

**CHARTER TOWNSHIP OF
BLOOMFIELD, MICHIGAN**

FINANCIAL REPORT WITH
SUPPLEMENTAL INFORMATION

Year ended March 31, 2021

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

TABLE OF CONTENTS

	Page
Independent Auditor's Report	4
Management's Discussion and Analysis	7
Financial Statements	
Government-wide Financial Statements	
Statement of Net Position (Deficit)	30
Statement of Activities	31
Fund Financial Statements	
Governmental Funds	
Balance Sheet	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position (Deficit)	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Net Position	37
Statement of Cash Flows	38-39
Fiduciary Funds	
Statement of Fiduciary Net Position	40
Statement of Changes in Fiduciary Net Position	41
Notes to Financial Statements	42
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	82
Budgetary Comparison Schedule – Road Fund	83
Budgetary Comparison Schedule – Public Safety Fund	84
Notes to Required Supplemental Information – Budgetary Information	85
Schedule of Changes in the Township Net Pension Liability and Related Ratios – Pension Trust	86
Schedule of Investment Returns – Pension Trust	87
Schedule of Township Contributions – Pension Trust	88
Schedule of Changes in Township Total OPEB Liability and Related Ratios - Retired Employees Healthcare Plan	89
Schedule of Investment Returns – Retired Employees Healthcare Plan	90
Schedule of Township Contributions – Retired Employees Healthcare Plan	91

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN (Continued)

TABLE OF CONTENTS (Continued)

Other Supplemental Information

Nonmajor Governmental Funds	
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	94
Capital Projects Funds	
Combining Balance Sheet	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	96
Debt Service Funds	
Combining Balance Sheet	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	98
Pension and Other Postemployment Benefit Funds	
Combining Statement of Fiduciary Net Position	99
Combining Statement of Changes in Fiduciary Net Position	100
Custodial Funds	
Combining Statement of Fiduciary Net Position	101
Combining Statement of Changes in Fiduciary Net Position	102
Statistical Information Required for Continuing Disclosure Certificate	104-106

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Charter Township of Bloomfield, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Bloomfield, Michigan (the "Township"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bloomfield Township Public Library, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Bloomfield Township Public Library were not audited under *Government Auditing Standards*.

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, based on our audit and the report of other auditors, 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 Township as of and for the year ended March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB 84

For the year ended March 31, 2021, the Township adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This new accounting standard results in the application of a new framework for evaluating and reporting fiduciary activities within the Township's basic financial statements. As discussed in Note 13, adoption of this standard resulted in the initial recognition and reclassification of certain fiduciary activities in the Township's basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

To the Township Board
Charter Township of Bloomfield, Michigan
Page Three

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated September 22, 2021 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

UHY LLP

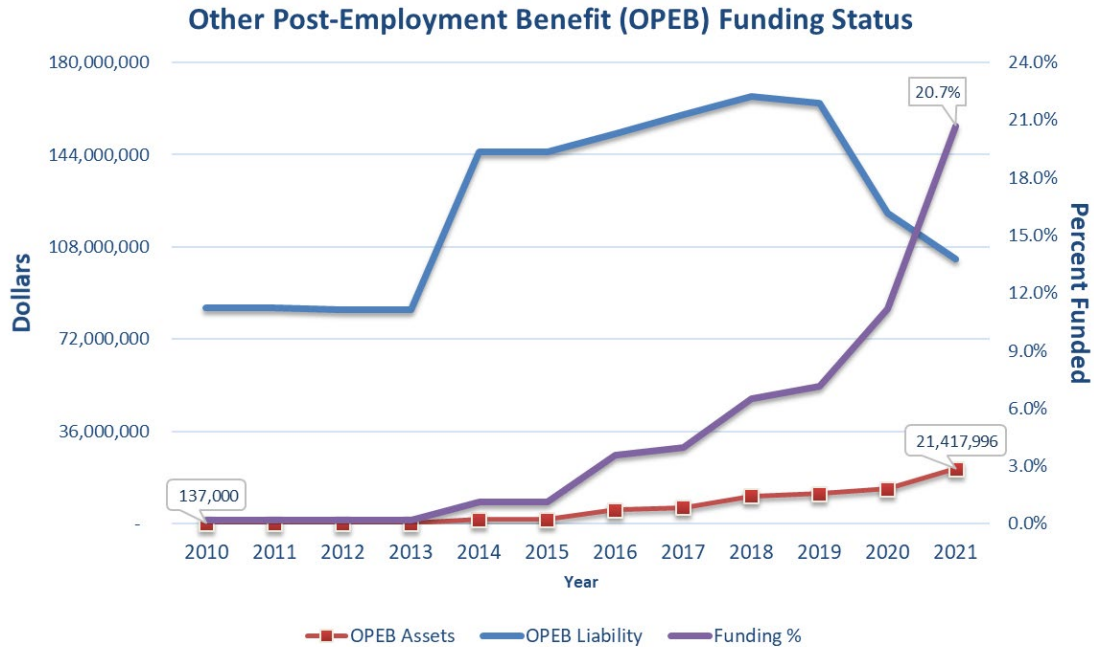
Farmington Hills, Michigan
September 22, 2021

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
March 31, 2021

As management of the *Township*, we offer readers of the Township’s financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

- The net OPEB liability decreased for the second consecutive year by \$28,594,618 or 26.5%. This is a decrease from last year’s liability of \$107,796,313 down to \$79,201,695.
- Contributions towards the OPEB liability this year totaled \$2,500,000 and were deposited into the OPEB trust.



- The net pension liability decreased by \$26,717,341 or 63%. This is a decrease from last year’s liability of \$42,451,549 down to \$15,734,208.
- The fire department received over \$485,000 in grants to be spent on equipment.
- The Township received over \$1M in relief funds from FEMA and CARES.
- In 2020, the water and sewer department was awarded \$1,716,692 in grant funds from the State of Michigan. A total of \$337,335 was received for fiscal year ended March 31, 2021.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

FINANCIAL HIGHLIGHTS (Continued)

- Investment earnings were \$803,580, compared to the prior year earnings of \$1,530,725. This includes interest collected on special assessment districts as well as water and sewer interest collected. The investments were held in a local government investment pool, and U.S. T-bills.
- Change in net position for the primary government was \$34,101,284, increasing from a change of \$11,174,633 in the prior year. This balance consists of governmental net position change of \$26,872,076 and business-type net position change of \$7,229,208. These amounts do not include fiduciary funds.
- Total revenues for governmental activities were \$61,027,428 and expenses were \$34,155,352, with a decrease to the net deficit of \$26,872,076. The prior year revenues were \$58,978,775 and expenses were \$51,146,785, with a decrease to the net deficit of \$7,831,990.
- Total revenues for business-type activities were \$31,197,250 and expenses were \$23,968,042, with an increase to net position of \$7,229,208. The prior year revenues were \$27,210,877 and expenses were \$23,868,234, with an increase to net position of \$3,342,643.
- The Township's healthcare claims were better than projected. In 2020, the plan was moved from a hybrid fully-insured to a self-funded model. The combination of making that change plus the effects of COVID contributed to healthcare claims being 12% lower than projected.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a long-term view of the Township's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. Notes to the financial statements give even further detail on the current and future activities, policies, assets and obligations of the Township. Lastly, we have Required Supplemental Information and Other Supplemental Information including combining and individual fund financial statements and schedules.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Government-wide Financial Statements (Reporting the Township as a Whole)

One of the most important questions asked about the Township's finances remains, "Is the Township's financial position better or worse as a result of the current year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the Township's net position and changes to it. You can think of the Township's net position — the difference between assets and liabilities — as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the property tax base and the condition of infrastructure, to assess the overall health of the Township.

Fund Financial Statements (Reporting the Township's Major Funds)

As stated previously, the government-wide financial statements are reported using the accrual basis of accounting. However, the governmental funds report on a modified accrual basis. The following summarizes the reconciliation between the government-wide and governmental statements:

- Capital outlay is not reported as an expense on the government-wide statements, but instead is reported as capital assets that are depreciated over their estimated useful life
- Depreciation expense is reported on the government-wide statements
- Principal payments on debt are reported as an expense on the governmental statements, but are reported as reductions of the outstanding liabilities on the government-wide statements
- Long-term liabilities such as other post-employment benefits and compensated absences are reported on the government-wide statements
- Accruals such as interest expense are reported on the government-wide statements
- Government-wide statements report the net pension liability, and net OPEB liability, neither of which are shown on the governmental statements

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Fund Financial Statements (Reporting the Township's Major Funds) (Continued)

A fund is an independent accounting entity with a self-balancing set of accounts, created for the purpose of carrying on a specific activity. It has accounts for assets, liabilities, equities, and revenue and expenditures. The Township uses fund accounting to demonstrate compliance with finance-related laws as is required of all state and local governments. All Township funds fall into one of three major categories: governmental funds, proprietary funds, or fiduciary funds.

- *Governmental Funds* – All of the Township's basic services are reported in the governmental funds. The funds included in this category are the general fund, special revenue funds, capital projects funds, and debt service funds. The general fund is used to account for revenue and expenditures for general Township government that would not fall under any other fund category. Revenues collected for a specific purpose and their corresponding expenditures are accounted for in special revenue funds. This sub-category of funds consists of the Road Fund, Public Safety Fund (police, fire/ems and dispatch), Senior Services Fund, Village Police Fund, Village Fire Fund, Lake Improvement Fund, Building Inspection Fund, Federal Forfeiture Fund, Drug Law Enforcement Fund, Safety Path Fund, and Cable Studio Fund. There are two capital projects funds, one for road SAD's and one for funding replacement of capital assets. Debt service funds are used to account for revenue collected for the purpose of retiring various bond issues for county drain projects, a major library renovation, major improvements to the Township campus and two off-campus fire stations, pension obligations, and road special assessment projects. There are five debt service funds reported in the debt service fund sub-category and two are considered major funds for reporting purposes. They are the Special Assessment Debt Fund and the Pension Obligation Bond Debt Fund. In all, the Township has nineteen individual governmental funds. Governmental funds are reported using the modified accrual basis of accounting. These statements allow the reader to gain a much narrower focus on Township financial activity than the government-wide statements and make it possible to analyze short term financial decisions made by Township management.
- *Proprietary Funds* – The main feature distinguishing a proprietary fund from a governmental fund is the source of revenue. The governmental funds receive their primary funding from taxes and intergovernmental revenues, while the proprietary fund recovers all or a significant portion of its costs from user fees and charges (business-type activities). The Township has two enterprise funds; the Water & Sewer Fund and Special Assessment District Fund. These two funds are combined and reported as a single proprietary fund. Proprietary funds are reported using the accrual basis of accounting, which is the same method used in the government-wide statements and in most private-sector businesses.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Fund Financial Statements (Reporting the Township's Major Funds) (Continued)

- *Fiduciary Funds* – These funds are used to account for resources held in trust by the Township for the benefit of parties other than the governmental entity. These funds are not available to be used for Township programs, and therefore are not included in the government-wide statements. The majority of the resources in this fund category are set aside to satisfy the defined benefit pension liability to Township employees and retirees. The Township reports seven fiduciary funds; the Trust & Agency Fund, Tax Collection Fund, OCVCTF Federal Forfeitures, OCVCTF State Forfeitures, Retiree Health Care Fund, Retirement System Pension Trust Fund, and the 401A Defined Contribution Plan Fund. Fiduciary funds are reported using the accrual basis of accounting.

Notes to the Financial Statements

The Notes provide additional detailed information that is essential for a reader to receive a complete understanding of the information presented in the government-wide and fund financial statements.

Required Supplementary Information

This section further explains and supports the information in the financial statements and includes a budgetary comparison schedule for the General Fund and major special revenue funds.

Other Supplementary Information

This section includes the Combining and Individual Fund Financial Statements and Schedules for non-major governmental and fiduciary funds.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position is one indicator of a government's financial condition either at a given point in time or as compared over a period of time. Bloomfield Township's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources (net deficit) by \$(63,487,389). In particular, the net position of the governmental activities increased by \$26,872,076 and the business-type activities increased by \$7,229,208. For the purpose of this analysis, the fiduciary funds and the component unit are excluded as these resources are not available to support Township programs.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)

It is important to note that a large portion of the Township's net position (deficit) consists of investments in capital assets (land, buildings, vehicles, equipment and infrastructure) and not in cash or cash investments; therefore, the majority of these assets are not available to be used for day-to-day operations. At the close of the most recent fiscal year, 55% of the Township's total assets consisted of capital assets with the remaining 45% consisting primarily of current assets (cash, marketable securities, receivables, prepaid expenses, and inventory) and long-term receivables. Deferred outflows are not considered assets.

The unrestricted portion of net deficit is \$(153,538,301), and the total net deficit is \$(63,487,389). This is the seventh year reporting a net deficit. This trend will continue as it is a direct result of the net pension liability of over \$15M and net OPEB liability of over \$79M. This negative balance of net position, called net deficit, has been the new normal for many municipalities as they are all required to show their net pension liability and net OPEB liability. The net investment in capital assets totaled \$82,149,252. At the fund level, which does not have these obligations reported, the Township has positive balances in all fund types and in each of the individual funds within the fund types.

Table 1
Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 73,278	\$ 71,427	\$ 23,349	\$ 18,991	\$ 96,627	\$ 90,418
Capital assets	45,247	46,485	70,732	70,813	115,979	117,298
Total assets	118,525	117,912	94,081	89,804	212,606	207,716
Deferred outflows of resources	9,184	31,477	331	1,892	9,515	33,369
Total assets and deferred outflows of resources	127,709	149,389	94,412	91,696	222,121	241,085
Liabilities						
Other liabilities	11,140	11,824	3,795	3,833	14,935	15,657
Long-term liabilities	185,687	242,658	18,518	24,928	204,205	267,586
Total liabilities	196,827	254,482	22,313	28,761	219,140	283,243
Deferred inflows of resources	62,015	52,912	4,454	2,519	66,469	55,431
Total liabilities and deferred inflows of resources	258,842	307,394	26,767	31,280	285,609	338,674
Net Position						
Net investment in capital assets	29,657	29,403	52,492	51,133	82,149	80,536
Restricted	7,901	7,801	-	-	7,901	7,801
Unrestricted	(168,691)	(195,209)	15,153	9,283	(153,538)	(185,926)
Total net position (deficit)	\$ (131,133)	\$ (158,005)	\$ 67,645	\$ 60,416	\$ (63,488)	\$ (97,589)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)

Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 10,274	\$ 10,676	\$ 30,693	\$ 26,987	\$ 40,967	\$ 37,663
Operating grants and contributions	1,947	493	338	-	2,285	493
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Taxes and assessments	43,749	42,442	-	-	43,749	42,442
State-shared revenue	3,756	3,774	-	-	3,756	3,774
Investment earnings	797	1,520	6	11	803	1,531
Contributions from developers	-	-	127	198	127	198
Other revenue	504	73	33	15	537	88
Total revenues	<u>61,027</u>	<u>58,978</u>	<u>31,197</u>	<u>27,211</u>	<u>92,224</u>	<u>86,189</u>
Expenses						
Governmental activities:						
Legislative	25	20	-	-	25	20
Judicial	1,651	2,028	-	-	1,651	2,028
General government	5,973	8,782	-	-	5,973	8,782
Public works	6,254	7,176	-	-	6,254	7,176
Public safety	13,323	25,301	-	-	13,323	25,301
Community enrichment	2,500	3,540	-	-	2,500	3,540
Debt service	2,770	3,319	-	-	2,770	3,319
Other	(12)	(58)	-	-	(12)	(58)
Business-type activities:						
Water & Sewer	-	-	23,139	22,907	23,139	22,907
Total program expenses	<u>32,484</u>	<u>50,108</u>	<u>23,139</u>	<u>22,907</u>	<u>55,623</u>	<u>73,015</u>
Change in net position (deficit) before special items and transfers	28,543	8,870	8,058	4,304	36,601	13,174
Transfers	(1,671)	(1,039)	(829)	(961)	(2,500)	(2,000)
Change in net position	<u>26,872</u>	<u>7,831</u>	<u>7,229</u>	<u>3,343</u>	<u>34,101</u>	<u>11,174</u>
Net position (deficit) - beginning	<u>(158,005)</u>	<u>(165,836)</u>	<u>60,416</u>	<u>57,073</u>	<u>(97,589)</u>	<u>(108,763)</u>
Net position (deficit) - ending	<u>\$ (131,133)</u>	<u>\$ (158,005)</u>	<u>\$ 67,645</u>	<u>\$ 60,416</u>	<u>\$ (63,488)</u>	<u>\$ (97,589)</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Governmental Activities

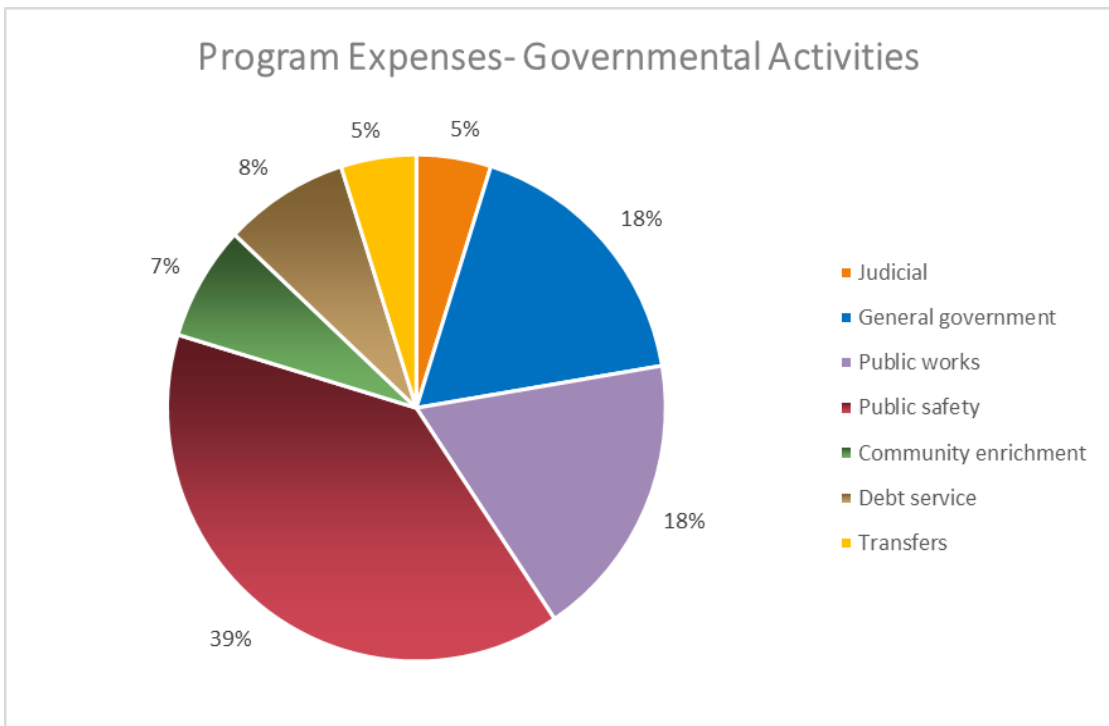
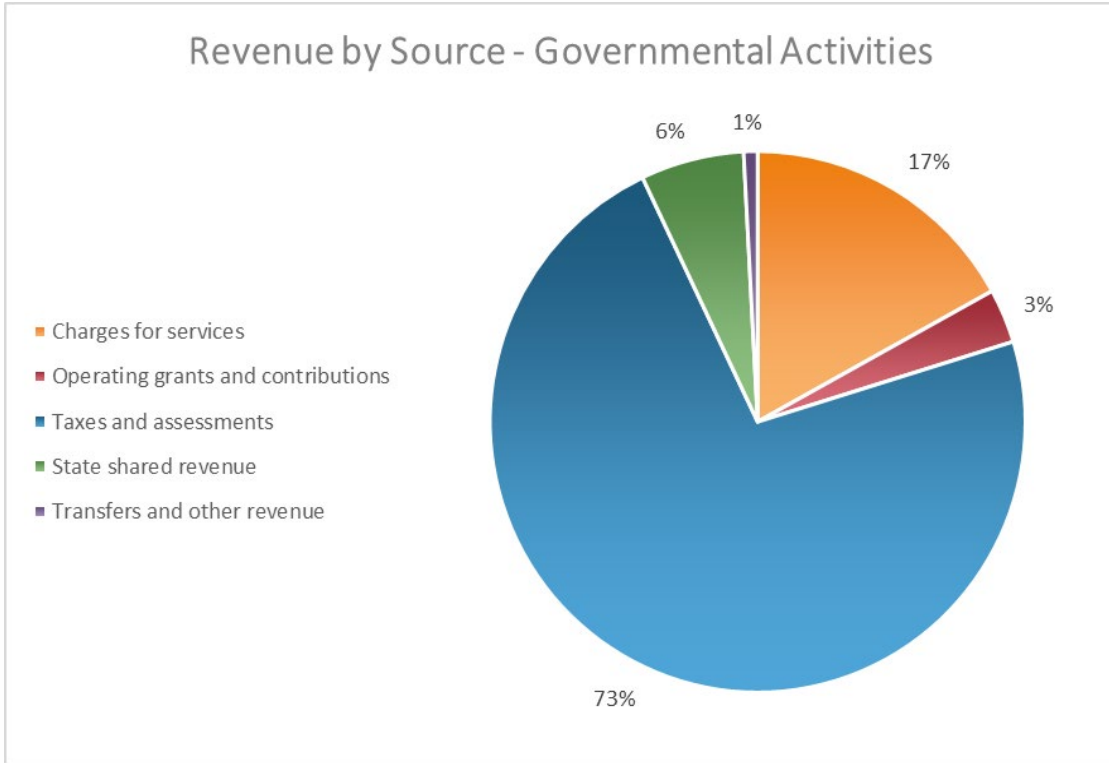
Net deficit decreased by a positive \$26.8 million as a result of activities within these funds. There was an increase to fund balance of over \$3.2 million across the underlying governmental funds, which was increased by \$23.7 million in adjustments to convert the governmental fund statements to government-wide statements.

The Township's taxable value increased by approximately 3.9% compared to last fiscal year. Overall, property tax millage rates declined due to Proposal A and Headlee rollbacks. Debt millages are levied based on the principal and interest coming due and have declined due to the Township continually refunding bonds to achieve lower interest rates. Taxes and special assessments revenue was \$43,749,284, an increase of \$1,306,915 when compared to the prior year of \$42,442,369. The taxable value increased from \$3,924,651,918 in 2019-20 to \$4,079,252,999 in 2020-21. The three debt service millages change annually to cover the principal and interest coming due. While over the last five years the tax base has increased by 21.2%, the actual tax revenues have increased by 15.9%. Next year, the Township budgeted a tax revenue increase of between 2% and 2.5%, slowing down from the last few years. In addition, there are multiple residential and commercial developments underway that will add to the tax base. Special assessments are also reported on this line of the government-wide statements.

Program revenues are divided into three categories: 1) Charges for services (includes fees, fines, forfeitures, and rents), 2) Operating grants and contributions, and 3) Capital grants and contributions. Program revenues are comparable to the prior year. Charges for services for the current year and prior year were \$10.2 million and \$10.7 million, respectively. The charges for services category includes items such as 48th District Court revenues, passport fees, copies and FOIA requests, assessing services provided to the City of Sylvan Lake, motor pool services, street lighting charges, PBT revenue (breathalyzer tests), police security services, EMS transport fees, adult day services at the senior center, and cable services charges.

The Township had investment earnings for the fiscal year of \$797,334, a significant decrease when compared to the previous year's investment earnings of \$1,519,808. The prior year's earnings were the highest it's been since 2009. The Township keeps as much cash invested as possible at any given point in time in order to maximize the earnings potential and does so without restraining the daily operations. The Township utilized a local government investment pool and invested in U.S. T-bills.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021



CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Governmental Activities (Continued)

Total expenses for the year were \$32.5 million compared to \$50.1 million the prior year. The difference is attributable to a combination of many items, but the most significant are a 26.5% reduction to the Township's net OPEB liability and a 63% reduction to the Township's net pension liability.

The following summarizes what funds or departments are included in the various governmental activities' functions:

- Legislative – Township Board
- Judicial – 48th District Court rent and operations
- General government – Township Supervisor, Accounting, Township Clerk, Audit & Legal fees, Information Technology, Board of Review, Township Treasurer, Assessing, Elections, Buildings & Grounds, Motor Pool, and Building Inspection
- Public works – Road Fund, Safety Path Fund, and Special Assessment Capital Projects Fund
- Public safety – Ordinance, Police, Fire, Dispatch, Village Police & Fire, Federal Forfeiture, and Drug Law Enforcement
- Community enrichment – Planning, Zoning, Senior Services Fund, Lake Improvement Fund, and Cable Studio
- Debt service – Campus Construction Debt Fund, Pension Obligation Bond Debt Fund, Library Debt Fund, Special Assessment Debt Fund, and Drain-at-Large Fund

The Township has continued to be proactive in containing health care costs. Effective April 1, 2017, a group of pre-Medicare retirees was moved to the same health plan that covered the current employees. In 2018, the Township went through an RFP process and selected a new health care consultant.

In 2005, the Township closed the defined benefit pension plan to new hires, offering instead a defined contribution plan. In November 2013, the Township sold pension obligation bonds to fund its defined benefit pension plan. The bonds were to be paid over 20 years and there are 12 years remaining. Without this option, the Township would have seen its annual required contribution due in 2014 double when compared to what had been historically due. The significant increases to pension costs experienced in past years were mostly the result of extremely low interest rate fixed investment instrument, coupled with actuarial assumption changes reflecting longer life expectancies of participants. In December 2016, the Township took another step towards pension plan sustainability by removing a pension guarantee from being issued by Prudential for any new retirees drawing on the pension plan. The guarantee arrangement had been in place since the inception of the contract sixty years ago and had caused permanent financial damage to the overall asset value of the pension trust. It had to be negotiated with the unions and was a tremendous accomplishment for the Township. In 2018, the Township successfully negotiated a change to the Minimum Funding Liability (MFL) contract with Prudential. This decreased costs and allowed the Township to keep \$15 million of pension assets invested in equities as opposed to being forced to move the assets into a much lower earning fixed rate account. The results have been remarkably positive for the overall health of the plan.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Governmental Activities (Continued)

This year's court expenditures decreased to \$1.65 million from the prior year at \$2.0 million. The court operation revenues and expenditures will rise or decline as the Township case load fluctuates in comparison to the other three municipalities that share the court. The main reason for this year's decline is the COVID pandemic.

Even as the Township's taxable values have been recovering, management continues to pursue cost-cutting and cost containment strategies moving forward. Legal restrictions to property tax increases in the State of Michigan will not allow property tax revenues to be restored at anywhere near the pace at which they have previously declined. The taxable value in 2019-20 was equivalent to what the taxable value was back in 2007 before the effects of the housing market decline.

It is important to focus on the three major governmental operating funds within this group when analyzing expenditures. See the section titled "Financial Analysis of the Township's Major Funds" for a more detailed analysis of these funds.

Public Safety, the largest fund, had expenditures of \$27.5 million before transfers, an increase from the prior year amount of \$26.7 million to provide police, fire, EMS and dispatch services. This fund receives a large transfer from the General Fund.

The second largest operating fund, the General Fund, had expenditures of \$9.44 million before transfers compared to \$10.37 million the prior year. The various underlying activities of the General Fund fluctuated as they do every year, but in total there was no significant movement from last year to this year.

The Road Fund, the third major governmental operating fund, had expenditures of \$3.52 million before transfers compared to \$3.78 million the prior year. For many years now, this fund has had to operate at a much smaller size and scope than prior due to the housing market decline. This fund receives a large transfer from the General Fund.

Business-Type Activities

The main sources of revenue to this fund are user fees to customers to cover the cost of water purchased from the Southeast Oakland County Water Authority (SOCWA) and sewage treatment charges paid to Oakland County. These fees also are used to cover the administrative expenses related to providing these services as well as costs to repair and maintain the water and sewer system. There is also some allowance made in the rates to provide resources for future capital improvements and major repair and maintenance of infrastructure. There are water and sewer debt charges to cover the cost of debt retirement payments payable each fiscal year on water and sewer system improvements financed by the sale of bonds in prior years.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Business-Type Activities (Continued)

Water sales finished the year higher than what was projected. Historically, the water volume usage is approximately 30% lower than pre-2008 levels. This is the result of a combination of the effects of weather, water conservation in residential and commercial plumbing fixtures, and residents being more aware and cautious of their water use. Water use is billed to customers based on actual consumption by reading the meter at the property. Sewer usage revenues finished the year higher than what was projected. Sewer use cannot be metered at the individual properties, so it is based upon the customer's water use. The Township is billed by Oakland County through a monthly invoice which is a fixed fee based upon the Township's contribution of sewage flow to the Evergreen-Farmington Sewage Disposal System. Currently, this is approximately 17%.

The Water & Sewer Fund is the most difficult fund to project and contains the most estimates and assumptions of any of the funds. Volumes used by the residents must be estimated, and the Township rarely receives final rates from its two major suppliers until after the rates have been adopted by the Township Board.

Fund expenses finished the year at 89% of projected, with total revenues at 107% of projected. The result was a net position increase of \$7,229,208 for the year, compared to a net position increase of \$3,342,643 the prior year. The main contributing factor to this large increase is the reduction in both the net pension liability and net OPEB liability. The Township continues to include depreciation expense with the annual water and sewer rates. Beginning with the 2015-16 fiscal year the rates also included a capital component as the depreciation rate is tied to volumes and is insufficient to keep up with the annual infrastructure demands. The water and sewer infrastructure continue to age, and it is necessary to build up the reserves in order to fund projects while limiting the issuance of bonds, as well as maintain a balance for emergencies.

Net position increased by \$7,229,208 as compared to last year. There is total net position of \$67,645,202 as compared to \$60,415,994 last year. There is a fairly consistent trend of increasing net position and increasing cash balances. While the fund experienced an increase to net position of \$7,229,208 for the year, this does not translate to an increase in cash of the same amount. The simple explanation is that we continue to spend funds on the purchase of capital assets, as capital assets are not an expense when purchased.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Business-Type Activities (Continued)

Management understands it has a significant responsibility to maintain and replace aging infrastructure. As with any aging infrastructure, water supply and waste water transportation piping become less reliable to provide adequate service due to long-term wear on the internal piping and structural and operational components. In 2005, the Township developed a water system capital improvement program, which was approved by the Board of Trustees. In 2017, the Township updated the 2005 plan and developed and submitted a Water System Asset Management Plan (WAMP) to the State of Michigan as required per the Safe Drinking Water Act. The WAMP identified short and long-term capital improvement projects using a rating methodology of the water system. The WAMP has been used to guide the Township's water system capital improvements. The Township's sanitary sewer system has been designated as non-compliant per a 1989 Pollution Abatement Order and a 2003 Administrative Consent Order from the Michigan Department of Environment, Great Lakes and Energy (EGLE) for exceeding the Township's allocated capacity contribution to the Evergreen-Farmington Sewage Disposal System's (EFSDS) sanitary sewer overflows. EGLE is requiring the Township to find and eliminate sources of inflow and infiltration by way of sewer metering, video inspection and pipe rehabilitation as well as participating in regional long-term corrective action projects. The Township is well into this process and the successful elimination of such sources will potentially reduce the Township's contribution to the EFSDS regional improvements.

The water supply infrastructure concerns mentioned above have been prioritized and divided into several phase capital improvement programs designed to replace about \$43,000,000 of water & sewer infrastructure. The process to sell bonds for Phase I began early in fiscal 2005-06. These bonds amounting to \$4,470,000 were sold in May 2006 and were refunded for a lower interest rate in 2014. Phase II bonds amounting to \$4,750,000 were sold in March 2008 and were refunded for a lower interest rate in 2017. At the same time there was a \$4,000,000 bond sale for sewer system improvements which were later refunded for a lower interest rate in 2016. An additional \$3,000,000 in bonds for sewer system improvements was sold in April 2011 and were refunded for a lower interest rate in 2020. Phase III water system bonds of \$3,250,000 were sold in April 2013 and were refunded for a lower interest rate in 2020. All of these bonds are being repaid by flat rate debt service charges applied to customer bills. In 2012, after five years of operating losses, and upon urging from our auditors, the Township adjusted the water & sewer rates to include depreciation. Then in 2015-16, added an additional component for funding capital projects. The funds collected through the water & sewer rates for these items are intended to be used for water & sewer capital improvements. While we cannot show these amounts as restricted on the face of the financial statements, it is the intent of the Township to use these funds as indicated. At the end of the fiscal year, the department designated \$9.58 million for capital projects and emergencies, compared to \$8.6 million the prior year.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

General Fund

The general fund is a key operating fund of Bloomfield Township. Several major revenue sources flow through the general fund including property taxes, state revenue sharing, and investment earnings. At the end of the fiscal year, the total fund balance of the general fund was \$15,208,586, an increase of \$675,746 over the prior year balance of \$14,532,840. Most of the fund balance is unassigned with a balance of \$14,571,564, the remainder being nonspendable for inventory and prepaid items and for long-term receivables. Consequently, most of the balance is available for spending at the administration's discretion and that would include being used to transfer money to supplement other Township funds. The Township's fund balance policy is to maintain unrestricted fund balance equivalent to 50-75% of annual expenditures and transfers out. As of the fiscal year end, this fund has unrestricted fund balance equivalent to 65% of annual expenditures and transfers. As explained earlier, this calculation is as of a specific day in time and fluctuates greatly depending on the time of year it is calculated.

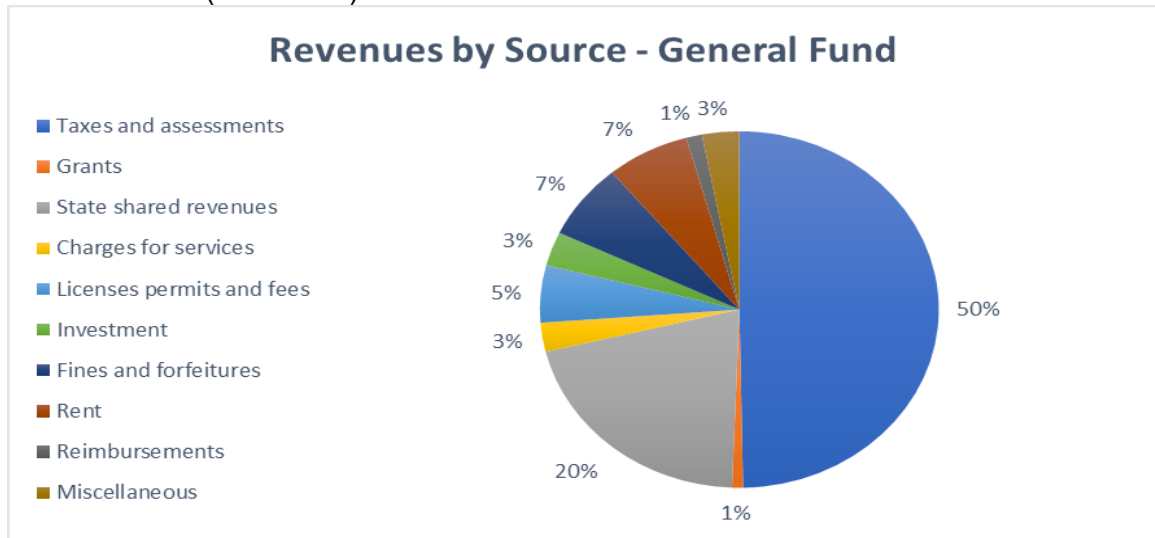
This fund is currently in very good to excellent financial shape, even though the fund recorded less in revenue this year as compared to last year. Investment earnings decreased from \$1,279,967 last year to \$560,418 this fiscal year. The earnings in 2020 were the highest they have been in over a decade.

Revenues finished the year at 99% of budget with variations coming from a wide array of accounts, some coming in under budget and others over budget. The most notable discrepancies include federal grants with a favorable variance of \$160,360, state revenue sharing with a favorable variance of \$33,466, district court revenue with an unfavorable variance of \$(453,402), and finally, other revenues with a favorable variance of \$153,197.

This is the second year of implementing the central services transfers based on a cost allocation study prepared by an outside consulting firm. The result was a transfer into the general fund of \$4,895,000 from other funds and departments outside of the general fund. The purpose is to provide a more accurate picture of the true cost of those departments that have been receiving services provided by the general fund or through its employees. This is not new revenue being collected, nor is it new revenue being charged to residents or collected from residents.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

General Fund (Continued)



Expenditures before transfers were \$9,444,080, a decrease of \$924,240 when compared to the prior year of \$10,368,320. Transfers out of the general fund in the current year were \$13,018,409 and the prior year totaled \$11,289,630, with most of the funds transferred to the public safety fund both years. The current year includes \$1,750,000 being transferred to the equipment and replacement fund. As discussed in the previous paragraph, the Township has implemented results of a cost allocation study. Both the road fund and public safety fund rely heavily on support from the general fund. While both funds are now paying a central service transfer to the general fund, both funds are receiving increased transfers in from the general fund. Effective beginning with fiscal year 2013-14 the Township started transferring funds to the Pension Obligation Bond Debt fund; the amount was \$768,411 this fiscal year and was \$789,630 last fiscal year.

Total expenditures and transfers finished the year at 99.5% of budget. The favorable budget variances were spread throughout many of the activities accounted for in this fund. The largest favorable variance was the general government function which was under budget by \$354,409. Part of this reduction is due to the decrease in the number of employees. This fund ended the fiscal year with 38 full-time employees, and in 2008 there were 46.

The general fund is transferring all of the 2010 millage tax dollars to the public safety fund and road fund to provide necessary support as these funds have been hit the hardest by the decreased property tax revenue. The fund also made a transfer of \$1,000,000 to the retiree health care trust fund which holds assets for the OPEB liability. To date, the general fund has cumulatively transferred \$6,000,000 into the retiree health care trust. Well aware of the economic constraints, the departments that are reported in the general fund have continued to seek efficiencies and many are still operating at historically low staffing levels. Even though personnel costs continue to increase, management has been able to partially absorb that with savings in other areas.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

General Fund (Continued)

Expenditures in this fund are not as dominated by personnel costs as some of the other major operating funds, but still play a major role. The fund is vulnerable to health care, pension and other benefit costs that historically have increased at a greater pace than the fund's revenues. Major changes have taken place over the past two decades, including requiring that all employees hired after 2005 are enrolled in a defined contribution pension plan rather than defined benefit plan.

Effective January 2010, all active employees were enrolled in a high deductible consumer driven health care plan that in its first year reduced health care expenditures by over \$1.5 million. Effective May 1, 2011, any new hires were no longer offered a defined benefit retiree health care plan. Instead, they were enrolled in a retirement health savings plan.

Effective January 1, 2020, the Township moved its healthcare platform from fully insured to self-funded. This was projected to save the Township 5% but for 2021 it saved 12%. The Township's administration remains committed to the education and involvement of all employees of the organization in an effort to contain all benefit costs. The Township's administration also regularly meets with its consultants and vendors involved in the employee benefit programs to explore present and future potential solutions to lower and/or contain these costs.

In 2014, the Township formed a Financial Sustainability Committee. This committee meets quarterly and is involved in reviewing and evaluating the Township's investments and advisers. In 2018, the Township went through an RFP process and selected a new health care consultant. In 2019, the Township went through an RFP process and selected a consultant for a compensation and benefits study. The results were presented to the Township Board in July 2020.

Road Fund

The road fund is the third largest operating fund in size and scope of the three major governmental operating funds. Bloomfield Township is the only township in the state with its own road department. It has an agreement with the Road Commission for Oakland County (RCOC) to allow the Township to maintain most of the subdivision roads which remain owned by the RCOC. At the end of the fiscal year, the fund balance was \$2,701,773. The overall fund balance increased by \$24,748 as compared to the prior fiscal year. Presently, this fund balance amount provides sufficient cash resources to meet operating expenses until the property tax revenue and transfer from the general fund is received toward the end of the subsequent fiscal year. It is recommended by the GFOA to have fund balance equivalent to 15-20% of annual expenditures as a minimum. As of the fiscal year end, this fund has fund balance equivalent to 76% of annual expenditures before transfers.

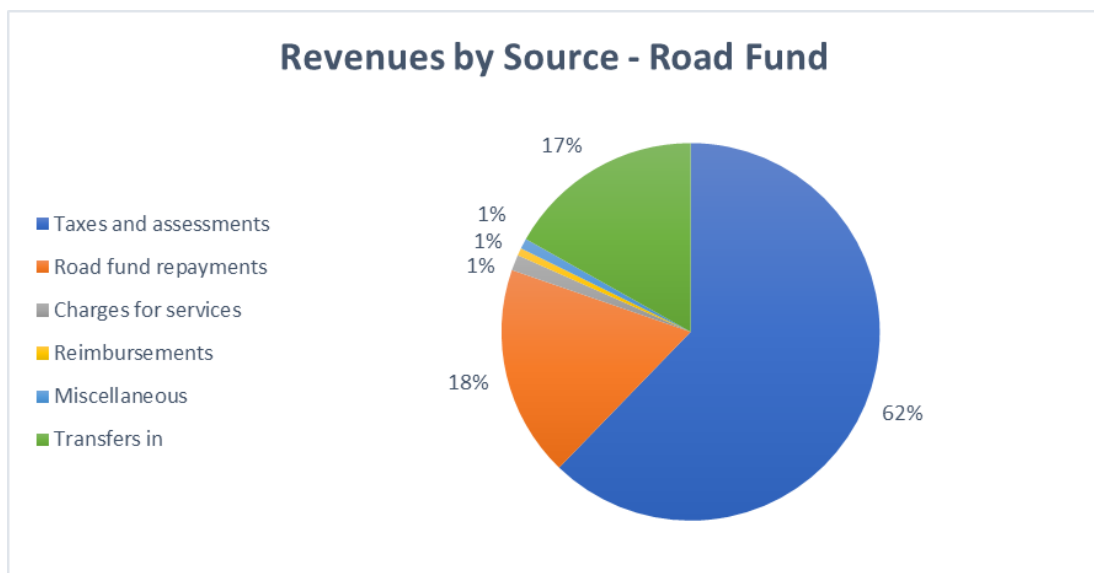
CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT’S DISCUSSION AND ANALYSIS
March 31, 2021

Road Fund (Continued)

Over the years the department has had to make drastic reductions to what is spent on contracted services. It also has less employees, with 13 full-time employees at the end of the fiscal year compared to 18 in 2008. Due to years of Headlee rollbacks to the road millage, the general fund must transfer funds to the road fund in order to maintain proper service levels. This fiscal year the transfer amounted to \$750,000 as compared to \$1,100,000 last year. Without this support, the road fund cannot cover annual operating expenditures. If in the future general fund support is no longer possible, services will have to further decrease, or other revenue sources will have to be obtained.

Currently, the major revenue sources of the fund include property taxes of \$2,775,759, the general fund transfer of \$750,000 and RCOC contract repayments totaling \$726,879. Approximately 60% of the fund’s expenditures are related to personnel, the remainder are the costs of repairing and maintaining the roads. To help control costs, road department employees had agreed to the same health care and pension changes as the general fund employees.

The RCOC contract with the Township does not include reimbursement for road improvements to the residential and subdivision roads. Residential road replacement in the Township can be completed by the property owners support of a special assessment district (SAD) under the Public Improvements Act 188 of 1954, where the benefiting property owners pay for the improvement. As a last resort, the responsibility for maintaining the roadways could be returned to the Oakland County Road Commission. This would have a dramatic negative effect on the level of service and response time that the residents have become accustomed to and expect. Management is committed to continue providing high quality road maintenance services to the Township residents.

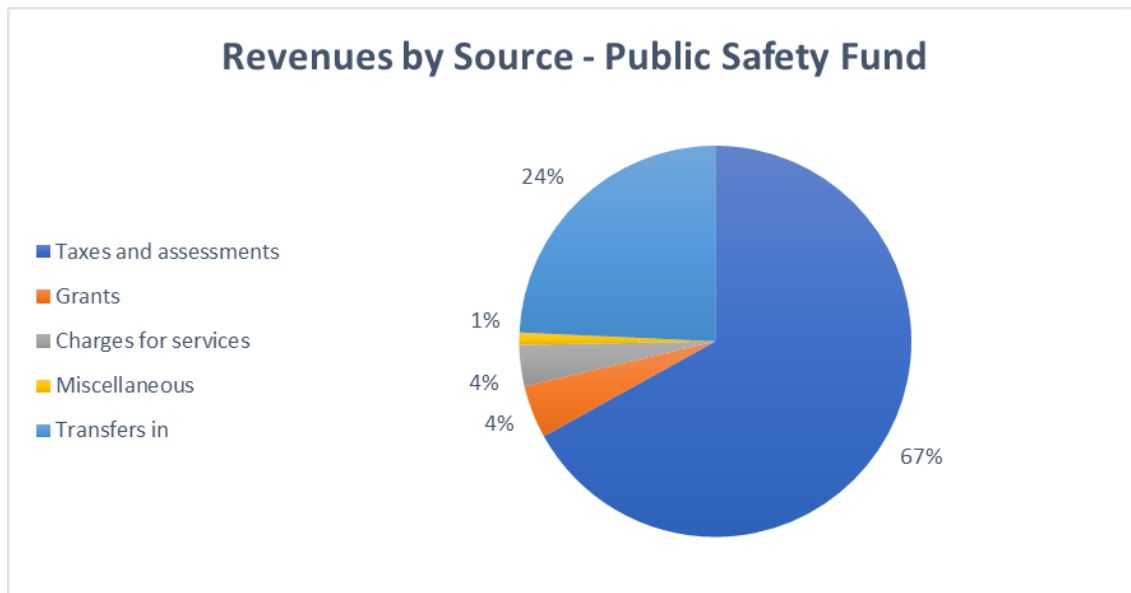


CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Public Safety Fund

This special revenue fund is by far the largest within the governmental fund type category. The costs associated with providing police services, fire/EMS services and dispatch services are all paid from this fund. At the end of the fiscal year, the fund balance was \$13,994,432. The overall fund balance increased by \$170,268 compared to the prior year. It is recommended by the GFOA to have fund balance equivalent to 15-20% of annual expenditures as a minimum. As of the fiscal year end, this fund has fund balance equivalent to 51% of annual expenditures before transfers.

Total revenues ended the year at 97% of budget. The public safety fund derives 88% of its revenue from property taxes. This fund has experienced a significant decline in taxable property values and has only achieved a partial recovery over the past eight years. To offset some of the lost revenue the 2010 millage of 1.30 mills was renewed by voters in 2019 at 1.24 mills. Currently, all of the tax collected from this millage is being used to maintain police and fire services as closely as possible to current levels. Despite this source of revenue, management must continue to monitor cost increases to this fund. In 2010 the public safety fund did not receive any support from the general fund. The transfers from the general fund have grown year over year, and this fiscal year it received \$8,750,000 from the general fund through transfers in. If you exclude the transfer and grants, the fund's total revenues were comparable with the prior year. Other than property taxes and a transfer from the general fund, the major revenue sources include approximately \$787,000 of EMS Transport Fees, and over \$438,000 in various charges for services.



Total expenditures before transfers were \$828,217 more than the prior year. The majority of expenses for this fund are related to personnel and personnel costs continue to rise. The expenditures before transfers ended the year at 96% of budget. Part of the reduction is due to the decrease in the number of employees. This fund ended the fiscal year with 141 full-time employees, and in 2008 there were 163. The fund also made a transfer of \$1,500,000 to the retiree health care trust fund which holds assets for the OPEB liability.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Public Safety Fund (Continued)

This is the second year of implementing the central services transfers based on a cost allocation study prepared by an outside consulting firm. The impact to the public safety fund was a transfer out to the general fund in the amount of \$2,910,000. This also caused the general fund to increase its support to the public safety fund through increasing the transfer in. The purpose is to provide a more accurate picture of the true cost of those departments that have been receiving services provided by the general fund or through its employees. This is not new revenue being collected, nor is it new revenue being charged to residents or collected from residents.

Negotiated contracts have eliminated the defined benefit retiree health care for all new hires, replacing it with a defined contribution retirement health savings plan. The administration also implemented a high deductible, consumer-directed health care plan for all active Township employees eligible for medical benefits beginning in January 2010. In 2018, the Township went through an RFP process and selected a new health care consultant. In 2019, the Township went through an RFP process and selected a consultant for a compensation and benefits study. The results were presented to the Township Board in July 2020. Effective January 1, 2020, the Township moved its healthcare platform from fully insured to self-funded. The projection was savings of 5%, but for 2021 the savings amounted to 12%.

The legal restrictions on a local government's ability to increase property tax revenues in the state of Michigan makes it very difficult for this or any fund that relies almost exclusively on property tax revenue to absorb expenditure increases greater than the consumer price index for an extended period of time. Management must continue to find ways to permanently contain and/or reduce the rate at which fund expenditures increase. Failure to do so would almost certainly lead to a reduction in the workforce hampering the department's ability to provide critical services in a timely manner.

Pension Obligation Bond Debt Fund

This fund was established in 2013 to account for revenues and expenditures related to the sale of \$80,780,000 in bonds to fund the defined benefit pension plan. This was allowed under State of Michigan Public Act 329 of 2012. The taxable bonds are backed by the full faith and credit of the Township and will mature in May 2032. This fund accounts for contribution revenue in the form of transfers from the various Township funds, and in turn makes the principal and interest payments related to the bonds. Principal and interest payments for the year totaled \$5,826,459. The taxable bonds were refunded in 2019 creating net present value total savings of \$4.4M, or approximately \$370,000 per year. After making the \$4,130,000 principal installment this year, the outstanding bond debt was \$60,825,000. The fund had a year end fund balance of \$6,944.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Special Assessment Debt Fund

This fund was established in fiscal year 2014 to account for bond debt taken on behalf of the Township to pay for subdivision road paving projects through the Special Assessment District (SAD) process identified in the Public Improvements Act 188 of 1954. The Township collects assessments from the benefiting residents in the special assessment districts in order to pay the debt incurred from the road paving projects. Since 2014, there have been multiple bond sales and 19 road projects covering 25 miles of residential roads. The bonds are backed by the full faith and credit of the Township. The fund had a year end fund balance of \$3,611,152.

CAPITAL ASSETS

The Township's total capital assets net of accumulated depreciation for its governmental activities amounted to \$45,246,780. This represents a decrease of \$1,238,080 from the prior year balance of \$46,484,860. The annual amount of depreciation was greater than the amount of new purchases of capital assets.

The business-type activities capital assets net of accumulated depreciation amounted to \$70,732,472, a decrease of \$80,559 when compared to the prior year of \$70,813,031. Most of these assets are being depreciated over an estimated useful life of 50 years. As stated earlier in this report, this fund has been investing restricted cash and bond proceeds into both the water and sewer systems by replacing the aged existing infrastructure. During this fiscal year, the Township spent over \$2.3 million on improvements to the water and sewer systems, compared to over \$3.2 million the prior year.

The capital assets include land, buildings, improvements to properties other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, water system, sewer system, and Township share of county sewers.

Some capital asset events that occurred during the current fiscal year included:

- Road Department replaced the chloride tanks at a cost of \$98,773
- Police Department replaced 4 vehicles at a cost of \$128,760
- Police Department replaced Dispatch furniture using forfeiture funds of \$52,965
- Fire Department purchased over \$350k of equipment with grant funds
- Fire Department replaced a fire engine at a cost of \$505,150
- Safety Path construction at a cost of \$1,274,445
- Improvements to water and sewer infrastructure of \$2.3M

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

LONG-TERM DEBT

At the end of the fiscal year, the Township had total governmental long-term debt outstanding, including amounts due within one year, of \$93,276,755. The majority of the governmental debt consists of bonded debt of \$6,475,000 to pay for the library addition and renovation, \$15,590,000 to pay for campus additions and renovations, and \$60,825,000 in pension obligation bonds. The pension debt payments are funded by the various departments or funds making transfers into a pension obligation bond debt fund which in turn makes the principal and interest payments. There is \$7,815,000 outstanding to pay for eighteen road special assessment districts. The Township sold bonds for these projects and will be repaid by the residents in those districts through annual special assessments. The remaining debt within the governmental funds reflects the Township's share of county debt for various storm sewer projects. Other than the pension debt and special assessment debt, all other governmental activity debt is being paid for via ad valorem property tax levies.

The Township had total business-type debt outstanding, including amounts due within one year, of \$18,240,000. The bonded debt in the business-type activity fund consists of the Township share of county debt obligations for various sanitary sewer construction projects within the Township as well as debt issued by the Township related to the water and sewer system capital improvement programs. The water and sanitary sewer debt obligations are paid for using funds collected from customers on their monthly or quarterly bills.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its state equalized valuation. Special assessment bonds and County issued bonds do not count towards this limit. At the time of the last bond sale, October 2020, the Township had applicable debt of \$94,170,000 and the 2020 SEV was \$5,250,208,968. This means the Township's debt is 1.79% of the SEV, or is utilizing 17.9% of the available legal limit. Even though it appears the Township is well below the available legal limit set by the state of Michigan, the credit rating agencies conclude the Township has a weak debt profile. They compare debt charges as a percentage of total expenditures (19%) and direct debt as a percentage of total governmental revenue (181.8%). Assuming no additional debt is issued, 81.5% of the existing debt is scheduled to be retired in 10 years.

ECONOMIC FACTORS AND LOOKING FORWARD

The Township's present financial condition in both the governmental and the business-type funds is strong. S&P has reaffirmed the AAA rating, and Moody's has rated the Township as Aa1. The Township has experienced eight consecutive years of increases in property values. There continue to be multiple residential and commercial developments in process which will help increase the overall tax base. Even though property values have been rising steadily, due to Headlee the property tax increases have been limited to the rate of inflation or 5%, whichever is less. The consumer price index for 2016 to 2020 respectively were 0.3%, 0.9%, 2.1%, 2.4%, and 1.9%. With Headlee rollbacks the gap between the total of the millages and the 10-mill cap continues to increase. It is noteworthy that between 2022 and 2026, the Township will have 7 of its 8 millages up for renewal.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

ECONOMIC FACTORS AND LOOKING FORWARD (Continued)

In 2013, the Township addressed its pension liability by selling pension obligation bonds. The goal was to stabilize an annual expenditure that used to fluctuate year to year based upon an actuarial valuation. Selling the pension bonds kept the trust fully funded without having to make additional contributions until 2018. Currently and for the foreseeable future, the Township must budget for annual contributions of approximately \$4M-\$5M to be paid into the pension trust to keep it properly funded under state requirements. At the same time of evaluating the pension obligation bonds, the Township also analyzed whether to fully fund the OPEB liability with bonds. The conclusion at that time was that the debt would be unsustainable, meaning the annual debt costs would far exceed what the fund budgets could afford.

The OPEB liability has always existed but in recent years GASB has required entities to report this liability on the government-wide statements, which dramatically changes the financial picture of the Township when comparing the modified accrual statements to the full accrual statements. As of the end of the fiscal year, the Township had trust assets valued at \$21.4 million towards funding retiree health care. The Township had always been on a pay-as-you-go basis for this liability, and that was not only allowable by law but was practiced by many municipalities over many decades. The credit rating agencies have been well aware of this for many years, and understand that the Township is operationally in a very strong position. They also recognize that the OPEB liability would be much greater if the Township hadn't made all of the changes to health care benefits that were stated earlier. The state law changed dramatically with Public Act 202 of 2017. This has put additional pressure on municipalities by requiring a minimum funding percentage of 40% for OPEB plans within thirty years of the law enactment. If a municipality is not meeting that minimum, it must issue a corrective action plan to the state. The state accepted the corrective action plan from the Township in June 2019. Updated projections as of 2021 from the Township actuary show that the OPEB liability could be 40% funded by 2035 and 100% funded by 2045.

Since 2011, the Township has been working to address the issue by transferring most if not all of its operating funds' surplus into the OPEB trust on an annual basis. This fiscal year the Township contributed \$2,500,000 to the OPEB trust and has committed to continuing contributing funds towards the OPEB liability on an annual basis going forward. The Township's net OPEB liability has decreased by 51.3% or \$83,489,934 over the past two fiscal years. This fiscal year the net OPEB liability fell to \$79,201,695 compared to last year being \$107,796,313. This has been made possible due to the actions by the Township administration, cost cutting measures by the departments, healthcare changes negotiated with the union groups, and outstanding market performance. See illustration in the *Financial Highlights* section on the first page of this MD&A.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

ECONOMIC FACTORS AND LOOKING FORWARD (Continued)

Prior to 2019, there were four represented unions; police command, police patrol, fire and water maintenance. There were also two unrepresented bargaining units in the department of public works. During 2019, the employees across all Township departments filed petitions to unionize. As of 2020, the Township workforce became 99.9% unionized. The dispatch supervisor and police captains joined the police command union. The dispatchers joined the police patrol union. The two public works bargaining units formed two new union groups. Department heads and their deputies formed a new union group, and the remainder of employees formed a new union group. The Township has signed contracts with every group except water maintenance, with the fire contract expiring March 31, 2025 and all other contracts expiring March 31, 2026. There were significant changes that were agreed to by both parties. Employees are paying more for their health insurance, and are responsible for increased out-of-pocket maximums that increase over the term of the contracts. The healthcare plan has also changed from an HRA to an HSA. The vesting schedules of the 401(a) and RHS plan have been lengthened to encourage employee retention. Finally, both the employer and employee contributions to the RHS plan were increased.

The COVID pandemic was unprecedented for municipalities. The Township received over \$1M in relief funds this fiscal year. With the new American Rescue Plan Act the Township was notified it will receive \$4.39M, which will likely be split 50/50 over the next two fiscal years. There are restrictions on how and when it can be used. Final guidance on those details are still being drafted by the Department of Treasury. Early guidance stated that qualified uses would include recuperation of lost revenue due to the pandemic. The Township had multiple areas of revenue loss from the pandemic including court revenue, EMS transport fees, passports, Senior Center programs, Building Inspection revenues, and Cable Studio programs.

Management's ability to seek ways to continue to contain expenditures and reduce liabilities will determine the long-term outlook for the Township's ability to provide services. Township management is committed to taking a proactive approach in the anticipation and resolution of each and every challenge. The ultimate goal is to continue to provide superior services in the public sector with as much local control and access as possible. Management remains confident that the employees and elected officials of Bloomfield Township possess the capability, foresight, and resolve necessary to successfully meet these challenges with the support of the residents.

REQUESTS FOR INFORMATION

Questions concerning any of the information contained in this report or requests for additional financial information should be addressed to the Bloomfield Township Finance Director, 4200 Telegraph Road, Bloomfield Township, MI 48302. The Township's past and current budgets, audited financials, and actuarial reports are available on the Township website: www.bloomfieldtpw.org.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF NET POSITION (DEFICIT)
March 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 15,608,151	\$ 360,944	\$ 15,969,095	\$ 2,900,616
Marketable securities	38,003,511	16,396,019	54,399,530	10,974,770
Receivables	3,265,539	6,288,269	9,553,808	-
Due from component unit	288,663	-	288,663	-
Prepaid items	228,977	-	228,977	28,059
Inventory	542,434	304,180	846,614	-
Total current assets	<u>57,937,275</u>	<u>23,349,412</u>	<u>81,286,687</u>	<u>13,903,445</u>
NONCURRENT ASSETS				
Capital assets				
Nondepreciable assets:				
Land	828,648	-	828,648	131,015
Investment in systems	-	3,217,126	3,217,126	-
Construction-in-progress	-	-	-	148,766
Depreciable assets:				
Land improvements	30,528,764	-	30,528,764	-
Buildings	45,893,615	-	45,893,615	29,470,307
Machinery and equipment	15,557,409	1,670,115	17,227,524	5,393,847
Library books and audiovisual materials	-	-	-	3,420,385
Infrastructure and investment in systems	13,082,267	115,452,701	128,534,968	-
Less accumulated depreciation	<u>(60,643,923)</u>	<u>(49,607,470)</u>	<u>(110,251,393)</u>	<u>(14,110,646)</u>
Total capital assets	<u>45,246,780</u>	<u>70,732,472</u>	<u>115,979,252</u>	<u>24,453,674</u>
OTHER ASSETS - Long-term receivables	<u>15,341,296</u>	<u>-</u>	<u>15,341,296</u>	<u>-</u>
Total noncurrent assets	<u>60,588,076</u>	<u>70,732,472</u>	<u>131,320,548</u>	<u>24,453,674</u>
Total assets	<u>118,525,351</u>	<u>94,081,884</u>	<u>212,607,235</u>	<u>38,357,119</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt refunding	6,051,845	93,033	6,144,878	-
Pension	2,226,735	237,436	2,464,171	49,199
Other post-employment benefits	905,956	-	905,956	160,911
Total deferred outflows of resources	<u>9,184,536</u>	<u>330,469</u>	<u>9,515,005</u>	<u>210,110</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,764,699	1,363,915	4,128,614	236,970
Refundable bonds	128,850	-	128,850	-
Escrow deposits	27,001	256,905	283,906	-
Accrued expenses and other liabilities	-	221,631	221,631	97,593
Due to primary government	-	-	-	288,663
Unearned revenue	-	369,056	369,056	-
Amount due within one year	8,219,502	1,583,270	9,802,772	198,212
Total current liabilities	<u>11,140,052</u>	<u>3,794,777</u>	<u>14,934,829</u>	<u>821,438</u>
NONCURRENT LIABILITIES				
Net post-employment benefits liability	79,050,966	150,729	79,201,695	1,683,764
Net pension liability	14,867,625	866,583	15,734,208	616,419
Compensated absences and sick pay	4,661,394	145,209	4,806,603	331,966
Insurance claims payable	-	-	-	23,823
Bonds payable	87,107,120	17,355,403	104,462,523	-
Total noncurrent liabilities	<u>185,687,105</u>	<u>18,517,924</u>	<u>204,205,029</u>	<u>2,655,972</u>
Total liabilities	<u>196,827,157</u>	<u>22,312,701</u>	<u>219,139,858</u>	<u>3,477,410</u>
DEFERRED INFLOWS OF RESOURCES -				
Unearned revenue	4,603,727	-	4,603,727	-
Pension	8,201,819	484,191	8,686,010	337,964
Other post-employment benefits	49,209,775	3,970,259	53,180,034	1,545,363
Total deferred inflows of resources	<u>62,015,321</u>	<u>4,454,450</u>	<u>66,469,771</u>	<u>1,883,327</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	29,656,780	52,492,472	82,149,252	24,453,674
Restricted for:				
Debt service	7,727,789	-	7,727,789	-
Community enrichment	173,871	-	173,871	-
Gifts	-	-	-	184,562
Unrestricted	<u>(168,691,031)</u>	<u>15,152,730</u>	<u>(153,538,301)</u>	<u>8,568,256</u>
Total net position (deficit)	<u>\$ (131,132,591)</u>	<u>\$ 67,645,202</u>	<u>\$ (63,487,389)</u>	<u>\$ 33,206,492</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2021

	General	Road	Public Safety	Special Assessment Debt Service	Pension Obligation Bond Debt Retirement	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 989,903	\$ 55,167	\$ 406,651	\$ 1,776,811	\$ 6,944	\$ 10,012,298	\$ 13,247,774
Marketable securities	10,879,906	2,583,978	14,356,036	-	-	10,183,591	38,003,511
Receivables (net):							
Delinquent taxes	1,706,563	-	-	-	-	-	1,706,563
Component unit	288,663	-	-	-	-	-	288,663
Special assessment	-	-	-	6,430,280	-	-	6,430,280
Other	1,135,960	1,892	248,415	-	-	277,527	1,663,794
Prepaid items	228,977	-	-	-	-	-	228,977
Inventory	336,795	205,639	-	-	-	-	542,434
	<u>\$ 15,566,767</u>	<u>\$ 2,846,676</u>	<u>\$ 15,011,102</u>	<u>\$ 8,207,091</u>	<u>\$ 6,944</u>	<u>\$ 20,473,416</u>	<u>\$ 62,111,996</u>
LIABILITIES							
Accounts payable and accrued expenses	\$ 332,080	\$ 144,903	\$ 1,016,670	\$ -	\$ -	\$ 263,547	\$ 1,757,200
Refundable bonds	-	-	-	-	-	128,850	128,850
Escrow deposits	26,101	-	-	-	-	900	27,001
	<u>358,181</u>	<u>144,903</u>	<u>1,016,670</u>	<u>-</u>	<u>-</u>	<u>393,297</u>	<u>1,913,051</u>
DEFERRED INFLOW OF RESOURCES -							
Special assessments	-	-	-	4,595,939	-	-	4,595,939
FUND BALANCES							
Nonspendable:							
Inventory, deposits, and prepaid items	565,772	205,639	-	-	-	-	771,411
Long-term advances receivable	71,250	-	-	-	-	-	71,250
Restricted:							
Debt service	-	-	-	3,611,152	6,944	4,109,693	7,727,789
Roads and safety paths	-	2,496,134	-	-	-	6,582,831	9,078,965
Public safety	-	-	13,994,432	-	-	1,187,171	15,181,603
Community enrichment	-	-	-	-	-	173,871	173,871
Assigned:							
Community enrichment	-	-	-	-	-	5,280,476	5,280,476
Building inspection	-	-	-	-	-	996,077	996,077
Committed:							
Capital projects	-	-	-	-	-	1,750,000	1,750,000
Unassigned	14,571,564	-	-	-	-	-	14,571,564
	<u>15,208,586</u>	<u>2,701,773</u>	<u>13,994,432</u>	<u>3,611,152</u>	<u>6,944</u>	<u>20,080,119</u>	<u>55,603,006</u>
Total liabilities and fund balances	<u>\$ 15,566,767</u>	<u>\$ 2,846,676</u>	<u>\$ 15,011,102</u>	<u>\$ 8,207,091</u>	<u>\$ 6,944</u>	<u>\$ 20,473,416</u>	<u>\$ 62,111,996</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
Reconciliation of the Balance Sheet of Governmental Funds to the Statement
of Net Position (Deficit)
March 31, 2021

FUND BALANCE REPORTED IN GOVERNMENTAL FUNDS	\$ 55,603,006
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 therefore are not reported in the funds.	
Cost of capital assets	105,890,703
Less accumulated depreciation	(60,643,923)
Governmental funds do not report a liability for accrued interest until due and payable.	(1,004,165)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities include:	
Bonds payable	(95,326,622)
Other post-employment benefit obligations (OPEB)	(79,050,966)
Net pension liability	(14,867,625)
Compensated absences	(2,301,017)
Deferred outflows of resources - refunding	6,051,845
Deferred outflows of resources - pension	2,226,735
Deferred inflows of resources - pension	(8,201,819)
Deferred outflows of resources - OPEB	905,956
Deferred inflows of resources - OPEB	(49,209,775)
Accounts payable and other accrued liabilities	(11,122)
Some revenues in the governmental funds are not collected within the prescribed time period after year end and therefore, are considered unavailable. These revenues are recognized on the full accrual basis in the government-wide financial statements.	
Service receivable	11,824
Special assessment receivable	8,794,374
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	<u>\$ (131,132,591)</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended March 31, 2021

	General	Road	Public Safety	Special Assessment Debt Service	Pension Obligation Bond Debt	Other Governmental Funds	Total Governmental Funds
REVENUE							
Taxes and assessments	\$ 9,064,055	\$ 2,775,759	\$ 24,130,566	\$ 793,096	\$ -	\$ 8,766,895	\$ 45,530,371
Grants	160,360	537	1,547,626	-	-	229,419	1,937,942
Road fund repayments	-	806,393	-	-	-	-	806,393
State shared revenues	3,756,466	-	26,224	-	-	-	3,782,690
Charges for services	479,576	59,937	1,225,485	-	-	1,782,665	3,547,663
Licenses, permits and fees	944,905	-	19,429	-	-	766,363	1,730,697
Investment earnings	560,418	-	-	236,916	-	-	797,334
Fines and forfeitures	1,257,598	-	-	-	-	32,643	1,290,241
Rent	1,227,126	-	-	-	-	-	1,227,126
Reimbursements	234,534	28,518	32,353	-	-	36,253	331,658
Miscellaneous	558,197	39,487	386,302	-	219,629	576,749	1,780,364
Total revenue	<u>18,243,235</u>	<u>3,710,631</u>	<u>27,367,985</u>	<u>1,030,012</u>	<u>219,629</u>	<u>12,190,987</u>	<u>62,762,479</u>
EXPENDITURES							
Operating:							
Legislative	25,406	-	-	-	-	-	25,406
Judicial	1,651,163	-	-	-	-	-	1,651,163
General government	6,678,837	-	-	-	-	1,529,249	8,208,086
Public works	-	3,399,416	-	-	-	2,220,314	5,619,730
Public safety	260,877	-	26,167,964	-	-	666,160	27,095,001
Community enrichment and development	400,684	-	-	-	-	2,253,356	2,654,040
Debt service	-	-	-	-	-	355	355
Other	381,895	-	-	-	-	-	381,895
Capital outlay	45,218	126,250	1,032,144	-	-	1,350,578	2,554,190
Debt service:							
Principal retirement	-	-	286,245	740,000	4,130,000	3,044,921	8,201,166
Interest and fiscal charges	-	-	9,485	208,796	1,696,459	1,070,793	2,985,533
Total expenditures	<u>9,444,080</u>	<u>3,525,666</u>	<u>27,495,838</u>	<u>948,796</u>	<u>5,826,459</u>	<u>12,135,726</u>	<u>59,376,565</u>
REVENUES OVER (UNDER) EXPENDITURES	8,799,155	184,965	(127,853)	81,216	(5,606,830)	55,261	3,385,914
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	1,530,000	1,530,000
Transfers in	4,895,000	750,000	8,750,000	-	5,606,080	1,750,000	21,751,080
Transfers out	(13,018,409)	(910,217)	(8,451,879)	-	-	(1,041,812)	(23,422,317)
Total other financing sources (uses)	<u>(8,123,409)</u>	<u>(160,217)</u>	<u>298,121</u>	<u>-</u>	<u>5,606,080</u>	<u>2,238,188</u>	<u>(141,237)</u>
NET CHANGE IN FUND BALANCES	675,746	24,748	170,268	81,216	(750)	2,293,449	3,244,677
FUND BALANCES, Beginning of year	14,532,840	2,677,025	13,824,164	3,529,936	7,694	17,786,670	52,358,329
FUND BALANCES, End of year	\$ 15,208,586	\$ 2,701,773	\$ 13,994,432	\$ 3,611,152	\$ 6,944	\$ 20,080,119	\$ 55,603,006

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended March 31, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,244,677

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, the cost of those assets is capitalized and depreciated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,554,190
Depreciation expense	(3,792,270)

The issuance of long-term debt (e.g. bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Debt issued	(1,530,000)
Principal paid	8,201,166
Amortization of bond premium/discount and deferred outflow	(325,574)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Accrued interest	246,040
Compensated absences	(64,552)
Other post-employment benefit obligations (OPEB)	25,192,154
Pension obligations	25,086,256
Deferred outflows - pension	(17,463,131)
Amortization of deferred outflows - pension	(2,470,598)
Deferred inflows - pension	(8,414,128)
Amortization of deferred inflows - pension	1,663,714
Deferred outflows - OPEB	(1,418,383)
Amortization of deferred outflows - OPEB	(429,873)
Deferred inflows - OPEB	(25,160,015)
Amortization of deferred inflows - OPEB	23,506,283

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Service receivables	7,882
Special assessment receivable	(1,781,680)
Deferred revenue	19,918

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 26,872,076

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
ASSETS		
CURRENT ASSETS		
Cash, cash equivalents and investments:		
Unrestricted	\$ 127,646	\$ 2,360,377
Restricted	233,298	-
Marketable securities - unrestricted	16,396,019	-
Receivables (net):		
Customers	6,082,141	-
Other	206,128	-
Inventory	304,180	-
Total current assets	<u>23,349,412</u>	<u>2,360,377</u>
NONCURRENT ASSETS		
Capital assets		
Machinery and equipment	1,670,115	-
Investment in system	118,669,827	-
	120,339,942	-
Less accumulated depreciation	49,607,470	-
Net capital assets	<u>70,732,472</u>	<u>-</u>
Total assets	<u>94,081,884</u>	<u>2,360,377</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	237,436	-
Debt refunding	93,033	-
Total deferred outflows of resources	<u>330,469</u>	<u>-</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	1,363,915	-
Escrow deposits	256,905	-
Accrued expenses and other liabilities	221,631	-
Amounts due within one year	1,583,270	-
Unearned revenue	369,056	-
Total current liabilities	<u>3,794,777</u>	<u>-</u>
NONCURRENT LIABILITIES		
Net post-employment benefits liability	150,729	-
Net pension liability	866,583	-
Compensated absences	145,209	2,360,377
Amounts due in more than one year	17,355,403	-
Total noncurrent liabilities	<u>18,517,924</u>	<u>2,360,377</u>
Total liabilities	<u>22,312,701</u>	<u>2,360,377</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	484,191	-
Other post-employment benefits	3,970,259	-
Total deferred inflows of resources	<u>4,454,450</u>	<u>-</u>
NET POSITION		
Net invested in capital assets	52,492,472	-
Unrestricted	15,152,730	-
Total net position	<u>\$ 67,645,202</u>	<u>\$ -</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended March 31, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
OPERATING REVENUES		
Water sales	\$ 13,264,079	\$ -
Sewer usage	14,133,796	-
Debt service charges	2,451,698	-
Privilege fees	234,000	-
Tap sales	57,320	-
Meter material and service sales	111,833	-
Water capital charges	20,300	-
Late payment penalties	344,611	-
Federal and state grants	337,872	-
Total operating revenues	<u>30,955,509</u>	<u>-</u>
DIRECT COSTS		
Water purchased	7,937,050	-
Treatment charges	8,665,837	-
Depreciation	2,361,201	-
Tap costs	55,767	-
Meters, materials and service costs	49,965	-
Sick pay	-	108,637
Total direct costs	<u>19,069,820</u>	<u>108,637</u>
OPERATING AND ADMINISTRATIVE EXPENSES		
Operating profit (loss)	<u>3,546,207</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	6,246	-
Interest expense	(425,154)	-
Reimbursements	34,173	-
Miscellaneous	74,181	-
Bond issuance costs	(98,098)	-
Total nonoperating revenues (expenses)	<u>(408,652)</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>7,930,830</u>	<u>(108,637)</u>
CONTRIBUTIONS AND TRANSFERS		
Township contributions	-	108,637
Transfer out to General Fund	(520,000)	-
Transfer out to Pension Obligation Bond Debt Fund	(308,763)	-
Capital contributions	127,141	-
Total contributions and transfers	<u>(701,622)</u>	<u>108,637</u>
Change in net position	7,229,208	-
NET POSITION , Beginning of year	<u>60,415,994</u>	<u>-</u>
NET POSITION , End of year	<u>\$ 67,645,202</u>	<u>\$ -</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended March 31, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 30,280,388	\$ -
Receipts from other governments	24,128	-
Receipts from miscellaneous	(22,944)	-
Payments to employees and fringes	(2,520,387)	-
Payments to suppliers	(19,213,205)	-
Sick pay	-	(120,771)
	<u>8,547,980</u>	<u>(120,771)</u>
Net cash provided by (used in) operating activities	8,547,980	(120,771)
Cash Flows from Noncapital Financing Activities		
Receipts from other governments	34,173	-
Transfer to other funds	(828,763)	-
Transfers from Township	-	108,637
	<u>(794,590)</u>	<u>108,637</u>
Net cash provided by (used in) noncapital financing activities	(794,590)	108,637
Cash Flows from Capital and Related Financing Activities		
General obligation contracts with County		
Proceeds from bond issuance	4,565,000	-
Principal payments	(6,005,000)	-
Interest and fiscal charges	(432,468)	-
Proceeds from sale of capital assets	29,161	-
Purchase of capital assets	(2,182,662)	-
	<u>(4,025,969)</u>	<u>-</u>
Net cash used in capital and related financing activities	(4,025,969)	-
Cash Flows from Investing Activities		
Investment income	6,246	-
Miscellaneous	74,181	-
	<u>80,427</u>	<u>-</u>
Net cash provided by investing activities	80,427	-
Net increase (decrease) in cash, cash equivalents, investments and marketable securities	3,807,848	(12,134)
Cash, Cash Equivalents, Investments, and Marketable securities, Beginning of year	<u>12,949,115</u>	<u>2,372,511</u>
Cash, Cash Equivalents, Investments, and Marketable securities, End of year	<u>\$ 16,756,963</u>	<u>\$ 2,360,377</u>
Statement of net position classification of cash and cash equivalents		
Unrestricted	\$ 127,646	\$ 2,360,377
Restricted	233,298	-
Marketable securities	16,396,019	-
Totals	<u>\$ 16,756,963</u>	<u>\$ 2,360,377</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended March 31, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
Reconciliation of operating profit (loss) to net cash provided by (used in) operating activities		
Operating profit (loss)	\$ 8,339,482	\$ (108,637)
Adjustments to reconcile operating profit (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,361,201	-
Amortization	1,091,470	-
(Increase) decrease in:		
Receivables from customers	(349,689)	-
Receivables from others	(140,330)	-
Inventory	(60,337)	-
Deferred outflow of resources	1,671,039	-
Increase (decrease) in:		
Accounts payable	(164,230)	-
Accrued expenses and other liabilities	(30,233)	(12,134)
Unearned revenue	12,440	-
Net pension liability	(1,631,085)	-
Net OPEB liability	(3,402,464)	-
Employee compensated absences	23,897	-
Deferred inflow of resources	826,819	-
Net cash provided by (used in) operating activities	<u>\$ 8,547,980</u>	<u>\$ (120,771)</u>

Noncash capital and financing activities

Capital assets of \$127,141 were acquired through contributions from others.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
March 31, 2021

	Pension & Other Employee Benefit Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ -	\$ 883,820
Investments:		
Mutual funds, stocks and other equities	123,940,652	-
Guaranteed deposit account fixed income fund	<u>140,601,451</u>	<u>-</u>
Total investments, at fair value	<u>264,542,103</u>	<u>-</u>
Contributions receivable	<u>530,078</u>	<u>-</u>
Total assets	<u>265,072,181</u>	<u>883,820</u>
LIABILITIES		
Accounts payable	-	90
Deposits and other liabilities:		
Other	<u>-</u>	<u>20,780</u>
Total liabilities	<u>-</u>	<u>20,870</u>
NET POSITION		
Restricted:		
Pensions - Defined benefit	229,584,862	-
Pensions - Defined contribution	14,069,323	-
Other post-employment benefits	21,417,996	-
Individuals, organizations and other governments	<u>-</u>	<u>862,950</u>
Total net position	<u>\$ 265,072,181</u>	<u>\$ 862,950</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended March 31, 2021

	Pension & Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 12,658,696	\$ -
Employee	405,406	-
	<hr/>	<hr/>
Total contributions	13,064,102	-
	<hr/>	<hr/>
Investment income:		
Net change in fair value of investments	21,067,691	-
Interest	4,789,523	-
Dividends	2,322,182	-
	<hr/>	<hr/>
Total investment income	28,179,396	-
	<hr/>	<hr/>
Taxes and assessments	-	122,897,852
Payments collected on behalf of others	-	338,241
	<hr/>	<hr/>
Total additions	41,243,498	123,236,093
	<hr/>	<hr/>
DEDUCTIONS		
Distributions	17,071,259	-
Administrative fees	319,242	-
Other disbursements	-	13,323
Payments disbursed to others	-	123,191,343
	<hr/>	<hr/>
Total deductions	17,390,501	123,204,666
	<hr/>	<hr/>
Net increase in fiduciary net position	23,852,997	31,427
	<hr/>	<hr/>
NET POSITION , Beginning of year	241,219,184	831,523
	<hr/>	<hr/>
NET POSITION , End of year	\$ 265,072,181	\$ 862,950
	<hr/> <hr/>	<hr/> <hr/>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Charter Township of Bloomfield, County of Oakland, State of Michigan (the "Township") are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

Financial Reporting Entity

Description of Reporting Entity

The Charter Township of Bloomfield, County of Oakland, State of Michigan was organized in 1827 as a common law township and was known as Bloomfield Township until October 14, 1993. On October 15, 1993, the State of Michigan recognized the incorporation of the Township and it is now known as the Charter Township of Bloomfield, Michigan.

The Township covers an area of approximately 25 square miles. Operations are governed by an elected board of seven trustees, including a full-time supervisor, clerk and treasurer. The Township's government provides legislative, judicial, public safety, public works, community enrichment and development and general government services to approximately 41,000 residents.

In accordance with GAAP and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township (the primary government) and its component unit, an entity for which the Township is considered to be financially accountable. The Component unit discussed below is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township.

Discretely Presented Component Unit — Bloomfield Township Public Library

The Bloomfield Township Public Library (the "Library") was organized in 1963. The Library operates under an autonomous library board and provides library services to the residents of the Township. The Library Board is required to report to the Township Board of Trustees regarding the expenditures of funds and other information about Library operations. The Library may not issue debt or levy a tax without the approval of the Township's Board of Trustees. If approval is granted, the Library taxes are levied under the taxing authority of the Township, as approved by the Township's electors, and would be included as part of the Township's total tax levy, as well as reported in a Library revenue fund. Financial statements of the Library may be obtained from the Library.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bloomfield Village Association

Bloomfield Village Association (the "Association") (presented as "Bloomfield Village" in the financial statements) is a subdivision association located within the Township. Residents who live within the Association's boundaries have consented to be a special assessment district within the Township. The special assessment is to provide extra police and fire services to the residents of the Association over and above the Township's general public safety services. This assessment activity is shown as special revenue funds of the Township. This Association is not considered a component unit of the Township.

Government-Wide and Fund Financial Statements

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

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

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.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The government reports the following major governmental funds:

General

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road

The *Road Fund* is a special revenue fund to account for a tax levy for the purpose of providing street improvement and maintenance services to the Township's residents.

Public Safety

The *Public Safety Fund* is a special revenue fund to account for a tax levy for the purpose of providing police and fire protection services to the Township's residents.

Pension Obligation Bond Debt Fund

The *Pension Obligation Bond Debt Fund* is a debt service fund used to collect transfers from other governmental and enterprise funds to pay the annual principal and interest due on the pension obligation bonds.

Special Assessment Debt Service

The *Special Assessment Debt Service Fund* is a debt service fund used to account for the payment of interest and principal on long-term special assessment debt funded by special assessment districts.

The government reports the following major proprietary fund:

Water and Sewer

The *Water and Sewer Fund* accounts for the activities of the government's water distribution, sewage disposal and related treatment systems.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Additionally, the government reports the following other fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes, not including major capital projects.

The *Library Debt Retirement Fund* is a debt service fund used to account for the collection of a special voted property tax millage restricted for retirement of debt related to library construction bonds.

The *Campus Construction Debt Retirement Fund* is a debt service fund used to collect funds for retirement of debt related to campus construction bonds.

The *Drain-at-Large Fund* is a debt service fund used to collect funds for retirement of debt related to construction, repair, and maintenance of drains.

The *Equipment and Replacement Fund* is a capital project fund used to fund capital assets purchases.

The *Special Assessment Capital Projects Fund* is a capital project fund used to account for the construction of capital assets funded in whole or part by long-term special assessment debt.

The *Retirement System Pension Trust Fund* is a fiduciary fund used to account for pension assets reserved for future pension obligations.

The *Retiree Health Care Fund* is a fiduciary fund used to account for assets reserved for future health care costs of retirees.

The *401(a) Defined Contribution Plan Fund* is a fiduciary fund used to account for future retirement benefits for eligible employees.

The *Custodial Funds* account for assets held by the Township in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or other funds. The Township reports the following custodial funds:

The *Federal and State OCVCTF Forfeitures Funds* are used to account for assets held for other government members.

The *Current Tax Collection Fund* is used for the collection and disbursement of taxes payable to various jurisdictions.

The *Miscellaneous Custodial Fund* is used for a variety of items collected on behalf of and disbursed to other jurisdictions.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Internal Service Fund

The *Internal Service Fund* is used to account for and collect funds from various departments for accumulated employee sick pay.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues 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 revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

For purposes of the statement of cash flows, demand deposits and short-term investments with an original maturity of three months or less are considered to be cash equivalents. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

Investments are stated at fair value based on quoted market prices.

Investment income from cash and cash equivalents is assigned to the water and sewer fund based on the average amount invested by this fund during the year. The remainder of the investment income is assigned to the general fund. Income is recorded when received which is not materially different from the modified accrual basis.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Inventory

Inventory is recorded at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. Inventory, which consists of materials and supplies, is recorded as expenditures (in the governmental fund types) and expenses (in the proprietary fund type) when used.

Prepaid Items

Prepaid items are costs incurred during the current fiscal year for which benefit will be received in a future fiscal year and are recorded in both the government-wide and fund financial statements.

Restricted Assets

In the Water and Sewer Fund, certain resources of the Water and Sewer Fund have been set aside to fund capital asset replacements.

Capital Assets

Capital assets of all funds and the component unit are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets, which include property, plant equipment and infrastructure assets (e.g., sidewalks and drains) are reported 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Interest costs are incurred by the proprietary fund when debt proceeds are used to finance the construction of assets. It is the Township's policy that such costs be expensed rather than capitalized as part of the cost of the assets constructed.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Capital Assets (Continued)

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

Assets	Years
Land improvements	15
Buildings	40
Vehicles	3-20
Machinery & equipment	10
Infrastructure & water and sewer system improvements	15-50

Long-term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other non-current obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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

Compensated Absences and Sick Pay Funding

Full-time permanent employees are granted vacation and sick pay benefits in varying amounts up to specified maximums. Township employees have the option of accumulating earned and unused sick and vacation pay. There are certain limits on the amount of sick and vacation pay which can be accumulated; these limits vary and depend on tenure and/or department. Employees are entitled to their accrued vacation leave and, in certain circumstances, a portion of their sick pay upon termination. Employees are entitled to a portion of their sick pay balance upon retirement.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Compensated Absences and Sick Pay Funding (Continued)

Sick pay is reconciled quarterly, and cash is transferred to the Internal Service Fund for accumulated sick pay on a quarterly basis. The estimated sick pay liability is reported as a liability in the fund.

As of March 31, 2021, accrued payroll taxes on sick pay and accrued vacation pay were not funded. Consequently, these unfunded amounts are shown as a liability for employees' compensated absences and are included in long term liabilities on the government-wide financial statements.

Deferred Outflow and Inflow of Resources

In addition to assets, the Statement of Net Position and/or Balance Sheet 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. The government-wide statements and proprietary funds report deferred outflows from the differences between projected and actual investment earnings, differences between expected and actual experience and changes in assumptions of the pension and other post-employment benefit plans. In addition, the government-wide statements also report deferred outflows from bond refunding.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet 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. The government-wide statements and proprietary funds report deferred outflows from the differences between projected and actual investment earnings, differences between expected and actual experience and changes in assumptions of the pension and other post-employment benefit plans. In addition, the Township has one other type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred special assessment revenues are reported in the governmental funds balance sheet and the government-wide statement of net position.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Pension

The Township offers pension benefits to some retirees. 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 purposes 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 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.

Other Post-employment Benefits (OPEB)

The Township offers healthcare benefits to some retirees. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net positions are divided into three components:

Net investment in capital assets-consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position-consist of assets that are restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted-all other net position is reported in this category.

Fund Balance Flow Assumptions

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.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the Township's highest level of decision-making authority. The Township's Board of Trustees (the Board) is the highest level of decision-making authority for the Township that can, by resolution, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In the General Fund, the Township strives to achieve and maintain an unrestricted fund balance that is between 50% - 75% of expenditures and transfers out. If the unassigned fund balance falls below the goal or has a deficiency, the Township will replenish the fund balance by applying all annual future budget surpluses and excess resources toward the fund balance until it is within the range.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the Library's (Component Unit) financial statements have been reclassified in order to conform to the presentation of the Township's (Reporting Entity) financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated thirteen banks for the deposit of Township funds. The investment policy adopted by the board has authorized investment in the certificates of deposit of local banks, bonds, securities, and other direct obligations of the United States, certain fixed income securities, and United States Treasury bills, but not the remainder of the State statutory authority as listed above.

The Township's retirement system and retiree health care fund investments are held in trust by the investment fiduciary. Michigan Compiled Laws, Section 38.1132, authorizes the Township's retirement system and retiree health care fund to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contract obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system. However, all of the Township's retirement system and retiree health care fund investments are in mutual funds, insurance mutual funds or in insurance company separate accounts, and therefore, are uncategorized as to risk.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

At year-end, the Township’s deposits and investments, excluding pension and other employee trust funds, were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government	Component Unit including Fiduciary Fund
Cash and cash equivalents	\$ 15,608,151	\$ 360,944	\$ 883,820	\$ 16,852,915	\$ 2,900,616
Marketable securities	38,003,511	16,396,019	-	54,399,530	13,931,310
Total	<u>\$ 53,611,662</u>	<u>\$ 16,756,963</u>	<u>\$ 883,820</u>	<u>\$ 71,252,445</u>	<u>\$ 16,831,926</u>

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. The bank balance of the primary government's deposits is \$17,223,497 of which \$250,000 is covered by federal depository insurance. The component unit had no such amounts that were exposed to custodial credit risk.

Credit Risk

State law limits investments in commercial paper to the two highest classifications rated by the two standard rating agencies. Furthermore, the Township's investment policy states that investments in fixed income securities must be AAA rated by Standard & Poor's, have maturities of five years or less, be readily marketable issues, and have significant trading volume within a continuous market and are within the parameters of MCL 41.77 and MCL 129.91. As of year-end, the credit quality ratings of debt securities are as follows:

<u>Primary Government Investment</u>		
Local government investment pool	\$ 54,399,530	Not Rated
<u>Component Unit Investment including Fiduciary Fund</u>		
Fixed income mutual funds	\$ 12,123,838	Not Rated
International equities	\$ 392,865	Not Rated
US equities	\$ 1,414,607	Not Rated

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

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. As a means of limiting its exposure to fair value losses arising from interest rates, the Township's investment policy restricts investment maturities of fixed income securities to five years or less. At year end, the Township had the following investments and maturities.

Investment Maturities (in Years)

<u>Primary Government Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>
Local government investment pool	\$ 54,399,530	\$ 54,399,530	\$ -
<u>Component Unit Investment Type including Fiduciary Fund</u>			
Fixed income mutual funds	\$ 12,123,838	\$ -	\$ 12,123,838
International equities	\$ 392,865	\$ -	\$ 392,865
US equities	\$ 1,414,607	\$ -	\$ 1,414,607

Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby input used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The Township has the following recurring fair value measurements as of March 31, 2021:

Investments classified as Level 1 are valued using prices quoted in active markets for those securities.

	Balance at March 31, 2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiduciary funds:				
Mutual funds - Equities	\$ 112,014,914	\$ 112,014,914	\$ -	\$ -
Mutual funds - Money market	2,953,132	2,953,132	-	-
Mutual funds - Fixed income	8,972,606	8,972,606	-	-
Stable value - Guaranteed deposit	140,601,451	-	-	-
Total fiduciary funds	264,542,103	123,940,652	-	-
Total investments by fair value level	264,542,103	<u>\$ 123,940,652</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV) - Primary government Oakland County local government investment pool	<u>54,399,530</u>			
Total investments measured at fair value	<u>\$ 318,941,633</u>			

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment pools where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At March 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
NAV - Oakland County Government Investment Pool	\$ 54,399,530	\$ -	No restrictions	None

NOTE 3 – RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, if any, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes receivable	\$ 1,706,563	\$ -
Special assessments receivable	15,224,654	-
Water and sewer billing receivable	-	6,288,269
Accounts receivable	1,308,005	-
Due from component unit	288,663	-
Other receivables	367,613	-
	<u>\$ 18,895,498</u>	<u>\$ 6,288,269</u>

Government funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with the resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are as follows:

	<u>Unavailable</u>
Special assessments	<u>\$ 6,475,000</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 4 – CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance April 1, 2020	Additions	Disposals	Balance March 31, 2021
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 828,648	\$ -	\$ -	\$ 828,648
Capital assets being depreciated:				
Buildings	45,893,615	-	-	45,893,615
Improvements other than buildings	29,254,319	1,274,445	-	30,528,764
Machinery and equipment	14,737,778	1,279,745	(460,114)	15,557,409
Infrastructure	13,082,267	-	-	13,082,267
Subtotal	102,967,979	2,554,190	(460,114)	105,062,055
Less accumulated depreciation:				
Buildings	18,899,579	1,107,234	-	20,006,813
Improvements other than buildings	19,957,272	1,393,469	-	21,350,741
Machinery and equipment	9,790,440	1,029,768	(460,114)	10,360,094
Infrastructure	8,664,476	261,799	-	8,926,275
Subtotal	57,311,767	3,792,270	(460,114)	60,643,923
Net capital assets being depreciated	45,656,212	(1,238,080)	-	44,418,132
Net capital assets	<u>\$ 46,484,860</u>	<u>\$ (1,238,080)</u>	<u>\$ -</u>	<u>\$ 45,246,780</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 4 – CAPITAL ASSETS (Continued)

Capital asset activity of the enterprise activities for the current year was as follows:

	Balance April 1, 2020	Additions	Disposals	Balance March 31, 2021
Business-Type Activities				
Capital assets not being depreciated - Investment in systems	\$ 3,246,287	\$ -	\$ (29,161)	\$ 3,217,126
Capital assets being depreciated:				
Investment in systems	79,083,850	2,307,562	-	81,391,412
Machinery and equipment	1,667,874	2,241	-	1,670,115
Township share of county sewers	34,061,289	-	-	34,061,289
Subtotal	<u>114,813,013</u>	<u>2,309,803</u>	<u>-</u>	<u>117,122,816</u>
Less accumulated depreciation:				
Investment in systems	30,818,731	1,605,715	-	32,424,446
Machinery and equipment	1,263,055	135,452	-	1,398,507
Township share of county sewers	15,164,483	620,034	-	15,784,517
Subtotal	<u>47,246,269</u>	<u>2,361,201</u>	<u>-</u>	<u>49,607,470</u>
Net capital assets being depreciated	<u>67,566,744</u>	<u>(51,398)</u>	<u>-</u>	<u>67,515,346</u>
Net capital assets	<u>\$ 70,813,031</u>	<u>\$ (51,398)</u>	<u>\$ (29,161)</u>	<u>\$ 70,732,472</u>

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

Governmental Activities

General government	\$ 524,281
Public safety	746,333
Community enrichment and development	232,374
Public works	<u>2,289,282</u>
Total governmental activities	<u>\$ 3,792,270</u>
Business-type activities	
Water & sewer	<u>\$ 2,361,201</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 4 – CAPITAL ASSETS (Continued)

Capital asset activity of the Component Unit was as follows:

	Balance April 1, 2020	Additions	Disposals	Balance March 31, 2021
Capital assets not being depreciated:				
Land	\$ 131,015	\$ -	\$ -	\$ 131,015
Construction-in-progress	-	148,766	-	148,766
Subtotal	<u>131,015</u>	<u>148,766</u>	<u>-</u>	<u>279,781</u>
Capital assets being depreciated:				
Buildings	29,365,165	105,142	-	29,470,307
Furniture and equipment	5,424,386	137,748	(168,287)	5,393,847
Library books and audiovisual materials	3,404,924	403,860	(388,399)	3,420,385
Subtotal	<u>38,194,475</u>	<u>646,750</u>	<u>(556,686)</u>	<u>38,284,539</u>
Less accumulated depreciation:				
Buildings	7,228,530	602,557	-	7,831,087
Furniture and equipment	4,311,347	231,597	(164,149)	4,378,795
Library books and audiovisual materials	1,772,596	516,712	(388,544)	1,900,764
Subtotal	<u>13,312,473</u>	<u>1,350,866</u>	<u>(552,693)</u>	<u>14,110,646</u>
Net capital assets being depreciated	<u>24,882,002</u>	<u>(704,116)</u>	<u>(3,993)</u>	<u>24,173,893</u>
Net capital assets	<u>\$ 25,013,017</u>	<u>\$ (555,350)</u>	<u>\$ (3,993)</u>	<u>\$ 24,453,674</u>

Capital assets including library books are recorded at cost. Depreciation expense was \$1,350,866 for the year ended March 31, 2021.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Township reports interfund balances between many of its funds. The sum of all balances presented in the tables below agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfer Out</u>
Interfund Transfers		
General Fund	\$ 4,895,000	\$ 13,018,409
Road Fund	750,000	910,217
Public Safety Fund	8,750,000	8,451,879
Pension Obligation Bond Debt Fund	5,606,080	-
Non-major Governmental Funds	1,750,000	1,041,812
Retiree Health Care Fund	2,500,000	-
Water & Sewer Fund	-	828,763
	<u>\$ 24,251,080</u>	<u>\$ 24,251,080</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 – LONG TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 6 – LONG TERM DEBT (Continued)

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Bonds and contracts payable:							
Direct borrowings and direct placements:							
Capital lease obligations	2.59-3.85%	2020	\$ 286,245	\$ -	\$ (286,245)	\$ -	\$ -
Other debt:							
County drain contracts	1.00-4.4%	2025-2031	2,881,676	-	(309,921)	2,571,755	324,506
Library construction bond	1.25-3%	2024	8,005,000	-	(1,530,000)	6,475,000	1,560,000
General construction bond	4-5.00%	2032	16,795,000	-	(1,205,000)	15,590,000	950,000
Pension obligation bond	.51-5.37%	2032	64,955,000	-	(4,130,000)	60,825,000	4,435,000
Special assessment bonds	1.0-4.75%	2028-2040	7,025,000	1,530,000	(740,000)	7,815,000	765,000
Total other debt outstanding:			99,661,676	1,530,000	(7,914,921)	93,276,755	8,034,506
Unamortized bond premium			2,238,462	-	(185,420)	2,053,042	185,420
Unamortized bond discount			(3,599)	-	424	(3,175)	(424)
Total unamortized premium / discount:			2,234,863	-	(184,996)	2,049,867	184,996
Total bonds and contracts payable			102,182,784	1,530,000	(8,386,162)	95,326,622	8,219,502
Other long-term obligations - employee compensated absences and sick pay	-	N/A	4,608,976	52,418	-	4,661,394	-
Total governmental activities			\$ 106,791,760	\$ 1,582,418	\$ (8,386,162)	\$ 99,988,016	\$ 8,219,502
Business-Type Activities							
Bonds and contracts payable:							
Other debt:							
County water & sewer contracts	2-5%	2026-2037	\$ 19,680,000	\$ 4,565,000	\$ (6,005,000)	\$ 18,240,000	\$ 1,485,000
Unamortized bond discount			(15,872)	-	15,872	-	-
Unamortized bond premium			490,223	303,615	(95,165)	698,673	98,270
Total unamortized premium / discount:			474,351	303,615	(79,293)	698,673	98,270
Total bonds and contracts payable			20,154,351	4,868,615	(6,084,293)	18,938,673	1,583,270
Other long-term obligations - employee compensated absences and sick pay	-	N/A	121,312	23,897	-	145,209	-
Total business-type activities			\$ 20,275,663	\$ 4,892,512	\$ (6,084,293)	\$ 19,083,882	\$ 1,583,270

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 6 – LONG TERM DEBT (Continued)

Annual debt service requirements to maturity for the installment debt are as follows:

Year Ending March 31,	Governmental Activities		Business-Type Activities	
	Other Debt		Other Debt	
	Principal	Interest	Principal	Interest
2022	\$ 8,034,506	\$ 2,562,426	\$ 1,485,000	\$ 430,444
2023	8,218,646	2,312,257	1,495,000	395,669
2024	8,537,370	2,035,851	1,520,000	357,794
2025	8,729,283	1,775,479	1,675,000	314,669
2026	7,199,532	1,569,696	1,790,000	266,407
2027-2031	37,112,418	4,872,078	6,750,000	706,919
2032-2036	15,405,000	473,727	3,210,000	272,538
2037-2041	40,000	2,000	315,000	9,844
	<u>\$ 93,276,755</u>	<u>\$ 15,603,514</u>	<u>\$ 18,240,000</u>	<u>\$ 2,754,284</u>

Advanced Refundings

During the year, the Township issued \$2,105,000 in General Obligation Limited Tax Refunding Bonds, Series 2020A with an interest rate of 2%. The proceeds of these bonds were used to advance refund \$2,150,000 of outstanding General Obligation Limited Tax Bonds, Series 2011A with interest rates ranging from 2.5%-4.5%. The net proceeds of \$2,202,240 (including a premium of \$142,984 and after payment of \$45,744 of underwriting fees and other issuance costs) were used to refund the Series 2011A bonds. The refunding reduced total debt service payments over the next 10 years by approximately \$416,828, which represents an economic gain of approximately \$401,319.

The Township also issued \$2,460,000 in General Obligation Limited Tax Refunding Bonds, Series 2020B with an interest rate of 2%. The proceeds of these bonds were used to advance refund \$2,525,000 of outstanding General Obligation Limited Tax Bonds, Series 2013 with interest rates ranging from 2.0%-3.0%. The net proceeds of \$2,563,958 (including a premium of \$160,631 and after payment of \$56,673 of underwriting fees and other issuance costs) were used to refund the Series 2013 bonds. The refunding reduced total debt service payments over the next 12 years by approximately \$277,067, which represents an economic gain of approximately \$262,188.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 7 – AGREEMENTS

Franchise Agreements

The Township had entered into an agreement with Comcast under which it granted that company a non-exclusive franchise to provide cable television services in the Township. The agreement stated that cable provider pay an annual franchise fee of 5% of gross annual revenues to the Township. This agreement expired on August 20, 2019 and is still ongoing. It is expected that a new agreement will be negotiated.

The Township has also entered into an agreement with AT&T Michigan which it granted that company a non-exclusive franchise to construct, operate and maintain a cable television system within the Township. This agreement, which expires April 25, 2022, provides for a franchise fee of 5% of gross annual revenues.

Total franchise fees recognized under these agreements during the current year were \$993,960.

Lessor Agreements

The General Fund rents the use of the Courthouse under a lease expiring October 31, 2036 to the State of Michigan 48th Judicial District Court. Rent income for the year was \$584,310.

The General Fund leases land for mobile telecommunications broadcast towers under three separate agreements. One of the leases expires in 2022, and the other two leases expired in 2017 and new contracts are in negotiations. Lease income under the agreements was \$102,816 for the year ended March 31, 2021.

Interfund Lease Agreements

The Cable Studio Special Revenue Fund uses a Township owned building and the Building Department Fund uses Township owned office space. The Water and Sewer Fund uses office and other space owned by the Township. The General Fund is reimbursed for the use. The agreements are cancelable at any time. Rental income related to the agreements was \$540,000 for the year ended March 31, 2021.

NOTE 8 – RETIREMENT PLAN - PENSION TRUST

Plan Description

The Township contributes to the Township of Bloomfield Retirement Income Plan (the "Plan"), which is a single-employer defined benefit plan. It is the responsibility of the Township pension employees' retirement system (PERS) to function as the investment and administrative agent for the Township with respect to the pension plan. A stand-alone financial report of the plan has not been issued. Information shown for the plan is as of January 1, 2020, the date of the plan's latest actuarial valuation.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 8 – RETIREMENT PLAN - PENSION TRUST (Continued)

Plan Description (Continued)

Based on state statutes, all full-time employees must be allowed to participate in township or municipal pension plans. However, as a defined contribution plan was created and effective April 1, 2005, new hires are no longer allowed to participate in the defined benefit plan. Under the provision of the Township's pension plan, pension benefits vest after eight years of full-time employment, except for the Township's police officers who vest after ten years of service. The plan pays upon retirement a benefit (depending on department) of 2.1% to 3.0% of final yearly earnings multiplied by years of credited service. Maximum benefits vary by department and tenure and range from 80% to 90% of final earnings. Retirement ages also vary by department and range from age 50 to age 62. Employees are also eligible for early retirement at reduced benefits. Retirement plan benefits for some departments are negotiated as part of collective bargaining agreements and may vary pursuant to these agreements.

Membership in the Plan consisted of the following at January 1, 2020, the actuarial valuation date:

Active plan members	116
Retirees and beneficiaries receiving benefits	278
Terminated and inactive plan members entitled to but not yet receiving benefits	<u>17</u>
Total plan members	<u><u>411</u></u>

Basis of Accounting

The Plan's financial statements are prepared using information as of December 31, 2020, which approximates the date of the plan's latest actuarial report. The Plan's financial statements include contributions received and benefits paid through that date.

Contributions

Total Township contributions to the Plan for the plan year beginning January 1, 2020, amounted to \$4,719,107 of which \$272,668 were made by the Township employees and \$4,446,439 was made by the Township on covered payroll of \$10,130,103 for the 2020 calendar year.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 8 – RETIREMENT PLAN - PENSION TRUST (Continued)

Funding Policy

The obligation to contribute to and maintain the Plan for the Township's employees was established by Board resolution.

Under provisions of the Plan, Library and Bloomfield Village Police Department employees contribute 5% of their gross earnings to the Plan. All other employees contribute between 1% and 3.5% of their gross earnings to the Plan. In addition, the Township must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by the Plan.

Investment Policy

The plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Trustees by a majority vote. It is the policy of the Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The Plan's investments are in the general accounts or mutual funds of a life insurance company and are reported at stated contract value or market value. Administrative fees are paid from investment earnings. The Township's other pension investments are stated at fair value.

The Board adopted the following recommended asset allocation of equity holdings of which the equity holdings shall not exceed 50% of the whole of the total investments:

Asset allocation of equity holdings:

Asset Class	Minimum	Target	Maximum
Large Cap	30.0%	40.0%	50.0%
Small / Mid Cap	15.0%	20.0%	25.0%
International Equity	30.0%	35.0%	40.0%
Real Estate	0.0%	5.0%	10.0%
Cash Account	0.0%	0.0%	2.0%

Rate of Return

For the year ended March 31, 2021, the annual money-weighted rate of return on plan investments, net of pension plan investment expense was 20.60%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 8 – RETIREMENT PLAN - PENSION TRUST (Continued)

Net Pension Liability

The components of the net pension liability of the Township at March 31, 2021 were as follows:

Total pension liability	\$ 239,935,133
Plan fiduciary net position	<u>224,200,925</u>
Net pension liability	<u><u>\$ 15,734,208</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 93.44%

The Township has chosen to use March 31, 2021 as its measurement date for the net pension liability. The March 31, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of March 31, 2021.

The March 31, 2021 total pension liability was determined by an actuarial valuation performed as of January 1, 2020.

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

Changes in Net Pension Liability	Total Pension Liability	Increase (Decrease) Plan Net Position	Net Pension Liability (Asset)
Balance at April 1, 2020	\$ 235,646,707	\$ 193,195,158	\$ 42,451,549
Service cost	2,823,092	-	2,823,092
Interest	13,913,778	-	13,913,778
Differences between expected and actual experience including assumption changes	(61,406)	-	(61,406)
Contributions - Employer	-	4,446,439	(4,446,439)
Contributions - Employee	-	272,668	(272,668)
Net investment income	-	38,723,643	(38,723,643)
Benefit payments, including refunds	(12,387,038)	(12,387,038)	-
Administrative expenses	-	(49,945)	49,945
Net changes	<u>4,288,426</u>	<u>31,005,767</u>	<u>(26,717,341)</u>
Balance at March 31, 2021	<u><u>\$ 239,935,133</u></u>	<u><u>\$ 224,200,925</u></u>	<u><u>\$ 15,734,208</u></u>

Assumption Changes

Assumption changes which affect the measurement of the total pension liability from the time of the last measurement date at March 31, 2020 to March 31, 2021 include a change in the mortality assumption tables.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 8 – RETIREMENT PLAN - PENSION TRUST (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2021, the Township recognized pension expense of \$913,109. At March 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 525,512	\$ -
Changes in assumptions	1,938,659	331,184
Net difference between projected and actual earnings on pension plan investments	-	8,354,826
Total	<u>\$ 2,464,171</u>	<u>\$ 8,686,010</u>

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

Years Ending March 31,	Amount
2022	\$ 1,958,010
2023	\$ (677,844)
2024	\$ (2,080,490)
2025	\$ (5,421,515)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of March 31, 2021. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%	
Salary Increases	3.5%	including inflation
Investment rate of return	6.00%	

Mortality rates were based on the Pub-2010 with generational projection using Scale MP-2019 with PubS-2010 for public safety and PubG-2010 for other groups.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 8 – RETIREMENT PLAN - PENSION TRUST (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Township contributions will be made at rates equal to the difference between the 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 target allocation and best estimates of arithmetic real rates of return as of December 31, 2019, the measurement date, based on for each major class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Core Fixed Income	50.00%	1.85%
US Equity Market	31.00%	4.63%
Foreign Development Equity	19.00%	5.97%
Total	<u>100.00%</u>	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Township, calculated using the discount rate of 6.00%, 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 (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

Discount rate	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net pension liability of the Township	<u>\$ 46,232,097</u>	<u>\$ 15,734,208</u>	<u>\$ (9,541,516)</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 9 – RETIREMENT PLAN - DEFINED CONTRIBUTION PLAN

Plan Description — Defined Contribution Plan

The Charter Township of Bloomfield 401(a) Plan is a defined contribution retirement plan established by the Township to provide benefits at retirement for eligible employees. The plan was effective April 1, 2005 for new Township hires and effective on or after April 2, 2011 for Bloomfield Township Library eligible employees. At March 31, 2021, there were 146 plan members. A stand-alone financial report of the plan has not been issued.

Contributions Required and Contributions Made — Defined Contribution Plan

The Township may make discretionary contributions of not more than 10% of the total compensation for all active participants for all plan members except Bargained Employees. The Township contributions for Bargained Employees will be made in accordance with the Collective Bargaining Agreement. Contributions are made bi-weekly. For the year ended March 31, 2021, contributions in the amount of \$1,021,166 were made to the plan by the Township. In addition, discretionary contributions in the amount of \$135,235 were made to the plan by Township employees.

NOTE 10 – DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The Plan, available to all Township employees, permits them to defer a portion of their current salary until the employee's termination, retirement, death, or unforeseeable emergency.

As required by GASB 32, the Plan's assets are held in a separate trust and thus are not included in the financial statements of the Township.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Retired Employees' Health Care Benefits Trust (the "Trust") provides other post-employment benefits (OPEB) for eligible retirees and their spouses. The Trust is a single-employer defined benefit OPEB plan administered by the Township. The plan is closed to new members hired after May 1, 2011. The Township has set up four investment portfolios within the Trust. The investment portfolios are allocated to each of the following funds: 1) Water & Sewer Fund, 2) Building Department Fund, and 3) Cable Studio Fund. The fourth investment portfolio covers the remaining governmental funds.

The Township, under GAS, must, from an accounting perspective, recognize OPEB liabilities. However, under the current status of the law, the Township, based on the terms of its collective bargaining agreements and Employee Handbook, has no legal obligation to continue to provide any post-employment benefits, including retiree health care.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided

The Trust provides contributory and non-contributory medical, dental, vision and basic life insurance coverage for eligible retirees and their spouses. These benefits are paid to four groups of employees who are eligible for different retiree benefits based on their date of hire. Additionally, benefits for bargaining employees are specified by union contract while the Board of Trustees establishes those for non-bargaining employees. Bargaining and non-bargaining employees who retire after age 50 with at least 15 years of service are eligible for life insurance coverage in the amount of \$6,000 - \$8,000, depending on their bargaining or non-bargaining status.

Employees Covered by Benefit Terms

At April 1, 2020, the latest valuation date, the following employees were covered by the benefit terms:

Active employees	144
Inactive employees / beneficiaries receiving benefits	356
Inactive employees / beneficiaries entitled to but not yet receiving benefits	<u>29</u>
Total membership	<u><u>529</u></u>

Contributions

Active service members and retired members or their beneficiaries are not required to contribute to the plan. During the year ended March 31, 2021, the Township contributed \$7,016,893 based on actuarially determined rates.

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position have been determined on the same basis as they are reported for the Township. 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.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Investments

Investment Policy - The trustees of the Trust may invest funds, including depositing funds in approved financial institutions and administering investments in conformance with the policies set forth in the investment policy.

The trustees have adopted the following recommended asset allocation:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Large Cap	18.0%	24.0%	30.0%
Small / Mid Cap	10.0%	13.0%	16.0%
International Equity	17.0%	23.0%	29.0%
US Fixed Income	22.5%	30.0%	37.5%
High Yield	0.0%	5.0%	7.5%
Global Fixed Income	0.0%	5.0%	7.5%
Cash	0.0%	0.0%	5.0%

Rate of Return – For the year ended March 31, 2021, the annual money weighted rate of return on investments, net of investment expense, was 36.18% for the Township, 38.19% for the Building Department Fund (Building), 38.33% for the Cable Studio Fund (Cable), and 37.87% for the Water & Sewer Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Township

The Township’s net OPEB liability was measured as of March 31, 2021 and was determined by an actuarial valuation as of April 1, 2020.

Total OPEB liability	\$ 100,619,691
OPEB plan fiduciary net position	21,417,996
Net OPEB liability	<u>\$ 79,201,695</u>

Plan fiduciary net position as a percentage of the total OPEB liability	21.29%
---	--------

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of April 1, 2020 rolled forward to March 31, 2021, the measurement date. The following actuarial assumptions applied consistently to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary increases, including inflation	3.5%, average
Investment rate of return	6.0%
Healthcare cost trend rates	6.3% - 4.2% over 55 years

Mortality rates were based on the Pub-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. PubS-2010 tables were used for public safety and PubG-2010 for all other groups.

The Trust has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 for each major asset class for the Township, Building, Cable and Water and Sewer are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Core Fixed Income	30.0%	1.85%
US High Yield Bonds	5.0%	3.41%
Global Bonds	5.0%	0.75%
US Large Caps	24.0%	4.35%
US Small & Mid Caps	13.0%	5.40%
Non-US Equity	23.0%	6.15%
	<u>100.0%</u>	

Changes in Assumptions

Assumption changes which affect the measurement of the total OPEB liability from the time of the last measurement date at March 31, 2020 to March 31, 2021 include a change in the medical trend rate, mortality assumption tables and increase in the discount rate.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Discount Rate

The discount rate used to measure the OPEB liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the OPEB plan's net fiduciary position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	<u>Total OPEB Liability</u>	<u>Increase (Decrease) Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at April 1, 2020	\$ 121,336,405	\$ 13,540,092	\$ 107,796,313
Service cost	1,780,999	-	1,780,999
Interest	7,260,735	-	7,260,735
Differences between expected and actual experience including assumption changes	(25,485,923)	-	(25,485,923)
Contributions - Employer	-	7,016,893	(7,016,893)
Contributions - Employee	-	-	-
Net investment income	-	5,158,993	(5,158,993)
Benefit payments, including refunds	(4,272,525)	(4,272,525)	-
Administrative expenses	-	(25,457)	25,457
Net changes	<u>(20,716,714)</u>	<u>7,877,904</u>	<u>(28,594,618)</u>
Balance at March 31, 2021	<u>\$ 100,619,691</u>	<u>\$ 21,417,996</u>	<u>\$ 79,201,695</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2021, the Township recognized OPEB expense of \$1,400,650. At March 31, 2021, the Township reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 63,887	\$ 12,837,065
Changes in assumptions	842,069	38,178,791
Net difference between projected and actual earnings on pension plan investments	-	2,164,178
Total	<u>\$ 905,956</u>	<u>\$ 53,180,034</u>

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

Years Ending March 31,	Amount
2022	\$ (24,239,315)
2023	\$ (21,515,257)
2024	\$ (5,334,547)
2025	\$ (1,184,959)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, as well as the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB liability	\$ 93,755,373	\$ 79,201,695	\$ 67,369,218

The following presents the OPEB liability of the Township, as well as what the Township's OPEB liability would be if it were calculated using healthcare trends rates that are 1 percentage-point lower (5.3% trending to 3.2%) or 1 percentage-point higher (7.3 % trending to 5.2%), than the current healthcare cost trend rates:

	1% Decrease (5.3% decreasing to 3.2%)	Current Healthcare Cost Trend Rates 6.3% decreasing to 4.2%	1% Increase (7.3% decreasing to 5.2%)
Net OPEB liability	\$ 66,431,357	\$ 79,201,695	\$ 95,179,570

NOTE 12 – OTHER INFORMATION

Risk Management

The Township is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages its risk exposures and provides certain employee benefits through a combination of risk management pools, commercial insurance policies and excess coverage policies. Following is a summary of the Township's risk management.

The Township participates with the Michigan Municipal Risk Management Authority (MMRMA), a self-insured association with a membership of approximately 300 Michigan local governmental units, for general and automobile liability, motor vehicle physical damage, and judicial tenure defense and property damage coverages. Members include cities, counties, townships and special purpose governments. The MMRMA is organized under the laws of the State of Michigan and is governed by a Board of Directors elected by the membership. The MMRMA provides risk management, claims administration, legal defense and reinsurance services to its members.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 12 – OTHER INFORMATION (Continued)

Risk Management (Continued)

The Township makes annual contributions to MMRMA based upon underwriting criteria and guidelines approved by the Board of Directors of MMRMA. Underwriting guidelines may be based upon net operating expenditures, number of employees, size of payroll, size and complexity of operations, loss experience, loss control efforts and any other relevant risk related criteria. These contributions are paid from the Township's General Fund and costs are allocated to the Township's other Funds.

Contributions received by MMRMA to pay administrative expenses, excess insurance, stop loss insurance, reinsurance and all other necessary MMRMA obligations are paid into the MMRMA General Fund. The Board of Directors of MMRMA has also established a minimum amount of funds each member must maintain on deposit with MMRMA.

The Member's Funds on Deposit are used to pay losses and allocated loss adjustment costs that fall within the Township's self-insured retention limits along with certain other member specific costs.

Accordingly, the Township records in the General Fund an asset for funds on deposit in the member retention fund of the MMRMA and a liability for incurred claims and allocated claims adjustment not paid as estimated by MMRMA. At March 31, 2021, the balance of the Township's funds prepaid in the Member Retention Fund of the MMRMA was \$164,453 and the claims incurred and allocated claims adjustment accrued was \$372,779.

The Township's self-insured retention limits must be fully satisfied before the MMRMA will assume any responsibility for payment of losses. The Township participates in MMRMA's Stop Loss Program. The stop loss program limits the self-insured retention limit payments made on behalf of the Township in the MMRMA's fiscal year. The Township's aggregate cash payments for its self-insured retention limited obligations must exceed \$410,000 before the stop loss program will become responsible for making further self-insured retention limit payments on behalf of the Township.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 12 – OTHER INFORMATION (Continued)

Risk Management (Continued)

The Township's self-insured retention limits are as follows:

<u>Coverage</u>	<u>Self-Insured Retention</u>
Liability Non deductible	\$200,000 per occurrence
Vehicle physical damage \$1,000 deductible per occurrence	\$15,000 per vehicle \$30,000 per occurrence
Property and crime \$1,000 member deductible	N/A
Sewage system overflow No deductible	\$150,000 per occurrence

Workers' compensation-commercial insurance provider

At March 31, 2021, there were no claims which exceeded insurance coverage for any of the past six fiscal years. The Township had no significant reduction in insurance coverage from previous years.

The Township transitioned to a self-insured health plan on January 1, 2020. Cigna administers and processes the daily claims. The Township is responsible for individual claims up to \$100,000. The Township estimates the liability for medical claims that have been incurred through the end of the fiscal year, which includes claims that have been reported as well as those that have not yet been reported. The liability for medical claims totaled \$301,185 at March 31, 2021 and is recorded as a current liability in the statement of net position (deficit).

Library

The library is exposed to risks of loss related to theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library's general liability and property damage insurance is included in the Township's plan. Employee benefits are included in the Township's self-insured health plan and workers' compensation is obtained through commercial insurance providers through the Township.

At March 31, 2021, there were no claims which exceeded insurance coverage for any of the past five fiscal years. The Library had no significant reduction in insurance coverage from previous years.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 12 – OTHER INFORMATION (Continued)

Property Taxes

Delinquent Property Taxes Receivable

- a. Property taxes are assessed as of December 31 and the resulting property taxes become a lien on December 1 of the following year for the township taxes.
- b. The tax levy dates and the budget years are as follows:

<u>Budget Year</u>	<u>Tax Levy Date</u>
County – October 1, 2019 through September 30, 2020	6-1- 2020
Township – April 1, 2020 through March 31, 2021	12-1- 2020

Property Taxes

Delinquent Property Taxes Receivable

The **2020** tax levy is summarized as follows:

	<u>Taxable Value</u>	<u>Millage Rate</u>	<u>Revenue</u>
Township			
General	\$ 4,079,252,999	2.1750	\$ 8,872,374
Senior services	\$ 4,079,252,999	0.2312	943,123
Public safety - voted	\$ 4,079,252,999	5.9052	24,088,805
Roads - voted	\$ 4,079,252,999	0.6793	2,771,037
Library-operating-voted perpetual	\$ 4,079,252,999	1.8954	7,731,816
Library debt service	\$ 4,079,252,999	0.4200	1,713,286
Drain debt service	\$ 4,079,252,999	0.1000	407,925
Capital improvements	\$ 4,079,252,999	0.4930	2,011,072
Safety path - voted	\$ 4,079,252,999	0.4588	1,871,561
Total Township		<u>12.3579</u>	<u>\$ 50,411,000</u>
County			
Transportation - voted	\$ 4,079,252,999	<u>0.9851</u>	<u>\$ 4,018,472</u>
Special assessments			
Bloomfield Village Association			
Fire	\$ 395,319,450	0.3780	\$ 149,431
Police	\$ 395,319,450	<u>1.2560</u>	<u>496,521</u>
		<u>1.6340</u>	<u>\$ 645,952</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 13 – RESTATEMENT

Effective April 1, 2020, the Township implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result, the Township has moved various activities formerly classified as trust and agency activities into the Township’s governmental funds.

While no restatement of net position was required in the Township’s primary government standards, restatements were made to report the opening balances of the miscellaneous custodial fund activities. The following table presents the restatement related to the implementation of GASB Statement No., 84:

	<u>Fiduciary Funds - Miscellaneous Custodial Funds</u>
Net position - March 31, 2020 - As previously reported	\$ -
Adjustment for implementation of GASB Statement No. 84	<u>143,339</u>
Net position - March 31, 2020 - As restated	<u><u>\$ 143,339</u></u>

NOTE 14 – UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

NOTE 15 – SUBSEQUENT EVENTS

The Township’s management has performed a review of events subsequent to the balance sheet date through September 22, 2021, the date the financial statements were available to be issued.

On September 1 2021, the Township issued \$1,528,000 Limited Tax General Obligation Special Assessment Bonds, Series 2021 with interest rates ranging from 0.8% to 1.95% over the next 14 years.

REQUIRED SUPPLEMENTAL INFORMATION

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Taxes and assessments	\$ 9,070,000	\$ 9,070,000	\$ 9,064,055	\$ (5,945)
Grants	-	-	160,360	160,360
State shared revenues	3,723,000	3,723,000	3,756,466	33,466
Charges for services	585,000	585,000	479,576	(105,424)
Licenses, permits and fees	999,000	999,000	944,905	(54,095)
Investment earnings	600,000	600,000	560,418	(39,582)
Fines and forfeitures	1,711,000	1,711,000	1,257,598	(453,402)
Rent	1,227,064	1,227,064	1,227,126	62
Reimbursements	175,000	175,000	234,534	59,534
Miscellaneous	405,000	405,000	558,197	153,197
Total revenue	<u>18,495,064</u>	<u>18,495,064</u>	<u>18,243,235</u>	<u>(251,829)</u>
EXPENDITURES				
Current				
Legislative	23,000	23,000	25,406	(2,406)
Judicial	2,010,000	2,010,000	1,651,163	358,837
General government	6,980,664	6,980,664	6,626,255	354,409
Public safety	262,790	262,790	260,877	1,913
Community enrichment and development	436,655	436,655	400,684	35,971
Other	414,110	414,110	381,895	32,215
Equipment non-capital	40,000	40,000	52,582	(12,582)
Capital outlay	30,000	30,000	45,218	(15,218)
Total expenditures	<u>10,197,219</u>	<u>10,197,219</u>	<u>9,444,080</u>	<u>753,139</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>8,297,845</u>	<u>8,297,845</u>	<u>8,799,155</u>	<u>501,310</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,895,000	4,895,000	4,895,000	-
Transfers out	(13,025,986)	(13,025,986)	(13,018,409)	7,577
Total other financing sources (uses)	<u>(8,130,986)</u>	<u>(8,130,986)</u>	<u>(8,123,409)</u>	<u>7,577</u>
NET CHANGE IN FUND BALANCE	166,859	166,859	675,746	508,887
FUND BALANCE, Beginning of year	<u>14,532,840</u>	<u>14,532,840</u>	<u>14,532,840</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 14,699,699</u>	<u>\$ 14,699,699</u>	<u>\$ 15,208,586</u>	<u>\$ 508,887</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - ROAD FUND
Year Ended March 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Taxes	\$ 2,783,000	\$ 2,783,000	\$ 2,775,759	\$ (7,241)
Grants	-	-	537	537
Road fund repayments	796,879	796,879	806,393	9,514
Charges for services	42,000	42,000	59,937	17,937
Reimbursements	45,000	45,000	28,518	(16,482)
Miscellaneous	31,000	31,000	39,487	8,487
Total revenue	<u>3,697,879</u>	<u>3,697,879</u>	<u>3,710,631</u>	<u>12,752</u>
EXPENDITURES				
Public works				
Salaries and wages	1,076,600	1,076,600	1,046,301	30,299
Benefits	412,170	412,170	381,440	30,730
Health insurance refund	-	-	(3,600)	3,600
DB pension plan	210,152	210,152	222,253	(12,101)
Other benefits	374,440	374,440	332,207	42,233
Operating supplies	667,000	667,000	506,112	160,888
Professional services	45,000	45,000	27,928	17,072
Contracted services	782,000	782,000	670,380	111,620
Insurance and bonds	50,000	50,000	45,709	4,291
Utilities	150,000	150,000	165,855	(15,855)
Miscellaneous	14,500	14,500	3,539	10,961
Equipment non-capital	10,000	10,000	1,292	8,708
Capital outlay	103,000	103,000	126,250	(23,250)
Total expenditures	<u>3,894,862</u>	<u>3,894,862</u>	<u>3,525,666</u>	<u>369,196</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(196,983)</u>	<u>(196,983)</u>	<u>184,965</u>	<u>381,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,150,000	1,150,000	750,000	(400,000)
Transfers out	(927,111)	(927,111)	(910,217)	16,894
Total other financing sources (uses)	<u>222,889</u>	<u>222,889</u>	<u>(160,217)</u>	<u>(383,106)</u>
NET CHANGE IN FUND BALANCE	<u>25,906</u>	<u>25,906</u>	<u>24,748</u>	<u>(1,158)</u>
FUND BALANCE, Beginning of year	<u>2,677,025</u>	<u>2,677,025</u>	<u>2,677,025</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 2,702,931</u>	<u>\$ 2,702,931</u>	<u>\$ 2,701,773</u>	<u>\$ (1,158)</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY FUND
Year Ended March 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Taxes	\$ 24,205,000	\$ 24,205,000	\$ 24,130,566	\$ (74,434)
Grants	0	525,000	1,547,626	1,022,626
Charges for services	1,348,000	1,348,000	1,225,485	(122,515)
Liquor license rebates	18,000	18,000	19,429	1,429
Reimbursements	40,000	40,000	32,353	(7,647)
Miscellaneous	265,000	265,000	386,302	121,302
Total revenue	<u>25,876,000</u>	<u>26,401,000</u>	<u>27,341,761</u>	<u>940,761</u>
EXPENDITURES				
Public safety				
Salaries and wages	13,150,890	13,150,890	13,176,231	(25,341)
Benefits	4,572,140	4,572,140	3,822,110	750,030
Health insurance refund	-	-	(35,275)	35,275
DB pension plan	2,827,169	3,052,169	3,205,798	(153,629)
Other benefits	4,104,380	4,104,380	3,728,437	375,943
Operating supplies	472,500	472,500	349,539	122,961
Professional services	431,750	431,750	471,433	(39,683)
Insurance and bonds	411,000	411,000	442,888	(31,888)
Contracted services	580,500	580,500	693,646	(113,146)
Public utilities	115,000	115,000	124,842	(9,842)
Principal and interest	295,729	295,729	295,730	(1)
Miscellaneous	175,000	175,000	93,159	81,841
Equipment non-capital	69,500	69,500	95,156	(25,656)
Capital outlay	761,500	1,061,500	1,032,144	29,356
Total expenditures	<u>27,967,058</u>	<u>28,492,058</u>	<u>27,495,838</u>	<u>996,220</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(2,091,058)</u>	<u>(2,091,058)</u>	<u>(154,077)</u>	<u>1,936,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,600,000	10,600,000	8,750,000	(1,850,000)
Transfers out	(8,407,020)	(8,407,020)	(8,451,879)	(44,859)
Total other financing sources (uses)	<u>2,192,980</u>	<u>2,192,980</u>	<u>298,121</u>	<u>(1,894,859)</u>
NET CHANGE IN FUND BALANCE	101,922	101,922	144,044	42,122
FUND BALANCE, Beginning of year	<u>13,824,164</u>	<u>13,824,164</u>	<u>13,824,164</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 13,926,086</u>	<u>\$ 13,926,086</u>	<u>\$ 13,968,208</u>	<u>\$ 42,122</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION – BUDGETARY
INFORMATION
MARCH 31, 2021

The Township's approved budgets were adopted at the activity (department) level in the General Fund and the total expenditure level in the Special Revenue Funds. However, for control purposes all budgets are maintained at the object (account) level. These are the legally enacted levels under the State of Michigan Uniform Budgeting and Accounting Act.

Encumbrance accounting is not employed in governmental funds. If encumbrance accounting were employed, encumbrances (e.g., purchase orders, contracts) outstanding at year end would be reported as assigned fund balances and would not constitute expenditures or liabilities because the goods or services had not been received as of year-end; the commitments would be reappropriated and honored during the subsequent year.

Instead, 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.

Michigan Public Act 621 of 1978, Section 18, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of total expenditures and overage itself is large than 10%). During the fiscal year ended March 31, 2021, the Township did not have any overages.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP NET PENSION LIABILITY AND
RELATED RATIOS - PENSION TRUST
Last Six Fiscal Years (Schedule is built prospectively upon implementation of GASB 67)

	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY						
Service cost	\$ 2,823,092	\$ 2,765,836	\$ 2,776,101	\$ 2,880,877	\$ 3,093,406	\$ 2,937,791
Interest on the total pension liability	13,913,778	13,246,768	12,725,992	12,583,951	12,185,184	11,945,637
Differences between expected and actual experience including assumption changes	(61,406)	7,445,779	(4,559,366)	4,250,290	1,800,149	6,800,959
Benefit payments and refunds	<u>(12,387,038)</u>	<u>(11,735,783)</u>	<u>(11,227,437)</u>	<u>(10,815,004)</u>	<u>(10,006,265)</u>	<u>(9,463,060)</u>
Net change in total pension liability	4,288,426	11,722,600	(284,710)	8,900,114	7,072,474	12,221,327
Total pension liability, Beginning of year	<u>235,646,707</u>	<u>223,924,107</u>	<u>224,208,817</u>	<u>215,308,703</u>	<u>208,236,229</u>	<u>196,014,902</u>
Total pension liability, End of year	<u>\$ 239,935,133</u>	<u>\$ 235,646,707</u>	<u>\$ 223,924,107</u>	<u>\$ 224,208,817</u>	<u>\$ 215,308,703</u>	<u>\$ 208,236,229</u>
PLAN FIDUCIARY NET POSITION						
Employer contributions	\$ 4,446,439	\$ 3,379,195	\$ 3,583,851	\$ -	\$ -	\$ -
Employee contributions	272,668	276,337	282,681	302,840	317,049	302,355
Pension plan net investment income (loss)	38,723,643	(4,841,807)	4,689,152	9,648,546	13,843,427	(150,074)
Benefit payments and refunds	(12,387,038)	(11,735,783)	(11,227,437)	(10,815,004)	(10,006,265)	(9,463,060)
Other expenses	<u>(49,945)</u>	<u>(55,740)</u>	<u>(85,552)</u>	<u>(81,273)</u>	<u>(86,325)</u>	<u>(83,873)</u>
Net change in plan fiduciary net position	31,005,767	(12,977,798)	(2,757,305)	(944,891)	4,067,886	(9,394,652)
Plan fiduciary net position, Beginning of year	<u>193,195,158</u>	<u>206,172,956</u>	<u>208,930,261</u>	<u>209,875,152</u>	<u>205,807,266</u>	<u>215,201,918</u>
Plan fiduciary net position, End of year	<u>\$ 224,200,925</u>	<u>\$ 193,195,158</u>	<u>\$ 206,172,956</u>	<u>\$ 208,930,261</u>	<u>\$ 209,875,152</u>	<u>\$ 205,807,266</u>
Township's Net Pension Liability	<u>\$ 15,734,208</u>	<u>\$ 42,451,549</u>	<u>\$ 17,751,151</u>	<u>\$ 15,278,556</u>	<u>\$ 5,433,551</u>	<u>\$ 2,428,963</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.44%	81.99%	92.07%	93.19%	97.48%	98.83%
Covered Employee Payroll	<u>\$ 10,130,103</u>	<u>\$ 11,223,752</u>	<u>\$ 11,324,871</u>	<u>\$ 10,941,904</u>	<u>\$ 11,627,527</u>	<u>\$ 13,118,137</u>
Net Pension Liability as a Percentage of Covered Payroll	155.32%	378.23%	156.74%	139.63%	46.73%	18.52%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS - PENSION TRUST
Last Six Fiscal Years (Schedule is built prospectively upon implementation of GASB 67)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	20.6%	-2.4%	2.3%	4.7%	6.9%	-0.1%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
RELATED RATIOS - PENSION TRUST
March 31, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution **	\$ 4,120,637	\$ 3,506,480	\$ 3,718,845	\$ -	\$ -	\$ -	\$ -	\$ 3,040,464	\$ 10,206,901	\$ 5,179,678
Contributions in relation to the actuarially determined contribution **	4,620,637	3,506,480	3,718,845	-	-	-	-	80,300,000	10,206,901	5,179,678
Contribution excess (deficiency)	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,259,536	\$ -	\$ -
Covered employee payroll **	\$ 11,128,632	\$ 12,138,645	\$ 12,273,467	\$ 1,162,527	\$ 13,118,137	\$ 13,118,137	\$ 13,711,213	\$ 14,159,863	\$ 14,862,788	\$ 15,338,979
Contributions as a percentage of covered employee payroll	41.52%	28.89%	30.30%	0.00%	0.00%	0.00%	0.00%	567.10%	68.67%	33.77%

** Includes Township and Library

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation Date: January 01, 2020

Actuarially determined contribution rates are calculated as of December 31, three months prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar, closed, 18 years remaining amortization
Asset valuation method	Non-asymptotic, 5-year smoothing
Wage inflation	2.5%
Salary increases	3.5%
Investment rate of return	6.00%
Retirement age	General administrative employees and police department civilians: Age 52 with 8 years of service or 30 years of service. Fire department bargaining members and command officers: Age 52 with 8 years of service. Bloomfield Village police: Age 55 with 10 years of service or age 60 with 8 years of service.
Mortality	Pub-2010 with generational projection using Scale MP-2018

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP NET OPEB LIABILITY AND
RELATED RATIOS - RETIRED EMPLOYEES HEALTHCARE PLAN
Last Four Fiscal Years (Schedule is built prospectively upon implementation of GASB 74)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 1,780,999	\$ 4,340,848	\$ 4,076,621	\$ 4,147,825
Interest	7,260,735	6,797,577	6,966,037	6,721,348
Changes in assumptions and other inputs	(25,485,923)	(60,272,528)	(6,426,731)	(828,808)
Benefit payments and refunds	<u>(4,272,525)</u>	<u>(4,863,894)</u>	<u>(5,051,788)</u>	<u>(4,822,601)</u>
Net change in total OPEB liability	(20,716,714)	(53,997,997)	(435,861)	5,217,764
Total OPEB liability - beginning of year	<u>121,336,405</u>	<u>175,334,402</u>	<u>175,770,263</u>	<u>170,552,499</u>
Total OPEB liability - ending of year	<u>100,619,691</u>	<u>121,336,405</u>	<u>175,334,402</u>	<u>175,770,263</u>
PLAN FIDUCIARY NET POSITION				
Employer contributions	7,016,893	7,107,238	5,796,653	5,035,596
OPEB plan net investment income	5,158,993	(1,309,957)	203,550	642,738
Benefit payments and refunds	(4,272,525)	(4,863,894)	(5,051,788)	(4,822,601)
Administrative expenses	<u>(25,457)</u>	<u>(36,068)</u>	<u>(25,422)</u>	<u>(20,902)</u>
Net change in plan fiduciary net position	7,877,904	897,319	922,993	834,831
Plan fiduciary net position - beginning of year	<u>13,540,092</u>	<u>12,642,773</u>	<u>11,719,780</u>	<u>10,884,949</u>
Plan fiduciary net position - end of year	<u>21,417,996</u>	<u>13,540,092</u>	<u>12,642,773</u>	<u>11,719,780</u>
Township's Net OPEB Liability	<u>\$ 79,201,695</u>	<u>\$ 107,796,313</u>	<u>\$ 162,691,629</u>	<u>\$ 164,050,483</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB liability	21.29%	11.16%	7.21%	6.67%
Covered Employee Payroll	\$ 11,198,209	\$ 12,481,668	\$ 12,481,668	\$ 13,838,660
Net OPEB Liability as a Percentage of Covered Payroll	707.27%	863.64%	1303.44%	1185.45%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT RETURNS - RETIRED EMPLOYEES HEALTHCARE PLAN
Last Four Fiscal Years (Schedule is built prospectively upon implementation of GASB 74)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense				
Township	36.18%	-12.98%	1.71%	5.68%
Building and Cable	38.19%	-7.32%	1.70%	6.02%
Cable	38.33%	-7.39%	1.70%	6.02%
Water & Sewer	37.87%	-8.31%	1.78%	6.08%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
RELATED RATIOS - RETIRED EMPLOYEES HEALTHCARE PLAN
March 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 9,381,499	\$ 15,335,501	\$ 14,979,038	\$ 14,117,096	\$ 13,238,120	\$ 13,238,120	\$ 12,241,524	\$ 12,241,524	\$ 7,716,000	\$ 7,716,000
Contributions in relation to the actuarially determined contribution	<u>7,016,893</u>	<u>7,107,238</u>	<u>5,796,653</u>	<u>5,035,596</u>	<u>4,613,559</u>	<u>9,910,643</u>	<u>3,815,071</u>	<u>3,705,253</u>	<u>2,826,942</u>	<u>2,896,950</u>
Contribution excess (deficiency)	<u>\$ (2,364,606)</u>	<u>\$ (8,228,263)</u>	<u>\$ (9,182,385)</u>	<u>\$ (9,081,500)</u>	<u>\$ (8,624,561)</u>	<u>\$ (3,327,477)</u>	<u>\$ (8,426,453)</u>	<u>\$ (8,536,271)</u>	<u>\$ (4,889,058)</u>	<u>\$ (4,819,050)</u>
Covered employee payroll	\$ 11,198,209	\$ 12,481,668	\$ 12,481,668	\$ 13,838,660	\$ 15,279,000	\$ 15,279,000	\$ 15,953,000	\$ 15,953,000	\$ 15,522,000	\$ 15,522,000
Contributions as a percentage of covered employee payroll	62.66%	56.94%	46.44%	36.39%	30.20%	64.86%	23.91%	23.23%	18.21%	18.66%

Methods and assumptions used to determine contribution rates for 2021 (Based on the April 1, 2020 Valuation)

Valuation Date:	April 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	18 years
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	3.50% including inflation
Investment rate of return	6.00%
Retirement age	Experience-based table rates that are specific to the type of eligibility condition
Mortality	Police and Fire: PubS-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. Others: PubG-2010 Mortality Table with generational projection per the MP-2019 scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement.
Health care trend rates	4.20% - 6.30% over 55 years

OTHER SUPPLEMENTAL INFORMATION

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
March 31, 2021

Nonmajor Special Revenue Funds												
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Building Department	Federal Forfeitures	Drug Law Enforcement	Safety Path	Cable Studio	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total
ASSETS												
Cash and cash equivalents	\$ 52,204	\$ 535,515	\$ 362,403	\$ 177,346	\$ 1,152,366	\$ 159,559	\$ 214,956	\$ 111,944	\$ 60,136	\$ 3,076,176	\$ 4,109,693	\$ 10,012,298
Marketable securities	2,268,460	-	-	-	-	-	-	5,178,835	2,736,296	-	-	10,183,591
Receivables (net) - Other	86,518	-	-	-	28,477	-	26,800	-	135,732	-	-	277,527
Total assets	<u>\$ 2,407,182</u>	<u>\$ 535,515</u>	<u>\$ 362,403</u>	<u>\$ 177,346</u>	<u>\$ 1,180,843</u>	<u>\$ 159,559</u>	<u>\$ 241,756</u>	<u>\$ 5,290,779</u>	<u>\$ 2,932,164</u>	<u>\$ 3,076,176</u>	<u>\$ 4,109,693</u>	<u>\$ 20,473,416</u>
LIABILITIES												
Accounts payable and accrued expenses	\$ 29,038	\$ 20,107	\$ 2,739	\$ 3,475	\$ 55,016	\$ 8,595	\$ 80,621	\$ 25,148	\$ 29,832	\$ 8,976	\$ -	\$ 263,547
Refundable Bonds	-	-	-	-	128,850	-	-	-	-	-	-	128,850
Escrow Deposits	-	-	-	-	900	-	-	-	-	-	-	900
Total liabilities	<u>29,038</u>	<u>20,107</u>	<u>2,739</u>	<u>3,475</u>	<u>184,766</u>	<u>8,595</u>	<u>80,621</u>	<u>25,148</u>	<u>29,832</u>	<u>8,976</u>	<u>-</u>	<u>393,297</u>
FUND BALANCES												
Restricted:												
Debt service	-	-	-	-	-	-	-	-	-	-	4,109,693	4,109,693
Roads and safety paths	-	-	-	-	-	-	-	5,265,631	-	1,317,200	-	6,582,831
Public safety	-	515,408	359,664	-	-	150,964	161,135	-	-	-	-	1,187,171
Community enrichment	-	-	-	173,871	-	-	-	-	-	-	-	173,871
Assigned:												
Community enrichment	2,378,144	-	-	-	-	-	-	-	2,902,332	-	-	5,280,476
Building inspection	-	-	-	-	996,077	-	-	-	-	-	-	996,077
Committed:												
Capital projects	-	-	-	-	-	-	-	-	-	1,750,000	-	1,750,000
Total fund balances	<u>2,378,144</u>	<u>515,408</u>	<u>359,664</u>	<u>173,871</u>	<u>996,077</u>	<u>150,964</u>	<u>161,135</u>	<u>5,265,631</u>	<u>2,902,332</u>	<u>3,067,200</u>	<u>4,109,693</u>	<u>20,080,119</u>
Total liabilities and fund balances	<u>\$ 2,407,182</u>	<u>\$ 535,515</u>	<u>\$ 362,403</u>	<u>\$ 177,346</u>	<u>\$ 1,180,843</u>	<u>\$ 159,559</u>	<u>\$ 241,756</u>	<u>\$ 5,290,779</u>	<u>\$ 2,932,164</u>	<u>\$ 3,076,176</u>	<u>\$ 4,109,693</u>	<u>\$ 20,473,416</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended March 31, 2021

Nonmajor Special Revenue Funds												
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Building Department	Federal Forfeitures	Drug Law Enforcement	Safety Path	Cable Studio	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total
REVENUES												
Taxes and assessments	\$ 944,671	\$ 496,521	\$ 149,427	\$ 337,749	\$ -	\$ -	\$ -	\$ 1,874,720	\$ -	\$ 824,163	\$ 4,139,644	\$ 8,766,895
Grants	202,619	-	-	-	-	-	26,800	-	-	-	-	229,419
Charges for services	217,705	6	-	-	1,552,399	-	-	-	12,555	-	-	1,782,665
Licenses, permits and fees	-	-	-	-	-	-	-	-	766,363	-	-	766,363
Fines and forfeitures	-	-	-	593	-	-	32,050	-	-	-	-	32,643
Reimbursements	-	-	-	36,253	-	-	-	-	-	-	-	36,253
Miscellaneous	29,915	6,580	-	-	15,740	-	-	49,000	7,224	468,290	-	576,749
Total revenues	<u>1,394,910</u>	<u>503,107</u>	<u>149,427</u>	<u>374,595</u>	<u>1,568,139</u>	<u>-</u>	<u>58,850</u>	<u>1,923,720</u>	<u>786,142</u>	<u>1,292,453</u>	<u>4,139,644</u>	<u>12,190,987</u>
EXPENDITURES												
Operating:												
General government	-	-	-	-	1,529,249	-	-	-	-	-	-	1,529,249
Public works	-	-	-	-	-	-	-	157,027	-	2,063,287	-	2,220,314
Public safety	-	451,950	107,743	-	-	12,310	94,157	-	-	-	-	666,160
Community enrichment and development	975,473	-	-	377,872	-	-	-	-	900,011	-	-	2,253,356
Debt service	-	-	-	-	-	-	-	-	-	-	355	355
Capital outlay	7,284	-	-	-	2,988	52,966	-	1,274,445	12,895	-	-	1,350,578
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	3,044,921	3,044,921
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	1,070,793	1,070,793
Total expenditures	<u>982,757</u>	<u>451,950</u>	<u>107,743</u>	<u>377,872</u>	<u>1,532,237</u>	<u>65,276</u>	<u>94,157</u>	<u>1,431,472</u>	<u>912,906</u>	<u>2,063,287</u>	<u>4,116,069</u>	<u>12,135,726</u>
Revenues over (under) expenditures	<u>412,153</u>	<u>51,157</u>	<u>41,684</u>	<u>(3,277)</u>	<u>35,902</u>	<u>(65,276)</u>	<u>(35,307)</u>	<u>492,248</u>	<u>(126,764)</u>	<u>(770,834)</u>	<u>23,575</u>	<u>55,261</u>
OTHER FINANCING SOURCES (USES)												
Bond proceeds	-	-	-	-	-	-	-	-	-	1,530,000	-	1,530,000
Transfers in	-	-	-	-	-	-	-	-	-	1,750,000	-	1,750,000
Transfers out	(394,807)	(45,826)	(15,000)	-	(367,679)	-	-	(45,000)	(173,500)	-	-	(1,041,812)
Total other financing sources (uses)	<u>(394,807)</u>	<u>(45,826)</u>	<u>(15,000)</u>	<u>-</u>	<u>(367,679)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(173,500)</u>	<u>3,280,000</u>	<u>-</u>	<u>2,238,188</u>
Net change in fund balances	17,346	5,331	26,684	(3,277)	(331,777)	(65,276)	(35,307)	447,248	(300,264)	2,509,166	23,575	2,293,449
FUND BALANCES, Beginning of year	<u>2,360,798</u>	<u>510,077</u>	<u>332,980</u>	<u>177,148</u>	<u>1,327,854</u>	<u>216,240</u>	<u>196,442</u>	<u>4,818,383</u>	<u>3,202,596</u>	<u>558,034</u>	<u>4,086,118</u>	<u>17,786,670</u>
FUND BALANCES, End of year	<u>\$ 2,378,144</u>	<u>\$ 515,408</u>	<u>\$ 359,664</u>	<u>\$ 173,871</u>	<u>\$ 996,077</u>	<u>\$ 150,964</u>	<u>\$ 161,135</u>	<u>\$ 5,265,631</u>	<u>\$ 2,902,332</u>	<u>\$ 3,067,200</u>	<u>\$ 4,109,693</u>	<u>\$ 20,080,119</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
March 31, 2021

	<u>Nonmajor Capital Projects Funds</u>		
	<u>Equipment and Replacement Fund</u>	<u>Special Assessment Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,750,000	\$ 1,326,176	\$ 3,076,176
LIABILITIES			
Accounts payable	\$ -	\$ 8,976	\$ 8,976
FUND BALANCES			
Restricted:			
Roads and safety paths	-	1,317,200	1,317,200
Committed:			
Capital projects	1,750,000	-	1,750,000
Total fund balances	1,750,000	1,317,200	3,067,200
Total liabilities and fund balances	\$ 1,750,000	\$ 1,326,176	\$ 3,076,176

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
Year Ended March 31, 2021

	Nonmajor Capital Projects Funds		
	Equipment and Replacement Fund	Special Assessment Capital Projects	Total
REVENUES			
Taxes and assessments	\$ -	\$ 824,163	\$ 824,163
Miscellaneous	-	468,290	468,290
Total revenues	-	1,292,453	1,292,453
EXPENDITURES			
Current:			
Public works	-	2,063,287	2,063,287
Revenues over (under) expenditures	-	(770,834)	(770,834)
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	1,530,000	1,530,000
Transfers in	1,750,000	-	1,750,000
Total other financing sources (uses)	1,750,000	1,530,000	3,280,000
Net change in fund balances	1,750,000	759,166	2,509,166
FUND BALANCES , Beginning of year	-	558,034	558,034
FUND BALANCES , End of year	\$ 1,750,000	\$ 1,317,200	\$ 3,067,200

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
March 31, 2021

	<u>Nonmajor Debt Service Funds</u>			
	<u>Campus Construction Debt Retirement</u>	<u>Library Debt Retirement</u>	<u>Drain at-Large</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	<u>\$ 1,600,856</u>	<u>\$ 1,786,532</u>	<u>\$ 722,305</u>	<u>\$ 4,109,693</u>
FUND BALANCES				
Restricted - Debt service	<u>\$ 1,600,856</u>	<u>\$ 1,786,532</u>	<u>\$ 722,305</u>	<u>\$ 4,109,693</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
Year Ended March 31, 2021

	Nonmajor Debt Service Funds			
	Campus Construction Debt Retirement	Library Debt Retirement	Drain at-Large	Total
REVENUES				
Taxes and assessments	\$ 2,014,712	\$ 1,716,385	\$ 408,547	\$ 4,139,644
EXPENDITURES				
Operating:				
Debt service	135	132	88	355
Debt service:				
Principal retirement	1,205,000	1,530,000	309,921	3,044,921
Interest and fiscal charges	810,125	178,300	82,368	1,070,793
Total expenditures	2,015,260	1,708,432	392,377	4,116,069
Net change in fund balances	(548)	7,953	16,170	23,575
FUND BALANCES, Beginning of year	1,601,404	1,778,579	706,135	4,086,118
FUND BALANCES, End of year	<u>\$ 1,600,856</u>	<u>\$ 1,786,532</u>	<u>\$ 722,305</u>	<u>\$ 4,109,693</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS
March 31, 2021

	<u>Retiree Health Care Fund</u>	<u>Retirement System Pension Trust</u>	<u>401(a) Defined Contribution Plan</u>	<u>Total Pension and Other Employee Trust Funds</u>
	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2021</u>	
ASSETS				
Investments:				
Mutual funds, stocks and other equities	\$ 21,417,996	\$ 88,453,333	\$ 14,069,323	\$ 123,940,652
Guaranteed deposit account fixed income fund	-	140,601,451	-	140,601,451
Total investments, at fair value	21,417,996	229,054,784	14,069,323	264,542,103
Contributions receivable	-	530,078	-	530,078
Total assets	21,417,996	229,584,862	14,069,323	265,072,181
NET POSITION				
Restricted:				
Pensions - Defined benefit	-	229,584,862	-	229,584,862
Pensions - Defined contribution	-	-	14,069,323	14,069,323
Other post-employment benefits	21,417,996	-	-	21,417,996
Total net position	<u>\$ 21,417,996</u>	<u>\$ 229,584,862</u>	<u>\$ 14,069,323</u>	<u>\$ 265,072,181</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POSTEMPLOYMENT FUNDS
Year Ended March 31, 2021

	<u>Retiree Health Care Fund</u>	<u>Retirement System Pension Trust</u>	<u>401(a) Defined Contribution Plan</u>	<u>Total</u>
	<u>Year Ended March 31, 2021</u>	<u>Year Ended December 31, 2020</u>	<u>Year Ended March 31, 2021</u>	
ADDITIONS				
Contributions:				
Employer	\$ 7,016,893	\$ 4,620,637	\$ 1,021,166	\$ 12,658,696
Employee	-	270,171	135,235	405,406
Total contributions	<u>7,016,893</u>	<u>4,890,808</u>	<u>1,156,401</u>	<u>13,064,102</u>
Investment income:				
Net change in fair value of investments	4,701,830	11,880,579	4,485,282	21,067,691
Interest income	457,524	4,331,999	-	4,789,523
Dividend income	-	1,880,613	441,569	2,322,182
Total investment income	<u>5,159,354</u>	<u>18,093,191</u>	<u>4,926,851</u>	<u>28,179,396</u>
Total additions	<u>12,176,247</u>	<u>22,983,999</u>	<u>6,083,252</u>	<u>41,243,498</u>
DEDUCTIONS				
Distributions	4,272,525	12,701,025	97,709	17,071,259
Administrative fees	25,457	269,414	24,371	319,242
Total deductions	<u>4,297,982</u>	<u>12,970,439</u>	<u>122,080</u>	<u>17,390,501</u>
NET INCREASE IN NET POSITION HELD IN TRUST	7,878,265	10,013,560	5,961,172	23,852,997
NET POSITION HELD IN TRUST, Beginning of year	<u>13,539,731</u>	<u>219,571,302</u>	<u>8,108,151</u>	<u>241,219,184</u>
NET POSITION HELD IN TRUST, End of year	<u>\$ 21,417,996</u>	<u>\$ 229,584,862</u>	<u>\$ 14,069,323</u>	<u>\$ 265,072,181</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
March 31, 2021

	<u>OCVCTF Federal Forfeitures</u>	<u>OCVCTF State Forfeitures</u>	<u>Miscellaneous Custodial Funds</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash	\$ 628,255	\$ 46,606	\$ 208,959	\$ 883,820
LIABILITIES				
Accounts payable	-	-	90	90
Deposits & other liabilities:				
Other	-	-	20,780	20,780
Total liabilities	-	-	20,870	20,870
NET POSITION				
Restricted for individuals, organizations, and other governments	628,255	46,606	188,089	862,950
Total net position	<u>\$ 628,255</u>	<u>\$ 46,606</u>	<u>\$ 188,089</u>	<u>\$ 862,950</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended March 31, 2021

	Current Tax Collection Fund	OCVCTF Federal Forfeitures	OCVCTF State Forfeitures	Miscellaneous Custodial Funds	Total Custodial Funds
ADDITIONS					
Revenues:					
Taxes and assessments	\$ 122,897,852	\$ -	\$ -	\$ -	\$ 122,897,852
Payments collected on behalf of others	-	-	-	338,241	338,241
Total additions	<u>122,897,852</u>	<u>-</u>	<u>-</u>	<u>338,241</u>	<u>123,236,093</u>
DEDUCTIONS					
Distributions:					
Other disbursements	-	13,173	150	-	13,323
Payments disbursed to others	122,897,852	-	-	293,491	123,191,343
Total deductions	<u>122,897,852</u>	<u>13,173</u>	<u>150</u>	<u>293,491</u>	<u>123,204,666</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-	(13,173)	(150)	44,750	31,427
NET POSITION, Beginning of year, as restated (Note 13)	<u>-</u>	<u>641,428</u>	<u>46,756</u>	<u>143,339</u>	<u>831,523</u>
NET POSITION, End of year	<u>\$ -</u>	<u>\$ 628,255</u>	<u>\$ 46,606</u>	<u>\$ 188,089</u>	<u>\$ 862,950</u>

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2021

Tax Levies and Collections

Year	Tax Levy	Collections to March 1 of the Following Year	
2020	\$ 52,821,966	\$ 51,206,033	96.94%
2019	\$ 51,576,090	\$ 50,127,011	97.19%
2018	\$ 49,620,624	\$ 48,131,324	97.00%
2017	\$ 47,948,023	\$ 46,734,437	97.47%
2016	\$ 47,099,065	\$ 45,317,158	96.22%
2015	\$ 46,460,678	\$ 45,144,624	97.16%
2014	\$ 44,995,239	\$ 43,610,066	96.92%
2013	\$ 42,329,811	\$ 40,828,439	96.45%
2012	\$ 41,264,728	\$ 39,754,293	96.34%
2011	\$ 41,694,060	\$ 40,098,080	96.17%

The Township's taxes are due and payable and a lien created upon the assessed property on December 1 each year. Taxes remaining unpaid on the following March 1 are turned over to the County Treasurer for collection. If all real property taxes are not paid by May 1, two years following return to the County Treasurer, the property is sold for taxes.

History of Property Valuations*

Year	State Equalized Valuation	Taxable Value
2020	\$ 5,250,208,968	\$ 4,079,252,999
2019	\$ 5,060,371,530	\$ 3,924,651,918
2018	\$ 4,851,426,670	\$ 3,742,826,885
2017	\$ 4,677,280,760	\$ 3,572,807,760
2016	\$ 4,497,242,280	\$ 3,470,928,740
2015	\$ 4,144,531,220	\$ 3,364,207,210
2014	\$ 3,710,998,170	\$ 3,233,497,150
2013	\$ 3,389,125,929	\$ 3,156,898,881
2012	\$ 3,243,551,639	\$ 3,079,769,930
2011	\$ 3,213,298,128	\$ 3,143,677,326

*Beginning in 1995, the Taxable Value and not the State Equalized Valued is used to calculate the tax levy.

Michigan Property Tax and School Finance Reform

See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information Repositories regarding this topic.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2021

Tax Rate Limitations

The Township Charter provides tax rate limitations as follows:

Purpose	Rate (per \$1,000 of State) Equalized Valuation	Maximum Permitted Rate
General Operating	\$ 0.9428	\$ 0.9428

The Township may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

Purpose	Authority	Rate (per \$1,000 of State) Equalized Valuation
Refuse Collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	\$ 3.00
Police and Fire Pension Requirements	Act 345, P.A. of Michigan 1937, as amended	Amount required to make contribution

In addition, Article IX, Section 6 of the Michigan Constitution of 1963, as amended, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978, or tax supported issues, which have been approved by the voters.
2. Operating purposes for a specific period of time provided that said increase is approved by a majority of the qualified electors of the local unit.

*The Michigan Constitution provides for tax rate limitations. See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information repositories regarding these limitations.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2021

Labor Agreements

The Township has three employee bargaining units which have negotiated comprehensive salary, wage, fringe benefits and working conditions contracts with the Township.

The duration of these agreements are as follows:

<u>Employee Group</u>	<u>Number of Employees</u>	<u>Expiration Date of Contract</u>
Firefighters	54	March 31, 2025
Police Command Officers	14	March 31, 2026
Police Patrol and Dispatchers	61	March 31, 2026
Department Head and Deputy Department Head	14	March 31, 2026
General Employees	42	March 31, 2026
DPW Foreman and Supervisors	6	March 31, 2026
DPW Maintenance Employees	21	March 31, 2026
Water & Sewer Maintenance Employees	7	In negotiations

General Fund – Fund Balance

The Township’s General Fund Balance for the last ten years has been as follows:

<u>Fiscal Year Ending March 31,</u>	<u>Fund Balance</u>
2021	\$ 15,208,586
2020	\$ 14,532,840
2019	\$ 14,107,404
2018	\$ 13,901,966
2017	\$ 12,778,850
2016	\$ 12,504,251
2015	\$ 11,838,362
2014	\$ 11,640,178
2013	\$ 11,498,695
2012	\$ 10,968,077