 976,636</u>
Business-type activities - Water	<u>\$ 276,514</u>

Construction Commitments - At year end, the Township's active construction projects related to a well house rehabilitation project at Twin Lakes with a total estimated project cost of \$23,480 (total cost incurred to date of \$15,901), and an iron removal project at Village Acres Water Treatment Facility with a total estimated project cost of \$2,575,000 (total cost incurred to date of \$248,436).

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from Other Funds		
General Fund	Water Fund	\$ 42,485
	Solid Waste Special Assessment Fund	39,252
	Nonmajor governmental funds	<u>87,324</u>
	Total General Fund	<u>\$ 169,061</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, several funds do not have separate bank accounts and therefore the General Fund holds its respective cash and investments.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are composed of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Solid Waste Special Assessment Fund	\$ 66,563
Nonmajor governmental funds	General Fund	584,434
	Nonmajor governmental funds	<u>170,000</u>
	Total nonmajor governmental funds	<u>754,434</u>
	Total	<u>\$ 820,997</u>

The transfer from the Solid Waste Special Assessment Fund to the General Fund represents reimbursement of excess funds left over after the completion of capital projects for monies transferred by the General Fund in the past to help finance that program. The transfers from the General Fund and SAD Sewer Debt Fund to the General Sewer Fund occurred in order to make the 2015 sewer debt principal payments for 2015.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 5 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital improvements. General obligation bonds are direct obligations and pledge the full faith and credit of the Township.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Oakland County Revolving Fund:							
Amount of issue - \$197,000							
Maturing through 2016	1.12%	\$39,400	\$ 78,800	\$ -	\$ 39,400	\$ 39,400	\$ 39,400
General obligation bonds:							
2010 Sewage Disposal Bonds:							
Amount of issue - \$275,000							
Maturing through 2020	4.02%	\$25,000	170,000	-	30,000	140,000	30,000
Discount on bonds payable			(2,550)	-	(450)	(2,100)	(450)
1996-1998 Sewage Disposal Bonds:							
Amount of issue - \$9,350,000		\$490,000 -					
Maturing through 2018	2.25%	\$575,000	2,220,000	-	535,000	1,685,000	550,000
2002 Pontiac Lake Sanitary System:							
Amount of issue - \$4,121,112		\$205,000 -					
Maturing through 2022	2.50%	\$270,000	1,985,000	-	225,000	1,760,000	235,000
Capital lease obligations:							
Amount of issue - \$17,693			12,065	-	5,893	6,172	6,172
Maturing through 2016	4.62%						
Total bond and capital lease obligations			4,463,315	-	834,843	3,628,472	860,122
Accumulated compensated absences			125,439	11,999	14,479	122,959	24,592
Total governmental activities			\$ 4,588,754	\$ 11,999	\$ 849,322	\$ 3,751,431	\$ 884,714
Business-type Activities							
Drinking Water Revolving Fund -		\$45,000 -	\$ 970,000	\$ -	\$ 50,000	\$ 920,000	\$ 50,000
Maturing through 2030	2.50%	\$75,000					

Annual debt service requirements to maturity of the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 860,122	\$ 78,834	\$ 938,956	\$ 50,000	\$ 22,375	\$ 72,375
2017	834,475	59,368	893,843	50,000	21,125	71,125
2018	854,475	39,131	893,606	55,000	19,813	74,813
2019	289,400	24,795	314,195	55,000	18,438	73,438
2020	255,000	16,563	271,563	55,000	17,063	72,063
2021-2025	535,000	13,438	548,438	310,000	62,877	372,877
2026-2030	-	-	-	345,000	22,189	367,189
Total	\$ 3,628,472	\$ 232,129	\$ 3,860,601	\$ 920,000	\$ 183,880	\$ 1,103,880

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 6 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical benefits provided to employees, participates in the Michigan Municipal League risk pool for claims relating to workers' compensation, and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 7 - Defined Contribution Pension Plan

The Township provides pension benefits to all paid on-call fire fighters through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from six months after the date of employment. As established by the Township board, contributions are calculated on employee base salary at a rate of 10 percent. The employee is also allowed to make voluntary after-tax contributions through payroll withholding, in amounts ranging from 1 percent to 10 percent of base wages. The plan is administered by John Hancock Retirement Plan Services.

The Township's total payroll during the current year was \$5,615,370. The current year contribution was calculated based on covered payroll of \$246,255, resulting in an employer contribution of \$24,625 and employee contributions of \$1,975.

Note 8 - Agent Defined Benefit Pension Plan

Plan Description - The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS or MERS of Michigan) that covers all employees of the Township. MERS was established as a state-wide public employee pension plan by the Michigan legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided - The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

The MERS plan covers all union and nonunion employees segregated by the groups as outlined below.

Retirement benefits for general employees (hired on or before 9/1/11) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for general employees (hired after 9/1/11) are calculated as 1.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (hired on or before 9/1/11) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police patrol employees (hired after 9/1/11) are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Retirement benefits for fire employees (hired on or before 9/1/11) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (hired after 9/1/11) are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for public safety employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is eight years. Employees are eligible for non-duty disability benefits after 8 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for command employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>82</u>
Total employees covered by MERS	<u><u>121</u></u>

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. 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 costs of benefits earned by plan members 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.

For general (hired after 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 3.33 percent of annual covered payroll.

For general (hired on or before 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 7.40 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$8,330 per month.

For police employees (hired on or before 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$15,529 per month.

For police patrol employees (hired after 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 4.70 percent of annual covered payroll.

For fire employees (hired on or before 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$8,475 per month.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

For fire employees (hired after 9/1/11), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 6.05 percent of annual covered payroll.

For public safety employees, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 9.60 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 26.32 percent of annual covered payroll.

For command employees, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 22.37 percent of annual covered payroll.

Net Pension Liability

The net pension liability reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 23,830,436	\$ 18,746,794	\$ 5,083,642
Service cost	622,772	-	622,772
Interest	1,948,262	-	1,948,262
Contributions - Employer	-	553,152	(553,152)
Contributions - Employee	-	325,529	(325,529)
Net investment income	-	1,185,448	(1,185,448)
Benefit payments, including refunds	(1,053,062)	(1,053,062)	-
Administrative expenses	-	(43,598)	43,598
Net changes	1,517,972	967,469	550,503
Balance at December 31, 2015	\$ 25,348,408	\$ 19,714,263	\$ 5,634,145

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2015, the Township recognized pension expense of \$821,919. At December 31, 2015, the Township reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 281,736
Employer contributions to the plan subsequent to the measurement date	<u>642,013</u>
Total	<u>\$ 923,749</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$642,013), which will impact the net pension liability in fiscal year 2016, rather than pension expense.

<u>Years Ending December 31</u>	<u>Amount</u>
2016	\$ 70,434
2017	70,434
2018	70,434
2019	70,434

Actuarial Assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.50 %	
Salary increases	4.50 %	In the long term, 1 percent, 2 percent, and 3 percent for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8 %	Net of pension plan investment expense, including inflation

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent 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.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make 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.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, 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 as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	58 %	5.00 %
Global fixed income	20 %	2.20 %
Real assets	12 %	4.20 %
Diversifying strategies	10 %	6.60 %

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 8 - Agent Defined Benefit Pension Plan (Continued)

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 8.25 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1 Percent Decrease (7.25%)	Current Discount Rate (8.25%)	1 Percent Increase (9.25%)
Net pension liability of the Township	\$ 8,779,854	\$ 5,634,145	\$ 2,989,553

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 9 - Other Postemployment Benefits

Plan Description - The Township provides postemployment healthcare benefits to all eligible employees hired prior to October 1, 2008 or January 1, 2010 as indicated below. To be eligible, employees must have attained the age of 50 with 25 years of service or the age of 60 with 10 years of service for general employees or age 60 with eight years of service for elected officials, police chief, fire chief, and deputy positions. The Township includes pre-Medicare retirees and only provides spousal coverage for qualifying elected officials, MAP, MAFF, and POLC members in its insured healthcare plan. Once the retiree is entitled to Medicare coverage, the Township shall provide the difference in coverage between coverage provided by Medicare and the retired employee's Township-provided insurance coverage. Currently, 34 retirees are eligible for healthcare benefits and there are 66 active employees that are expected to retire and receive benefits in the future.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 9 - Other Postemployment Benefits (Continued)

For all employees who are members of the police MAP and fire MAFF unions hired after January 1, 2010 and for all employees who are members of the MAPE union and nonunion employees hired after October 1, 2008, retiree health insurance has been eliminated. In its place, the Township contributes \$80 per employee per month to a health savings account. The vesting period is seven years for MAP and MAFF members and 10 years for MAPE and nonunion general employees. Township contributions to the health savings accounts stop upon the employee's separation from the Township. As such, these employees are excluded from the calculation of the annual required contribution and net other postemployment benefit obligation described below.

Funding Policy - Currently, retiree healthcare costs are funded on a "pay-as-you-go" basis. Payments for postemployment healthcare benefits totaled \$318,110 for the current year. The retired employee and spouse must apply for Medicare when eligible. The Township's annual contribution rate to prefund postretirement health benefits is computed at 43 percent of active employee payroll; this would be approximately \$660,000 in 2015, based on the most recent valuation performed in 2015, which was based on the current active annual payroll for 2015. The Township also began to prefund the postemployment retiree healthcare liability in the current year, with payments totaling \$400,000.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 9 - Other Postemployment Benefits (Continued)

Annual OPEB Costs and Net OPEB Obligation - In fiscal year 2008, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement was implemented prospectively. The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the component of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation:

Annual required contribution (recommended)	\$ 827,842
Interest on the prior year's net OPEB obligation	398,479
Less adjustment to the annual required contribution	<u>(207,499)</u>
Annual OPEB cost	1,018,822
Amounts contributed - Payments of current premiums	(318,110)
Amounts contributed - Advance funding	<u>(400,000)</u>
Increase in net OPEB obligation	300,712
OPEB obligation - Beginning of year	<u>7,245,072</u>
OPEB obligation - End of year	<u>\$ 7,545,784</u>

Funding Status and Funding Progress - For the year ended December 31, 2015, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2015. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and prior year are as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/15	1/1/15	\$ 1,018,822	70.1 %	\$ 7,545,784
12/31/14	1/1/12	1,709,744	20.5	7,245,072
12/31/13	1/1/12	1,729,802	16.8	5,885,641

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 9 - Other Postemployment Benefits (Continued)

The funding progress of the plan as of the most recent valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)*	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)
1/1/15	\$ 400,000	\$ 11,576,091	\$ 11,176,091	3.5 %	\$ 4,589,912
1/1/12	-	16,300,794	16,300,794	-	4,862,179
1/1/09	-	9,251,244	9,251,244	-	5,586,073

* Significant decrease in the actuarial accrued liability from January 1, 2012 to January 1, 2015 is due to an increase in the investment rate of return as well as a decrease in retiree medical insurance premiums.

Actuarial Methods and Assumptions - 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 with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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.

In the January 1, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.5 percent investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 4 percent after eight years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 2015 was 30 years.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 10 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2016 fiscal year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Township to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the White Lake Township Post-Employment Health Benefits plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2018.

Note 11 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. As a result, the government-wide statements and the proprietary fund now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnote for further details. This change does not impact the General Fund or any other governmental fund.

The financial statements for the year ended December 31, 2015 have been restated in order to reflect this change in accounting. Under GASB Statement Nos. 68 and 71, the Township is now reflecting a liability for the difference between the total pension liability and the value of assets to offset the liability.

Charter Township of White Lake

Notes to Financial Statements December 31, 2015

Note 11 - Change in Accounting (Continued)

The effect of this change is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water Fund</u>
Net position - December 31, 2014 - As previously reported	\$ 29,236,762	\$ 11,091,789	\$ 11,091,789
Adjustment to record beginning net pension liability	<u>(4,441,250)</u>	<u>(89,240)</u>	<u>(89,240)</u>
Net position - December 31, 2014 - As restated	<u>\$ 24,795,512</u>	<u>\$ 11,002,549</u>	<u>\$ 11,002,549</u>

Required Supplemental Information

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Tax collections	\$ 1,000,296	\$ 1,000,296	\$ 1,003,597	\$ 3,301
Other license and permits	1,900	1,900	2,529	629
Transportation	117,541	117,541	95,289	(22,252)
Planning and development revenue	30,950	30,950	52,219	21,269
State-shared	2,150,000	2,150,000	2,335,078	185,078
Fees for service	720,550	745,550	843,563	98,013
Ordinance fees	500	500	1,150	650
Rents	15,110	15,110	16,699	1,589
Miscellaneous	33,850	519,450	561,472	42,022
Total revenue	4,070,697	4,581,297	4,911,596	330,299
Expenditures				
Township board	111,292	111,292	99,308	11,984
Supervisor	206,169	206,169	198,083	8,086
Elections	3,200	37,300	35,825	1,475
Accounting department	177,171	177,171	175,614	1,557
Assessing	317,321	317,321	300,663	16,658
Legal fees	110,000	220,000	179,522	40,478
Clerk	342,911	342,911	319,463	23,448
Board of review	2,200	2,200	1,535	665
Postage and mailing	22,000	29,500	28,364	1,136
Office supplies	25,000	30,000	27,928	2,072
Treasurer	360,457	360,457	353,190	7,267
Township hall and grounds	665,365	707,665	596,863	110,802
Cemetery	59,435	62,435	56,648	5,787
Other Township properties	39,750	47,250	25,866	21,384
Health and welfare	10,000	10,000	5,516	4,484
Unallocated miscellaneous	15,000	27,000	23,787	3,213
Planning and community development	396,699	396,699	352,435	44,264
Highway and streets	139,000	139,000	122,706	16,294
Storm and sewer	114,268	114,268	107,064	7,204
Transportation services	140,583	140,583	123,433	17,150
Senior/Community center	213,549	213,549	200,419	13,130
Long-term sick pay/retiree health care	385,000	385,000	326,480	58,520
Payroll services	36,000	36,000	24,196	11,804
Other general services	306,900	691,400	590,761	100,639
Total expenditures	4,199,270	4,805,170	4,275,669	529,501
Net Change in Fund Balance	(128,573)	(223,873)	635,927	859,800
Fund Balance - January 1, 2015	5,301,204	5,301,204	5,301,204	-
Fund Balance - December 31, 2015	\$ 5,172,631	\$ 5,077,331	\$ 5,937,131	\$ 859,800

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Fire Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Fire revenue	\$ 2,983,692	\$ 2,993,692	\$ 3,165,912	\$ 172,220
Expenditures				
Salaries	1,615,361	1,614,431	1,462,078	152,353
Payroll related benefits	781,550	781,550	657,397	124,153
Other	508,120	519,050	457,309	61,741
Acquisitions	141,500	141,500	65,084	76,416
Total expenditures	<u>3,046,531</u>	<u>3,056,531</u>	<u>2,641,868</u>	<u>414,663</u>
Net Change in Fund Balance	(62,839)	(62,839)	524,044	586,883
Fund Balance - January 1, 2015	<u>4,877,343</u>	<u>4,877,343</u>	<u>4,877,343</u>	-
Fund Balance - December 31, 2015	<u><u>\$ 4,814,504</u></u>	<u><u>\$ 4,814,504</u></u>	<u><u>\$ 5,401,387</u></u>	<u><u>\$ 586,883</u></u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Police revenue	\$ 4,881,331	\$ 4,899,831	\$ 5,145,067	\$ 245,236
Expenditures				
Civil service	3,000	3,000	538	2,462
Salaries	2,390,321	2,390,321	2,305,670	84,651
Payroll and related benefits	1,576,718	1,576,718	1,466,315	110,403
Other	821,635	839,975	627,890	212,085
Crossing guards	13,340	13,500	12,968	532
Total expenditures	<u>4,805,014</u>	<u>4,823,514</u>	<u>4,413,381</u>	<u>410,133</u>
Net Change in Fund Balance	76,317	76,317	731,686	655,369
Fund Balance - January 1, 2015	<u>1,742,922</u>	<u>1,742,922</u>	<u>1,742,922</u>	<u>-</u>
Fund Balance - December 31, 2015	<u>\$ 1,819,239</u>	<u>\$ 1,819,239</u>	<u>\$ 2,474,608</u>	<u>\$ 655,369</u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Solid Waste Special Assessment Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Special assessments	\$ 1,889,300	\$ 1,889,300	\$ 1,892,064	\$ 2,764
Expenditures	<u>1,809,400</u>	<u>1,876,400</u>	<u>1,822,090</u>	<u>54,310</u>
Net Change in Fund Balance	79,900	12,900	69,974	57,074
Fund Balance - January 1, 2015	<u>59,107</u>	<u>59,107</u>	<u>59,107</u>	-
Fund Balance - December 31, 2015	<u>\$ 139,007</u>	<u>\$ 72,007</u>	<u>\$ 129,081</u>	<u>\$ 57,074</u>

Charter Township of White Lake

Required Supplemental Information Other Postemployment Benefit Plan Schedules Year Ended December 31, 2015

The schedule of funding progress is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (Percent) (a/b)</u>	<u>Covered Payroll (c)</u>
1/1/15	\$ 400,000	\$ 11,576,091	\$ 11,176,091	3.5 %	\$ 4,589,912
1/1/12	-	16,300,794	16,300,794	-	4,862,179
1/1/09	-	9,251,244	9,251,244	-	5,586,073

Charter Township of White Lake

Required Supplemental Information Schedule of Changes in the Township Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2015
Total Pension Liability	
Service cost	\$ 622,772
Interest	1,948,262
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	(1,053,062)
Net Change in Total Pension Liability	1,517,972
Total Pension Liability - Beginning of year	23,830,436
Total Pension Liability - End of year	\$ 25,348,408
Plan Fiduciary Net Position	
Contributions - Employer	\$ 553,152
Contributions - Member	325,529
Net investment income	1,185,448
Administrative expenses	(43,598)
Benefit payments, including refunds	(1,053,062)
Other	-
Net Change in Plan Fiduciary Net Position	967,469
Plan Fiduciary Net Position - Beginning of year	18,746,794
Plan Fiduciary Net Position - End of year	\$ 19,714,263
Township's Net Pension Liability - Ending	\$ 5,634,145
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.77 %
Covered Employee Payroll	\$ 4,960,341
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	113.6 %

Charter Township of White Lake

Required Supplemental Information Schedule of Township Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 642,013	\$ 553,152	\$ 562,907	\$ 581,430	\$ 511,038	\$ 563,694	\$ 508,283	\$ 546,636	\$ 477,675	\$ 461,976
Contributions in relation to the actuarially determined contribution	642,013	553,152	562,907	581,430	511,038	563,694	508,283	546,636	477,675	461,976
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,960,341	\$ 5,255,785	\$ 4,974,704	\$ 5,197,037	\$ 5,204,989	\$ 5,455,399	\$ 5,476,591	\$ 5,058,423	\$ 5,160,971	\$ 4,721,473
Contributions as a percentage of covered employee payroll	12.9 %	10.5 %	11.3 %	11.2 %	9.8 %	10.3 %	9.3 %	10.8 %	9.3 %	9.8 %

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Township's fiscal year ended December 31, 2015 were determined based on the actuarial valuation as of December 31, 2013. The most recent valuation is as of December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market
Inflation	4.5%
Salary increases	4.5%
Investment rate of return	8.0%
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	1994 Group Annuity Mortality Table of a 50 percent male and 50 female blend
Other information	None

Charter Township of White Lake

Note to Required Supplemental Information Year Ended December 31, 2015

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for operating transfers and the issuance of debt which have been included as revenue and expenditures, rather than as other financing sources (uses), and proceeds from the sale of capital assets and accruals for potential property tax liabilities that are budgeted as revenue and expenditures, for the General Fund and all special revenue funds. The annual budget is prepared by the Township supervisor; subsequent amendments are approved by the Township board. During the year, the budget was amended in a legally permissible manner.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity basis.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. A comparison of actual results of operations to the General Fund and major special revenue fund budgets as adopted by the Township board is included in the required supplemental information.

	<u>Total Revenue</u>	<u>Total Expenditures</u>
General Fund - Amounts per operating statement	\$ 4,455,708	\$ 3,689,510
Proceeds from sale of capital assets	387,600	-
Transfers out	-	584,434
Transfers in	66,563	-
Property tax refunds	1,725	1,725
	<u>\$ 4,911,596</u>	<u>\$ 4,275,669</u>
Amounts per budget statement		
Fire Fund:		
Amounts per operating statement	\$ 3,097,924	\$ 2,636,880
Proceeds from sale of capital assets	63,000	-
Property tax refunds	4,988	4,988
	<u>\$ 3,165,912</u>	<u>\$ 2,641,868</u>
Amounts per budget statement		
Police Fund:		
Amounts per operating statement	\$ 5,122,529	\$ 4,405,695
Proceeds from sale of capital assets	14,852	-
Property tax refunds	7,686	7,686
	<u>\$ 5,145,067</u>	<u>\$ 4,413,381</u>
Amounts per budget statement		
Solid Waste Special Assessment Fund:		
Amounts per operating statement	\$ 1,892,064	\$ 1,755,527
Transfers out	-	66,563
	<u>\$ 1,892,064</u>	<u>\$ 1,822,090</u>
Amounts per budget statement		

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, there were no significant budget overruns.

Other Supplemental Information

Charter Township of White Lake

	Special Revenue Funds				
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund	General Sewer Fund
Assets					
Cash and investments	\$ 102,095	\$ 1,155,117	\$ 851,428	\$ -	\$ 931,180
Receivables:					
Special assessments receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Other receivables	-	185	-	-	995
Due from other governmental units	-	-	-	5,789	63,215
Total assets	<u>\$ 102,095</u>	<u>\$ 1,155,302</u>	<u>\$ 851,428</u>	<u>\$ 5,789</u>	<u>\$ 995,390</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 251	\$ 19,471	\$ 36,854	\$ -	\$ 24,609
Due to other funds	-	-	2,520	5,789	79,015
Accrued liabilities and other	-	2,421	130	-	7,475
Total liabilities	251	21,892	39,504	5,789	111,099
Deferred Inflows of Resources - Unavailable special assessment revenue	-	-	-	-	-
Fund Balances					
Restricted:					
Debt service	-	-	-	-	-
Sewer	-	-	-	-	884,291
Drug law enforcement	101,844	-	-	-	-
Building activity	-	1,133,410	-	-	-
Parks and recreation	-	-	811,924	-	-
Assigned:					
Sewer debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	101,844	1,133,410	811,924	-	884,291
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 102,095</u>	<u>\$ 1,155,302</u>	<u>\$ 851,428</u>	<u>\$ 5,789</u>	<u>\$ 995,390</u>

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

Debt Service Funds		Capital Projects Funds		Total
Sewer Debt Fund	SAD Sewer Debt Fund	Improvement Revolving Fund	Public Act 188 Fund	Nonmajor Governmental Funds
\$ 443,429	\$ 1,327,634	\$ 2,723,975	\$ 321,051	\$ 7,855,909
-	452,045	-	256,674	708,719
-	16,011	-	-	16,011
-	-	-	-	1,180
41,631	7,956	-	-	118,591
\$ 485,060	\$ 1,803,646	\$ 2,723,975	\$ 577,725	\$ 8,700,410
\$ 4,896	\$ -	\$ -	\$ -	\$ 86,081
-	-	-	-	87,324
-	-	-	-	10,026
4,896	-	-	-	183,431
-	439,327	-	217,308	656,635
-	1,364,319	-	-	1,364,319
-	-	-	-	884,291
-	-	-	-	101,844
-	-	-	-	1,133,410
-	-	-	-	811,924
480,164	-	-	-	480,164
-	-	2,723,975	360,417	3,084,392
480,164	1,364,319	2,723,975	360,417	7,860,344
\$ 485,060	\$ 1,803,646	\$ 2,723,975	\$ 577,725	\$ 8,700,410

Charter Township of White Lake

	Special Revenue Funds				
	Drug		Parks and	Community	
	Forfeiture	Building	Recreation	Development	General
	Fund	Fund	Fund	Block Grant	Sewer Fund
Revenue					
Licenses and permits	\$ -	\$ 530,970	\$ -	\$ -	\$ -
Federal grants	-	-	-	43,304	-
State-shared revenue and grants	-	-	147,000	-	-
Charges for services	-	73,643	7,165	-	1,588,523
Fines and forfeitures	35,837	-	-	-	-
Investment income	23	3,886	5,404	-	246
Other revenue:					
Special assessments	-	-	-	-	-
Other miscellaneous income	-	-	3,193	-	-
Total revenue	35,860	608,499	162,762	43,304	1,588,769
Expenditures					
Current:					
Public safety	44,815	363,637	-	-	-
Public works	-	-	-	-	1,473,294
Community and economic development	-	-	-	43,304	-
Recreation and culture	-	-	248,276	-	-
Capital outlay	-	-	647	-	-
Debt service	-	-	-	-	-
Total expenditures	44,815	363,637	248,923	43,304	1,473,294
Excess of Revenue (Under) Over Expenditures	(8,955)	244,862	(86,161)	-	115,475
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(8,955)	244,862	(86,161)	-	115,475
Fund Balances - Beginning of year	110,799	888,548	898,085	-	768,816
Fund Balances - End of year	\$ 101,844	\$ 1,133,410	\$ 811,924	\$ -	\$ 884,291

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

Debt Service Funds		Capital Projects Fund		Total
Sewer Debt Fund	SAD Sewer Debt Fund	Improvement Revolving Fund	Public Act 188 Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 530,970
-	-	-	-	43,304
-	-	-	-	147,000
332,288	31,824	-	-	2,033,443
-	-	-	-	35,837
65	30,006	8,655	11,870	60,155
-	116,443	-	92,996	209,439
-	-	-	-	3,193
<u>332,353</u>	<u>178,273</u>	<u>8,655</u>	<u>104,866</u>	<u>3,063,341</u>
-	-	-	-	408,452
-	254	-	-	1,473,548
-	-	-	-	43,304
-	-	-	-	248,276
-	-	-	102,025	102,672
<u>578,931</u>	<u>308,426</u>	<u>-</u>	<u>40,063</u>	<u>927,420</u>
<u>578,931</u>	<u>308,680</u>	<u>-</u>	<u>142,088</u>	<u>3,203,672</u>
(246,578)	(130,407)	8,655	(37,222)	(140,331)
370,000	-	384,434	-	754,434
-	(170,000)	-	-	(170,000)
<u>370,000</u>	<u>(170,000)</u>	<u>384,434</u>	<u>-</u>	<u>584,434</u>
123,422	(300,407)	393,089	(37,222)	444,103
<u>356,742</u>	<u>1,664,726</u>	<u>2,330,886</u>	<u>397,639</u>	<u>7,416,241</u>
<u>\$ 480,164</u>	<u>\$ 1,364,319</u>	<u>\$ 2,723,975</u>	<u>\$ 360,417</u>	<u>\$ 7,860,344</u>

Charter Township of White Lake

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2015

	Agency Funds		
	Trust and Agency Fund	Tax Collection Fund	Total Agency Funds
Assets - Cash and cash equivalents	\$ 1,313,241	\$ 427,106	\$ 1,740,347
Liabilities			
Due to other governmental units	\$ 389	\$ -	\$ 389
Refundable deposits, bonds, etc.	1,312,852	5,765	1,318,617
Unremitted tax collections	-	421,341	421,341
Total liabilities	\$ 1,313,241	\$ 427,106	\$ 1,740,347