

**Comprehensive Annual
Financial Report**

City of Huntington Woods, Michigan

**Prepared by the
Finance Department**

Fiscal Year Ended June 30, 2017

City Commission

Robert F. Paul, Mayor
Jules Olsman,, Mayor Pro-Tem
Joe Rozell, Commissioner
Allison Iversen, Commissioner
Jeffrey Jenks, Commissioner

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through the document.**

Introductory Section

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City of Huntington Woods, Michigan

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A D M I N I S T R A T I V E O F F I C E S

Mayor Robert F. Paul
Mayor Pro-Tem Jules B. Olsman
City Manager Amy Sullivan

Commissioner Joe Rozell
Commissioner Allison Iversen
Commissioner Jeffrey Jenks

December 2, 2017

Honorable Mayor, City Commission
City of Huntington Woods, Michigan

Preface

The City Finance Department is pleased to present to you the annual Comprehensive Annual Financial Report (CAFR). The finance department takes great pride in its work and believes that the report gives the reader a clear and comprehensive view of the financial health and strength of the City as of the fiscal year ended June 30, 2017. The State of Michigan department of local government finance mandates that each jurisdiction prepares a report outlining the financial position of the City and that the operations of the unit of government be audited by an independent licensed firm of certified public accountants. In doing so, the report is prepared according to the regulations as set forth by the Governmental Accounting Standards Board (GASB) and the State of Michigan Department of Treasury.

The City is charged with the preparation of all the notes and schedules, the MDA and the statistical section of this document, and is responsible for the contents of the CAFR and the data contained therein. The Finance department worked closely with our Audit team at PSLZ LLP to complete the body of the basic statements based upon the data provided by the City Finance Department. The City is very mindful of the responsibility inherent in the financial operations of this unit of government and rely upon those policies procedures and rules as defined in the charter and ordinances to assist the staff in our work. To the best of our knowledge and belief this data is accurate in all material respects and is reported in a manner that is fair and consistent. The report includes all disclosures and charts required to enable the reader to understand the City financial structure from a historical, operating and administrative perspective.

This will be the fourteenth year that the City has prepared a Comprehensive Annual Financial Report. The finance staff will continue to make the changes that will serve to illustrate the health of the City in the clearest most concise form possible. We encourage comments in this regard, and look forward using best practices in our operations.

Report Organization

The Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section - This section introduces the reader to the City of Huntington Woods and various aspects of this report including; continuing disclosure reporting enhancements, organizational chart, and a list of principal officials.

Financial Section - The independent Auditor's report, Management's Discussion and Analysis report, government-wide financial statements, fund based financial statements, required supplemental information and the notes to the financial statements are included here. These are the City's basic financial statements and provide an overview for readers who require less detailed information than is contained in the balance of this report.

Statistical Section - Although this section contains substantial financial data, these schedules differ from financial statements in that they present some non-accounting data, cover more than the current year and are designed to reflect social and economic data, financial trends and the fiscal capabilities of the City.

Audit Requirement

The City Charter IX § 7, and State Statute require an annual audit of financial records and transactions of public sector units of government to be completed by independent certified public accountants at the close of each fiscal year. Huntington Woods is in full compliance with this requirement and has recently received an "unmodified opinion" from PSLZ, LLP for the fiscal year ended June 2017. This status lets the reader know that the examination of the financial records of the City disclosed no conditions that cause the auditors to believe that the financial statements are not fairly stated in all material respects.

Reporting Entity and Services Provided

The City of Huntington Woods has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board. The City of Huntington Woods (the "City") is defined as; all funds, agencies, commissions, boards and authorities that are controlled and managed by the Elected Mayor and City Commission. As of this writing, the City does not contain any component units of government as per current pronouncements.

The City of Huntington Woods was incorporated as a village in 1926 and remained so until 1932 when it became a city under the home-rule City Act 279 of 1909. The City has developed into a well-respected full service municipality operating in Southeast Oakland County. This report covers the operations of the City as it relates to all departments and municipal services in its governmental fund structure, including a full range of public safety services; sanitation services; recycling services; highway, streets and sidewalks maintenance/Rights-of-way; Planning, Zoning and building code enforcement services; Recreational Services and cultural events; and library. Water and Sewage services are administered through the use of an Enterprise fund which requires the City Commission to set fees for its operations on an annual basis through user fees.

GENERAL

FUND TYPES AND PURPOSES

PURPOSE - The General fund is the primary operating fund in the local unit of Government and is used to account for all revenues and expenditures and activities not specifically or statutorily provided for in other funds.

RECREATION

PURPOSE - The Recreation fund accounts for the operation and maintenance of City parks as well as the operation of the Recreation Department and related programs.

SANITATION

PURPOSE - The Sanitation fund accounts for the operation of the solid waste collection disposal and recycling functions of the City.

MAJOR AND LOCAL ROAD

PURPOSE - The Major and Local Road funds are used (1) to receive all street funds paid to cities and villages by the state, (2) to account for construction, maintenance, traffic services and snow and ice control on all streets classified as Local Streets within the local unit of government (this includes construction done from money raised by special assessing property owners for street improvements), (3) to account for revenue from special assessment taxes levied for street purposes as provided by Act 51 of the Public Acts of 1951, as amended, and (4) to account for money received from General Fund contributions.

RACKHAM DEFENSE

PURPOSE - The Rackham Defense fund was established to provide a method of segregating the legal costs of the property development of Rackham Golf Course. In addition, the City levied a three year .50 mill per year mileage to pay for the legal fees associated with the property. This fund was combined with the General Fund as of year ending June 30, 2013 for financial statement purposes.

BUDGET STABILIZATION

PURPOSE - This fund was established for the sole purpose of setting aside funds to be used for budget stabilization per State Act 1978 P.A. 30. This fund was combined with the General Fund as of year ending June 30, 2013 for financial statements purposes.

GENERAL OBLIGATION DEBT

PURPOSE - These funds are used to record the payment of interest and principal on long term general obligation debt other than that payable from special assessments and debt issued for and serviced primarily by an Enterprise or Construction Fund.

WATER AND SEWER

PURPOSE - This fund is used to record the operations of the combined water and sewer system, and is considered an Enterprise Fund.

**EQUIPMENT, POST RETIREMENT
HEALTH CARE BENEFIT**

PURPOSE - These funds are used to support the activities of other funds, such as the equipment fund which is used as a motor pool to record the rental, and the subsequent depreciation of equipment, as well as the recording the cost of retiree health care.

CAPITAL PROJECTS

PURPOSE - These funds are used to account for activity associated with construction related activities and for other special projects not associated with business-type funds. This fund is combined with the Capital Planning fund as of year ending June 30, 2013 for financial statement purposes.

Accounting System and Budgetary Controls

Due to the nature of the operations and legal requirements, the accounting of transactions within the reporting entity is organized on a “fund basis.” This accounting approach assures compliance with statutory requirements and enables adequate separations between distinct governmental functions. Each fund is a distinct, self-balancing accounting entity.

The budget is annually presented to the City Commission each May as required by City Charter. This document has been prepared in compliance with the regulations set forth under the Uniform Budget Act, State of Michigan P.A. 621 of 1978. The act requires that the City of Huntington Woods adopt a balanced categorical budget where appropriations do not exceed budget revenue. The appropriation/rate resolution as adopted by the City Commission gives the City Manager and/or the Finance Director the authority to create new funds and activities in order to maintain adequate financial control, and to make changes between budgetary categories only. All funds with the exception of the General Fund are adopted on a categorical basis by the City Commission. Budget changes in all funds therefore are made by line item only.

Historical Overview

The City of Huntington Woods is almost exclusively residential. In 2016, 97.33% of the State Equalized Value (SEV) of the City is comprised of residential properties. The lack of diversity in its tax base has left the City with no major industrial or commercial property to share the tax burden of providing the full range of city services. Despite a relatively high millage rate, the City was unable to provide for all capital and service needs from its annual budget. The City founders had left a significant amount of undeveloped public property surrounding the perimeter of the City. It truly was intended to be the “City in the Woods.” The City, however, began selling the undeveloped property shortly after World War II, to finance needed facilities and satisfy outstanding debt.

In the 1960’s and the early part of the 1970’s, the State and Federal Government began to play a role in municipal operations by providing revenues to equalize tax base inequities. The State Revenue Sharing program was approved by the State of Michigan, both constitutionally, in 1964, and statutorily, in 1967, earmarking a share of State taxes for cities. In 1974, the U.S. Congress enacted Federal Revenue Sharing, returning a portion of the income taxes paid by Huntington Woods’ residents directly to the City. From 1970 through 1975, despite receiving additional dollars from the state and Federal governments, the City experienced operational deficits and was forced to borrow funds on three occasions to meet annual budget obligations. The City population, which was the basis for calculating revenue received from the state and federal governments, peaked in the 1960 census. The City population has declined for the next fifty years up until the 2010 census where the City reversed this trend slightly. Despite the fact that the City was fully developed by 1970, thereby resulting in a stagnant tax base, annual increases in State Equalized Value (SEV) provided sufficient annual revenue growth. In 1978, though, the Headlee Amendment to the Michigan Constitution began to limit the annual increase in property taxes received by the City to the rate of inflation or Consumer Price Index (CPI). Shortly thereafter, City revenue was further reduced by a significant population loss identified in the 1980 census. The City had no cash reserves and experienced operating deficits from 1980 to 1983. In 1984, the City modified its fiscal year by changing the date of tax collections. This led to a one-time infusion of approximately one million dollars (\$1,000,000) and took the City from a deficit to a surplus position based upon the six-month fiscal year and accelerated tax collections.

In 1986, the Federal government, facing its own deficits, eliminated Federal Revenue Sharing. From 1970 to 1990, the City experienced a budget surplus in only seven fiscal years. An analysis of overall financial health of the City, completed in 1990, indicated that the City faced the following problems:

- There were no capital reserves to replace an aging infrastructure including water mains, storm and sanitary sewers and roads, most of which were installed in the 1920’s.
- Employee post-retirement benefits were in large part unfunded.
- State Revenue Sharing reductions due to a decline in population of 7.5% in the 1990 census.
- Deficits existed in the City’s three major operating funds.
- Solid Waste disposal cost increases due to a perceived reduction in landfill capacity projected to peak in 2005, however the capacity issue was largely unsubstantiated and the cost of disposal on a per capital basis stabilized in the 1990’s.

In 1991, the City adopted a fiscal rebuilding plan. The plan included a voter approved 1.85 millage increase. The 1.85 millage request to voters was a compromise by the City Commission in response to a recommendation by the administration that the City needed a 3.5 mill increase to sustain operations. The City Manager believed a higher increase was necessary to operate the City with the same level of services and meet long-term unfunded obligations. The compromise was meant to provide a stable revenue source for city operations, yet required additional attempts to reduce operating costs. One such attempt was a Public Safety Consolidation Study completed in cooperation with the City of Berkley in 1994. While the consolidation of the two cities' police and fire departments would have saved in excess of one million dollars (\$1,000,000) per year, the consolidation did not occur as both cities found it politically unacceptable.

Also, in 1994, the state government froze property tax assessments to allow an opportunity to resolve complex school financing issues. Inequities in school financing had created extraordinary gaps in per-pupil spending between school districts with wealthy tax bases and districts with low per-pupil tax bases. That same year, Michigan voters approved Proposal A, which cut school property taxes and shifted the burden to the sales tax.

Proposal A, however, also implemented changes in the property tax system including reduced annual tax revenue limits for cities. This statute caused the taxable value of a home to be annually capped at the rate of inflation, Consumer Price Index (CPI) or 5%, whichever is less. The cap remains in effect until the home changes ownership at which time the value for taxable purposes reverts to the State Equalized Value (SEV), which is 50% of true cash value. The City receives absolutely no increased revenue from the property's transfer of ownership. This is because state law limits aggregate property tax revenue from the existing tax base to the CPI. The City is required to annually reduce the millage to certify that property tax collections do not exceed inflation. This complex system becomes more problematic if the rate of inflation exceeds 5%, or there is a large reduction in the value of properties that would cause the (SEV) to dip below the taxable value (TV) level as was the case in 2008 through 2012.

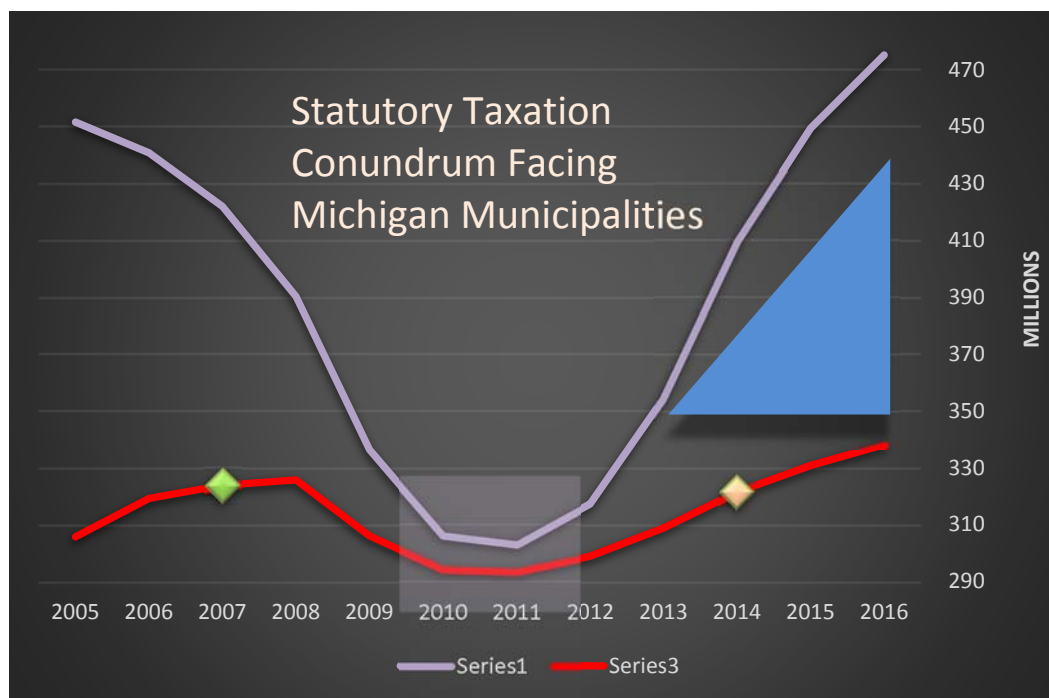
In 1996, the state legislature modified the formula used to distribute state revenue sharing. Political power had shifted from urbanized southeastern Michigan to western Michigan and out-state areas, the Senate and House of Representatives enacted changes in revenue sharing distribution. These changes favor rural areas. The new revenue sharing formula reduced appropriations to older, fully developed cities with high tax rates and redistributed the funds to growing and rural townships of the State with generally low RTE's (relative tax efforts). The new formula was scheduled to sunset in 2007. The loss of this revenue source for Huntington Woods may have significant effects upon our fiscal health and those of other cities within the State. Alternatives to State Revenue Sharing are being explored by this community in an effort to lessen our vulnerability for this revenue type.

The new formula that has been phased in over a ten-year period has adversely impacted the City and reduced the amount of revenues received from the State. This was compounded by population losses in the 2000 census. Recent census results in 2010 will curtail any additional state shared revenue loss as our population showed a minor increase. The State has been slow to address the implications of a slow economy and increased state deficits. This has reduced the amount of money allocated to the state revenue sharing distribution formula. This has continued through the present year, and continues to be a burden on the General fund budget. The combination of a slow economy, a new formula for distribution, and fewer dollars allocated to the formula, has reduced state revenue sharing payments, although in 2011 there had been some positive signs of growth which will cause an increase in revenue sharing payments. In the 1990's, the City met the financial goals and objectives it adopted in 1991. It began rebuilding an aging infrastructure, adequately funding post retirement reserves, and moving from a general fund deficit in 1990 to an unassigned fund balance of \$2,833,610 million dollars as of the completion of FY 2017, including reserves in the Budget Stabilization fund. This amount has been reduced for its high point in 2014 due to a natural disaster and additional payments into the MERS for legacy cost containment in 2015-16. These balances will allow the City to weather the recent economic downturn, and also give the City more cash flow leverage. These efforts to increase the fund balance and the amount available in the Budget Stabilization fund are timely as we believe that the changes to Proposition A, revenue sharing and now housing values are structural in nature and will cause some permanent revenue reductions.

Now that the State has limited property taxes to the rate of inflation, Huntington Woods, a small community with a residential tax base, and a small population will continue to have a difficult time maintaining the current level of services in the current financial environment.

Federal and state policies of the past two decades have required cities to become increasingly dependent on local property taxes, and fee based services. Beginning in 2009, the mortgage and banking collapse and subsequent recession has caused a major decrease in our taxable values. This major change is significant and is arguably the most precipitous drop in housing values in the last 60 years. The taxable value rose in tax year 2016 by 2.82%; and in 2017 by 2.22% an increase that is smaller than was the case in the last few years after the impact of the great recession. The final taxable value as illustrated in the 2016-17 budget was \$330,782,340. The chart below illustrates the depth of the housing crisis as it pertains to Huntington Woods. Although it has taken over ten years to recoup the value of housing in the City, the Assessed value of properties in the City never fell below the Taxable value amount as seen in the chart below. Therefore, the amount of revenue the City could generate via the tax levy was only partially affected by the deep recession, the remaining reduction was due to the consumer price index and poor economy.

Source: Oakland County



Taxable Value slow to move

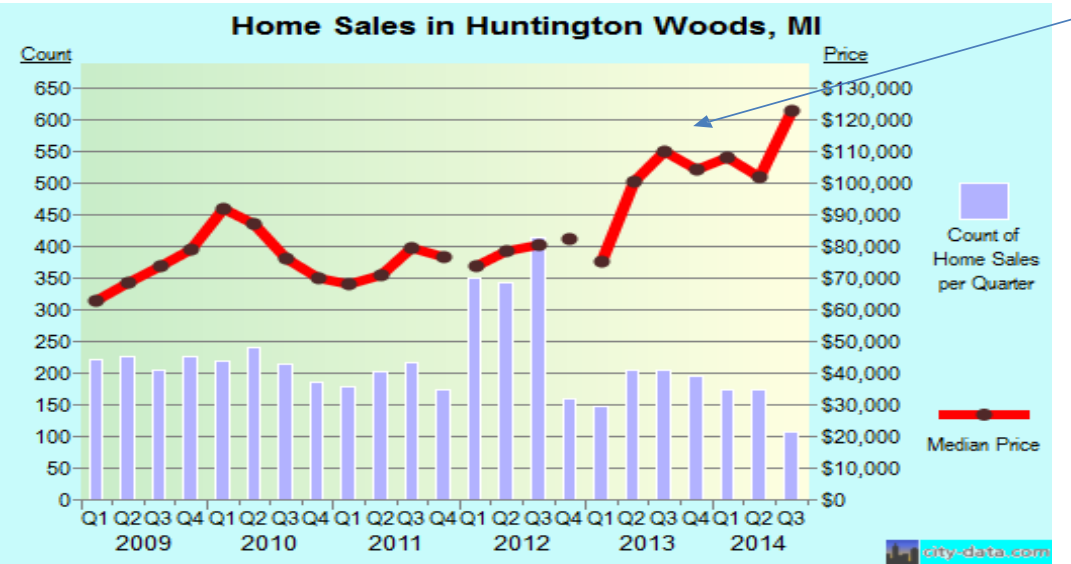


Assessed Value slow to move

The current trend is continuing into the new budget year. As a result, the higher TV the City gained additional GF tax revenue equal to \$166,925 when the same millage rate is applied in the calculation. The change is shown in the chart below which clearly indicates that after the 2008-10 great recession, home values and home sales have continued to rise steadily. This trend, coupled with the location of Huntington Woods in the SE corner of Oakland County tells us that persons looking for housing are interested in a well-developed community whose location make traveling easy. We believe that the trend will continue, which will further bolster the value of housing in the City.

As the Chart Below shows the City has in the last few years has seen a large increase in the value of its Housing. This has been steady since just after the recession. We believe that in the next few years the trend will continue. As of this writing, the values according to Oakland County Equalization are rising into the first half of 2017.

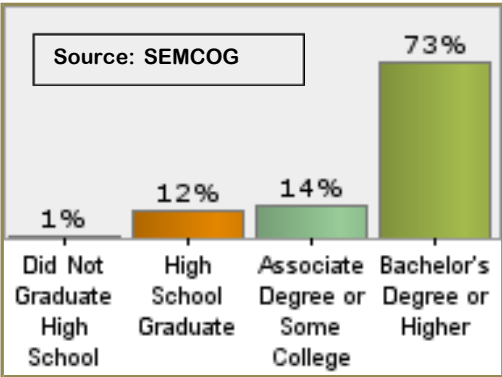
Activity Still High



OCCUPATIONS HUNTINGTON WOODS	MALE	FEMALE
• Management occupations	(17%)	(12%)
• Legal occupations	(12%)	(08%)
• Sales and related occupations	(12%)	(08%)
• Business and financial operations occupations	(10%)	(12%)
• Education, training, and library occupations	(10%)	(15%)
• Health Care treating and practitioners	(09%)	(17%)
• Architecture and engineering occupations	(06%)	-
• Office and Administrative Support	-	(05%)

Source City-Data.com
 Read more: <http://www.city-data.com/city/Huntington-Woods-Michigan.html#ixzz4Qroo2IJl>

Demographics and Local Government Structure



The City of Huntington Woods was incorporated in 1926 as a full-service municipality located in the S.E. Corner of Oakland County, Michigan. The City is approximately 1.5 square miles with a 2010 census population of 6,238. According to the latest estimates in the U.S. Census the estimated population had increased by 119 persons. The City has no industrial or light industrial base. Oakland County Assessing department placed the City's Assessed Value as of December 31, 2016 at \$475,143,500 and the (TV) Taxable Value at \$330,782,340. The City Charter requires the establishment of a Commission-Manager form of government. The City Commission is comprised of 5 members whom are elected at large for four year staggered terms. They are responsible for the appointment of the City Manager, Attorney and Chief of Police, a nd for approving of the appointment of the City Treasurer and City Clerk. The Commission is also responsible for enacting a set of ordinances and resolutions tha-11- t govern

the operation of the City. The City Manager is appointed by the City Commission and works at their pleasure. The Manager may hire department personnel at his/her discretion for effective operation of all city departments.

The City of Huntington Woods is entirely developed. Almost no property within the City remains undeveloped. The vast majority of the housing stock in Huntington Woods is comprised of single-family residential properties. The City has for the last three decades been in a no growth condition. There is no land to develop, and therefore the only new construction comes from the tear-down of existing structures, or additions on single family homes.

The City of Huntington Woods, like other municipalities, has its own unique demographics, culture and municipal service mix. The City has remained, for several decades, an extremely desirable residential community within the greater Detroit metropolitan area. The City boasts a relatively high population of residents employed in management, professional and related occupations. Moreover, the City's estimated 2014 median household income of \$115,025 ranks among the highest in Oakland County. Individual income ranked #6 in the state at \$54,395 according to census bureau statistics.

Other Oakland County communities also have populations that are generally affluent and educated, but Huntington Woods differs from these in some important respects. The City is not typical of the new, burgeoning suburban communities that comprise much of Oakland County. In contrast, much of the east side of the City was developed in the 1920s, and the west side in the 1940s. The housing stock ranges from large Tudor and brick colonial homes to smaller bungalows and ranches. Moreover, the City is physically small in size so most central City amenities are within easy reach of most households. Service levels are very high and include significant investment in community-related cultural and activity-based services. Community involvement is also high with significant participation in committee work pertaining to municipal governance and policymaking. A large number of residents embrace the City for the unique sense of community, and related values that have developed.

LATEST CENSUS STATISTICS HUNTINGTON WOODS		
Total Housing units, 2012		2,429
Homeownership rate, 2012		96.90%
Renter occupied, percent, 2012		4.10%
Oakland County Assessors median value of housing units, 2016		\$339,166
Owner occupied Housing units 2012		2,232
Est Persons per household, 2014		2.65
Est Median household income 2014		\$115,025
People of all ages in poverty - percent, 2014		2.20%
Source https://www.census.gov & Oakland County		

Not unexpectedly, service demand in Huntington Woods is extremely high. As later detailed in this report, residents enjoy a number of services that are unknown or infrequently provided in other communities. Other more common services are provided at a much higher level in Huntington Woods. It is highly likely that these services tend to make Huntington Woods more desirable to prospective property owners, thus providing a residual value to existing owners. Property values are relatively high, and most listed properties sell within a fairly short time period. The great recession of 2008 negatively impacted the housing values for the first time in recent memory. Now, seven years after the recession began the city has made a strong comeback, and values of homes are rising sharply to near 2008 levels.

Current Projects and Major Initiatives

The City has 0.6837 mills remaining under the millage cap voted in 2003. The Chart below illustrates the impact of the millage increase which has caused the City's fund equity to increase in the last eight years. The reduction in revenue caused by the declining home values during the recession forced the City to use millage it otherwise would not levy. The City is currently reviewing its needs, and has reviewed its equity goals and determined to place any additional unassigned fund balance equal to 20% of revenues in committed fund balance into an OPEB trust for purposes of reducing long-term legacy costs, which most likely will be our single biggest challenge in the next few years.

ACTUAL GENERAL FUND - FUND BALANCE SURPLUS (DEFICITS) FISCAL YEARS 2010-2017

FISCAL YEAR	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
REVENUE (INFLOWS)	6,687,686	6,436,674	6,432,865	6,875,966	7,245,404	7,342,227	7,259,757	7,459,348
EXPENDITURE (OUTFLOWS)	6,455,650	6,097,335	6,312,244	6,548,964	6,671,310	7,977,056	7,071,066	7,289,749
FUND BALANCE ACTUAL	1,143,934	2,088,432	2,209,053	2,536,055	3,110,149	2,475,320	2,664,011	2,833,610
SURPLUS (DEFICIT)	232,046	339,339	120,621	327,002	574,094	(634,829)	188,691	169,599

The Rackham Golf Course has occupied much of our southern border for over eighty years. The course has a stunning history in the region, and is considered one of the finest public golf courses in the nation. In 2006 the City entered a protracted legal battle with the City of Detroit for the right to preserve the Golf Course for public use, as deed restricted by the Rackham family. In 2007 Huntington Woods residents approved a three-year .50 mill levy to pay for legal costs associated with the Rackham issue. After three years of legal battles over its use the case was remanded to the Michigan Supreme Court in 2008. Finally, in February 2009 the Michigan Supreme Court upheld the ruling in the Appellate Court to maintain the use of the property as parkland. In total, the City spent \$426,500 to fight the legal battle to preserve the land for park use. As of the end of fiscal 2016-17 there have been no new initiatives regarding the ownership of the Rackham Golf Course, however the bankruptcy filing by the City of Detroit may change significantly the questions surrounding the ownership of the facility, and its availability to the City of Huntington Woods.

Facing the future – Changes around the Corner

The City of Huntington Woods is entering a very critical phase in the history of the City. Up until 2003 the City had never requested that our resident pay any additional millage than the amount that is calculated based upon the provisions provided by the Michigan Tax Act, the Constitution, the Headlee override and Proposition A passed in 1995. This however changed due to the inability of the market value of the City to keep up with the millage the City levied each year. The City will need to take a close look at how it may be possible to provide the services our resident desire and expect if there is no mechanism for levying millage to handle the cost. This is a systemic issue statewide, and although the City is not alone, it will be incumbent upon our City leaders to make the changes necessary to meet our financial and service needs. Listed below are three brief items that will require additional attention as we close the fiscal year.

1. The amount of millage remaining from the over-ride vote in 2003 is very small 0.6837 and may most likely be used to balance the budget in 2017-18. Considering the taxable value (TV) of the City, the remaining millage would bring in a total of only \$234,296. Once the City reaches the millage cap, there is currently no other method under the Headlee formula to increase the revenue derived from the tax base. Revenue adjustments will only be derived from new construction or marginal inflationary increases only allowed up to 5% or less as required by the current law. Reaching the millage cap is a forgone conclusion and will happen within the next few years. Once this happens the City may not be able to maintain the fund balance at the current levels, as monies will be needed from City reserves to fill in the gap between operations and the amount levied. The City will need to make tough decisions to maintain fiscal stability. In addition, the Sanitation fund which is solely funded by the millage rate is being stressed as well. With a low fund balance this fund may need to rely upon transfers from general operating to continue operations. The City needs to begin consideration for alternative methods of funding to bring more revenue into the Sanitation Fund as well.
2. The City has just levied its last series of bonds that had been voted upon to fund road and infrastructure improvements. The 2017 bonds were sold bringing into the City a total of 3.3 million dollars. This brings the total debt the City now to a moderate \$12.5 million dollars in outstanding UTGO road bonds as of 6/30/17. That said only approximately 65% of the City's Road infrastructure has been rebuilt leaving 35% of the roads untouched. The City will be required to levy more debt if the remaining portion of the roadway in the City is to be completed. Although the City is not too close to the debt limit, the City will need to be careful because additional millage will need to be levied for operations over and above the amount need to complete roadway repairs.
3. The aftermath of the 2014 flood event has caused the City to take a fresh look at our water and sewer line infrastructure. The City is currently in the process of developing a plan to repair or replace damaged and old portions of the sewer and water line. This project now is 80% complete as of the end of fiscal 2016-17. Once complete the next phase will begin. The engineers have determined that the total may approach \$15 million dollars. The City is prepared to look at numerous methods of paying for these improvements including pay-as-you-go, bond payments, and grants.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huntington Woods, Michigan for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the eleventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will seek to submit the report to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The City of Huntington Woods is proud to be recognized for comprehensive reporting and recordkeeping. The service the residents receive is unmatched in the region for a unit of government our size. The City has just recently received an updated rating from Standard and Poor's. Fortunately, we have been able to maintain a AA+ risk rating. The rating has been consistent for 10 years, and is an indication of financial health of the City, even during the recessionary times a decade ago. Our goal is to maintain this high rating level, and to take steps necessary to review and correct for issues that may be on the horizon that would lower this exemplary status.

The time and effort needed to put together a document of this nature is significant. The compilation of the data occurs annually and requires substantial effort throughout the year. As a team, the finance department has met all our challenges well. Our small financial staff of three individuals are willing and prepared to work every day to complete all required documentation for financial review. The challenge is rewarding. Our residents can look to one place for all the information on the financial health of the City and can be assured that the data contained in the document has been reviewed and scrutinized for accuracy. The finance department is interested in keeping this document as readable as possible, given the complex nature of its contents. Please do not hesitate to comment by sending us a note or contacting us in person. Lastly, recognition of our Boards Commissions and Committees must be given, as their efforts continue to ensure that the City can offer the finest living environment in Southeastern Michigan.

Respectfully,
Richard T. Lehmann, Finance Director
Tim Rowland, Deputy Finance
Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Huntington Woods
Michigan**

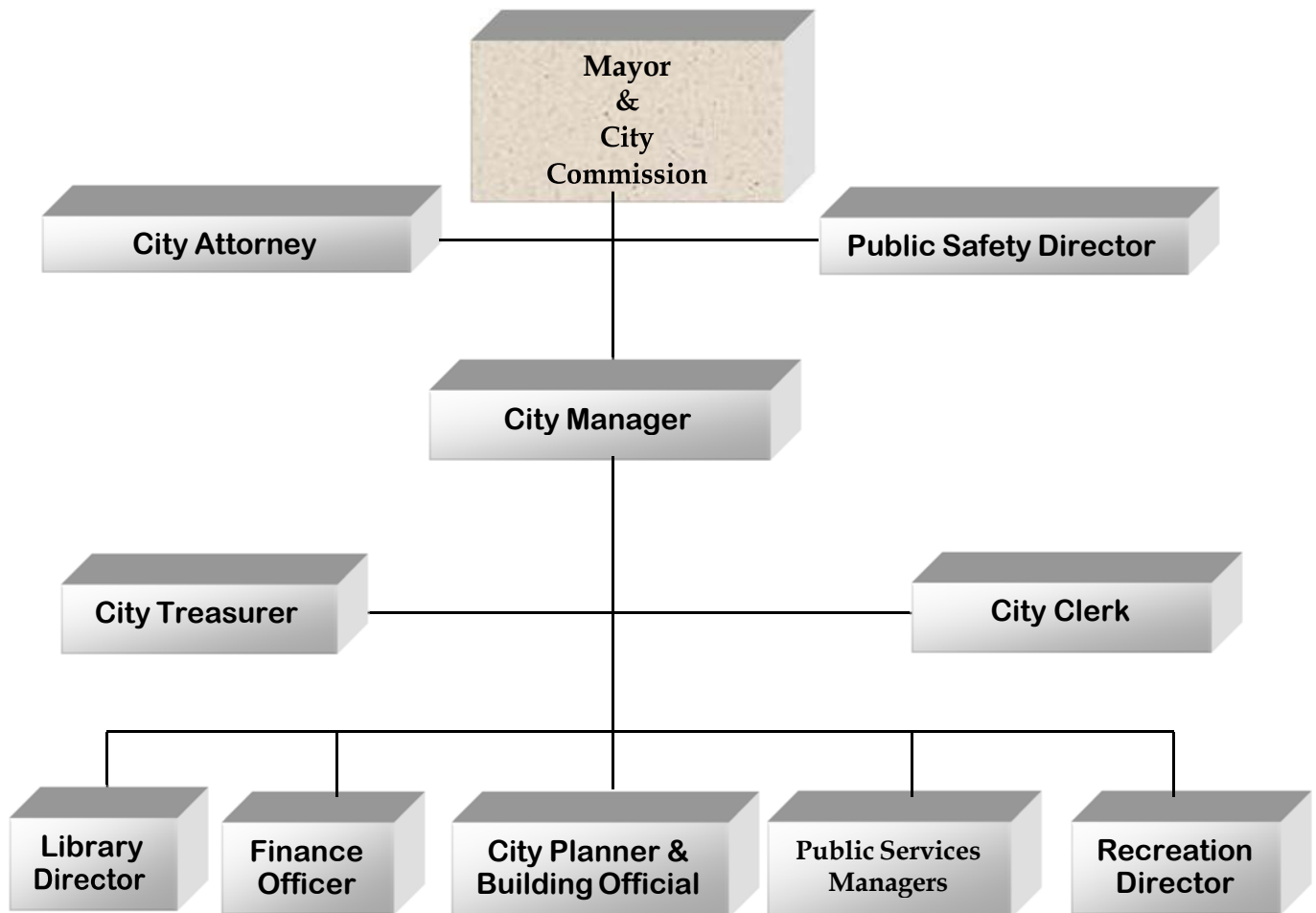
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emer", is positioned above the title of the signatory.

Executive Director/CEO

ORGANIZATIONAL CHART



City Attorney, City Manager, Public Safety Director are appointed by the City Commission

City Treasurer and City Clerk are appointed by the City Manager, with the approval of the City Commission

City of Huntington Woods, Michigan
Principal Officials

Principal Officials - June 2017

Mayor	Robert F. Paul
Mayor Pro-Tem	Jules B. Olsman
Commissioners	Joe Rozell Allison Iversen
City Attorneys	Carol Rosati Christopher Johnson
City Manager	Amy Sullivan
City Treasurer/City Clerk	Joy Solanskey
Deputy Finance Director/Deputy Treasurer	Tim Rowland
Finance Director	Richard Lehmann
Public Safety Director	Andrew Pazuchowski
Library Director	Anne Hage
Recreation Director	Mary Gustafson
DPS Manager - Interim	Marty Wozniak
Planning Official	Carlisle/Wortman Associates

City of Huntington Woods, Michigan

Fund Organization Chart

Governmental Funds

General* - including Rackham and Budget Stabilization Funds

Special Revenue

- Major Streets
- Local Streets
- Recreation*
- Sanitation**

Debt Service

- Street Debt Service*
- GWK Drain Debt Service
- 11 Mile Rd G.O. Debt Service
- 2010 Street G.O. Debt
- 2012 Street G.O. Debt
- 2014 Street G.O. Debt

Capital Projects* - including Capital Planning

Proprietary Funds

Enterprise

- Water and Sewer*

Internal Service

- Equipment
- Retirement Benefits

Fiduciary Funds

Agency

- Agency

* Major funds under GASB 34.

** Presented as a major fund at the City's discretion.

Management's Discussion and Analysis

City of Huntington Woods, Michigan

Management's Discussion and Analysis

The City of Huntington Woods, Michigan's (the "City's") management discussion and analysis (MD&A) is required by the Government Accounting Standards Board, and designed to provide an objective and easy to read analysis of the City's financial activities based on current information and facts. The MD&A is intended to serve as an introduction to the City's basic financial statements. This information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify significant variances from the approved budget, and identify individual fund issues.

Overview of the Financial Statements

The City's annual report follows a prescribed format in accordance with the requirements of all Governmental Accounting Standards Board Statements, as well as Generally Accepted Accounting Principles.

Within the financial section of this comprehensive annual financial report are four major parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplemental information, and (4) other supplemental information that presents combining statements for non-major governmental, internal service and agency funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial condition. Other statements are presented on a fund level basis that focus on individual funds and report operations in more detail than the government-wide statements.

The information contained within this MD&A is only a component of the entire financial statements. Readers are encouraged to review the remaining statements thoroughly for a comprehensive understanding of the City's financial health.

Government-wide Statements

The government-wide statements report information about the City as a whole, using accounting methods similar to those used by private sector, and are therefore prepared using the accrual basis of accounting. These statements provide a longer-term view of the City's finances and whether taxpayers have funded the full cost of providing governmental services. The first two statements are government-wide financial statements and include the following:

- The statement of net position presents information pertaining to all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position will serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflow or outflow in future fiscal periods. The primary purpose of this statement is to highlight the relative cost of providing services to the City's residents and the net impact of these services on the total net position.

Both government-wide financial statements distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general government, public safety, public works, library, building and planning, culture and recreation. The business-type activity of the City includes the water distribution and sewage disposal system.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund level financial statements report the City's operations in more detail than the Government-wide financial statements. The City uses fund accounting to comply with finance-related legal requirements. The City's fund financial statements include the following:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on how revenues and other financial assets can readily be converted to cash flow and the fund balances remaining at year end that are available for spending. The government fund statements provide a detailed short-term view that helps the reader determine the amount of financial resources that can be spent in the near future to finance the City's programs. The City maintains five major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sanitation, Recreation, Street Debt Service, and the Capital Projects funds. The City's non-major governmental funds are combined into a single statement, individual fund data for each of these funds is provided as combining statements in the section entitled "Other Supplemental Information." The non-major governmental funds include Major Street, Local Street, GWK Debt, Eleven Mile G.O. Debt, 2010, 2012, and 2014 Street G.O. Debt funds.
- Proprietary funds - Services for which the City charges customers a fee generally are reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information. The City uses two types of proprietary funds: Water and Sewer fund is an enterprise fund, which charges residents usage fees. The other proprietary fund type is internal service funds, of which the City has two, which are used to report activities that provide services to the other City funds and activities, typically covered by charges to other City departments. Individual internal service financial statements are presented for each fund in the section entitled "Other Supplemental Information." The activities of the internal service funds are eliminated in the government-wide statements to avoid duplicate reporting of revenues and expenses. The internal service funds include the Equipment fund, and the Retirement Benefits fund.
- Fiduciary funds - Agency funds are used to account for assets held by the City as an agent for the City's citizen groups and organizations, as well as for building bonds and related activities. These funds are custodial in and do not involve measurement of results of operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. This information includes budgetary comparisons for the City's General, Sanitation, Recreation, and Street Debt Service funds. Following the required supplemental information is a section containing other supplemental information. This includes combining statements for the City's non-major governmental funds, internal service funds and fiduciary funds. Immediately following the supplemental information is a statistical section, which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, demographic, and other statistical information.

Budgetary Basis of Recording: General Fund

The City's General fund posted an increase in fund balance of \$38,983 and the Budget Stabilization fund increased Fund balance by \$56,951. These increases represent 1.31% of all expenditures inclusive of all transfers from General Fund.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The finance department is currently in discussions with the Michigan Employees Retirement System (MERS) to assist the City in the development of a strategy to manage legacy costs. The MERS actuaries have recently made numerous significant changes in the methodologies used to amortize long term pension liabilities. The City and its administration are in the process of reviewing these new models and working with our representatives at the MERS system so that the City may have enough information available to determine what is the prudent route to take when negotiating new contract with our union groups. This is vitally important pending the renegotiation of the PSO and Command Contract in 2017. The goal is to make changes to the plan moving forward in contract language that will assist the City in the reduction of the unfunded liability. The hope is that the new twenty-year amortization schedules and accelerated funding will help the City increase our funding levels and provide stability to the pension system. The assumptions and methods adopted by MERS retirement board are reviewed every five years in an experience study. The study is a comprehensive, detailed analysis that reviews MERS' funding policy and compares actual experience with the current actuarial assumptions; the study recommends adjustments as necessary. The most recent study was completed in 2015 and changes to the assumptions and methods based on this data were reflected first in the 2015 valuations. The impact of these changes will be phased-in over a five-year period. The phase-in allows us to spread the impact of the new assumptions over a longer time horizon. As part of the recent experience the following changes are reflected in the 2016 valuation:

- Asset smoothing was changed from 10 to 5 years. The gain (loss) recognized each year will be 20% of the current year's gain (loss) from each of the preceding years. The cumulative difference between the market value and valuation of assets as of December 31, 2015 will be recognized over 4 years.
- Annual changes in Unfunded Accrued Liability (UAL) will be amortized over fixed periods. Creating "layers" of UAL. This will require removing and creating "layers" of UAL on an annual basis.
 - Once the amortization period drops below 15 years (10 Years for closed divisions), any future liability and asset gains or losses will be spread over a 15-year fixed period for open division and a 10-year fixed period for closed divisions --- creating "layers" of UAL on an annual basis.
 - This transparent method allows tracking of what is changing the UAL and sets a fixed period in time in which the UAL change will be fully funded.

As of December 31, 2016 the City had submitted to MERS a total of \$1,477,969 of which 308,365 was over the amount required by the actuary (illustrated on page #70). Payments made to MERS equalled \$1,523,904 on a fiscal year basis. Payments made to the MERS DC program totaled \$ 176,963 and employee contributions totaled \$92,381. In addition to the amounts set aside for the Defined contribution program, the City also has \$1,218,660 available to pay post-retirement health care benefits for employees in the DC program. As of April, 2016 the City adopted a policy that provides for a Retiree Health Care Savings Plan for all non-union and DPW Union employees hired after January 1, 2016.

The City is paying more into the State Insurance Pool than in prior years, primarily due to high loss ratios caused by the 2014 natural disaster in the region. Insurance distributions from the state insurance pool have been cut significantly from a high of approximately \$104,000 in 2014 to \$37,000 in 2016-17. This distribution from the loss fund is based upon market variables and loss ratios. We believe that it is likely that the amount of the distribution will increase in 2017-18. The City has not utilized any fund balance in the recessionary years except in FY 2014-15. The 2017-18 budget adopted in May 2017 required an allocation from unassigned fund balance of \$154,620. The City set aside \$50,000 again in fiscal 2016-17 in the Budget Stabilization fund, established after the 2003 millage vote. The amount currently available for budget stabilization purposes is \$1,078,452, this amount is included in the General Fund committed fund balance. The City has not utilized any monies from the stabilization fund since the fund was established. Contributions to the budget stabilization fund could be a source of revenue during poor economic times or on an emergency basis when required. The City invests idle funds as per statutory regulations allow into various investment vehicles to maximize interest yield to the highest extent possible. The stated maturities we maintain have been kept relatively short to reduce market risk in the low interest environment.

The City maintains an affiliation with a third-party investment advisor who is utilized as needed to assess risks in the investment marketplace. No significant changes have been made to the investment policy this year, however we continue to review the credit risk of banks and other risk-adverse investments in the portfolio. The credit risk analysis goes well beyond the requirements of P.A. 20 of 1967 which provides the basis for public sector investment in the State. The current policy is working well, however interest rates are still at historic lows, and interest earnings have fallen sharply from their highs in the late 80's.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

This fiscal year the City earned a relatively low \$52,353 in investment earnings. Although most of our idle funds are invested in the marketplace, the maturity of bonds and timing of year-end reporting have conspired to keep the figure low on a market value as of 6/30/17. As of the close of 2016 it appears as if the decade long low interest rate market is beginning to change, we still do not anticipate any major uptick in interest earnings and will not project any budget increase. The decline in earnings from a decade ago are tied directly to the weak market for fixed income instrumentalities, and not due to a reduction in investment activity by the finance office. Thankfully permit revenue has continued to rise in the last fiscal year to a reasonably healthy \$260,160. Recently, the City has had to make a change in the formula utilized for determining new home permit costs. This is primarily due to the requirement by the State of Michigan that the City (in aggregate) does not collect more revenue than what it costs to operate the building department within the City. The chart below shows the change in building permit revenue patterns in the last ten years.

Building Permit 10 Year History									
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
163,935	141,790	134,047	165,545	145,338	236,652	304,158	338,011	278,738	260,161

Huntington Woods housing values have increased at a rate higher than many cities in our area. Primarily, this is due to the residential nature of the community, the housing stock, and its central location along the I-696 corridor in south Oakland County. Factors such as these have cushioned the economic blow during the recent national economic collapse. Information we have received from the Oakland County Assessor's office has indicated that the recovery in the housing market is still in place, and values continue to rise. Statewide, property valuations have been slowly returning to post recession levels, although the rebound to date has been slow. Now that the dust has settled, it appears as if the City overall lost 9.8% of its value; substantially less than some other southeast Oakland County communities where the loss was 30% or more. The loss of \$32,326,520 of taxable value reduced our tax revenue at the height of the recession by \$609,322. The drop in taxable value and subsequent tax revenue had a large impact on the General Fund budget at a time when we were rebuilding our fund equity. As a direct result of the 2008 recession, the city was forced to utilize 1.50 mills of the over-ride millage to maintain its services leaving only 0.6837 mills remaining under the statutory millage cap (please see "Facing the future" in the preface of this document). Lastly, State of Michigan Revenue Sharing (SSR) payments and

State Shared Revenue 10 Year History										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
State Shared Revenue	566,966	562,845	570,623	447,260	511,758	526,067	539,886	549,411	549,493	573,629
General Fund Expenditures	6,287,102	6,430,088	6,455,649	6,197,334	6,362,156	6,548,964	6,671,311	7,899,394	7,071,066	7,339,749
SSR as a Percent of GF Expenditures	9.02%	8.75%	8.84%	7.22%	8.04%	8.03%	8.09%	6.96%	7.77%	7.82%

grants to Huntington Woods and other cities have been increasing steadily since the recession, and is now at \$1,056,189 including all monies received from Act 51 gas and weight tax distributions and Federal Block Grant Funds. As of the end of June 30, 2017 State Shared Revenue constituted only 7.82 % of all expenditures in the General Fund. This figure has only risen by a meager 1.2% over the ten-year period, as illustrated above, however the General Fund expenditures have risen substantially by 11.75% over the same timeframe. The loss in revenue therefore illustrates the poor situation faced by this municipality and others in the state where populations have remained relatively consistent. Had the State legislature maintained the same level of benefit based upon the statutory formula in place in 2008 the City would have received substantially more revenue sharing. The continued use of formulas by the State that continue to keep revenue sharing payments low is critical. Unless the State is willing to take a hard look at the policies and provisions for the distribution of this revenue sharing, the loss of millions of dollars of distributions will cause major service losses and shifts in taxation.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

Payments into the MERS retirement system continually cause the General Fund to end the year with less in our rainy-day fund than would otherwise be the case if we were funded at a higher level. Transfers from General Fund equaled \$2,175,500 which is a moderate increase of 12% from last year's value of \$1,946,487. Operational transfers amounted to \$1,747,126. A total of \$428,374 was transferred to capital planning, budget stabilization and post-retirement benefits combined. General Fund transfers to the Recreation Fund for operational purposes remained at \$750,000. Overall, the Recreation Fund collected 93.59% of all anticipated revenues including transfers from other funds, or approximately the same as in prior years. The Recreation Center spent 98% of appropriations equal to \$1,976,926; a small increase from 2016 but higher than anticipated. In the last few years, the cost of the recreation operations has increased significantly due to additional programming costs, building upkeep, and increased cost of personnel, most significantly the benefit costs associated with the MERS retirement transfers. The increase in the expenditures in the Recreation Fund coupled with the small increase in revenue has caused the Recreation Fund to show an uncommitted fund balance that is too low for the operation of the Gillham Recreation Center. The City is in the process of reviewing what needs to be done in 2018 to reduce the cost in the fund and bring in more revenue. If additional revenue is not likely, the City may need additional transfers for operations from the General Fund.

Other funds had mixed results from operations. The Major and Local Road Fund revenue increased slightly to \$652,869, however expenditures increased significantly by 22% over this same period. The cost of maintaining one mile of roadway and/or rebuilding a mile of roadway has significantly increased in the past 6 years, as material costs continue to rise well above inflation, according to our engineers. The amount of revenue the City receives from the State for Gas and Weight tax tied to the road funds in Act 51 dollars have never been adequate to rebuild the roadway system in the City. Although the City has been able to maintain the fund balance in these road funds, it is becoming increasingly difficult to maintain fund balance levels with the current level of expenditures required to maintain our right-of-way. The State has made some changes in the Gas and Weight tax distribution after a successful campaign to raise the gas tax statewide. With years of deferred maintenance, the State of Michigan; according to State Sources, Michigan's roads need \$2.0 billion annually to repair the failing roadway system. Our hope is that additional monies will be appropriated in the next few years, however the antiquated formula for monetary distribution represents a major obstacle for smaller communities like Huntington Woods. As of June 2017, the Major Road fund has increased the fund balance by a modest \$45,617; Local Road Fund increased its fund balance by \$22,898.

The City has continued its aggressive road replacement program paid by debt millage. As of June 2017, the last series of bonds were levied under the UTGO bond millage vote in 2009. This completes all the series originally anticipated. Unfortunately, the City does not have enough bond proceeds left to complete the project as originally anticipated. As of the end of the audit year, the City still has 40+ percent of the City that does not have a new or improved roadway surface. To complete the multiyear roadway reconstruction project, the City Commission will need to review the status of the roadway work and resolve to bring a proposal to a vote. Although the City has room under the statutory debt limit, the City will need to look carefully at the operating millage we now levy, the millage cap, and other large programs such as the sewer replacement project. Most likely the City will not be able to levy new bonds for roadway reconstruction, sewer line replacement and mileage override as soon as needed. Lastly, the Major and Local Road Funds are the major source of funding for a portion of the 11 Mile Road bond, and will continue to fund this bond repayment through 2027. The City had been implementing inventory programs for the management of our tree inventory on our roadways, and are reviewing a purchase of new software to continue this process in the future. The City has not yet completed the trimming of trees within our 13 acres of parks, but hope to complete this task in the future. Once completed, we will begin the 5yr. trimming schedule originally envisioned in 2012. Presently the focus is on tree trimming on our local and major street that can be accomplished by our DPW crew.

PARK PRESERVATION INITIATIVES

The Rackham Golf Course represents 13% of the City's land mass, and therefore is very important to the future of the City. The Golf Course represents a large green-space where no development can occur. With the Rackham lawsuit resolved the City will look at its options pertaining to the future of the Golf Course and the management of the facility. The City Commission may review the ownership of the Course, however as of this report this has not occurred. We are currently waiting for a determination from Detroit as to what company will manage the golf course. Lastly, we need assurance that service fees in lieu of tax revenue are part of any new agreement. The goal will be to maintain a high quality recreational facility for the region to enjoy. The Scotia Park project will begin in the fall of 2017. The project will cost approximately \$230,000 and will be paid by Capital Improvement monies and civic grants.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

OTHER POST EMPLOYMENT BENEFITS REQUIREMENTS

The City is required to disclose information pertaining to post retirement benefits and the level of unfunded liability. The City has calculated (based upon an actuarial template) the amount of money that is required in present day dollars (present value) to fund the cost of retirement health care in the future for the current retirees and the present city employees. The City has determined that the 2016 UAAL is \$6,884,909. The ARC is \$690,850 based upon our current employee census and health care data. The UAAL has been reduced in 2014 and has been reduced again in this fiscal year. This is due to a lower AAL and investment earnings in the marketplace on monies held in the MERS OPEB trust. This will be the last year that the City uses the proforma designed for use by jurisdictions of 100 persons or less. Beginning July 1, 2017, the City has contracted with an actuary to perform the required OPEB calculations based upon new modeling. As of the end of the fiscal year the City contributed \$145,478 into the trust and paid healthcare premiums for the retirees of \$356,458. The Post Retirement Fund (734) posted administrative and other costs of \$71,525. The City will continue to contract with the Municipal Employees Retirement System to maintain an OPEB Trust for administering and investing retiree health care dollars.

Financial Position Statement

The City maintains an extensive investment portfolio and is aggressive in keeping money invested as per statutory regulations as illustrated in 1943 P.A. 20 as amended. The Investment Policy, as adopted, focuses on safety of principal, quality of investments and low risk. The credit risk associated with the financial portfolio at year end is once again small. The preponderance of the portfolio includes either municipal bond issues of varying maturities or other instrumentalities of the Federal Government which bear a lower credit risk than other certificates of deposit or commercial paper. The low interest environment will continue to be a factor for determining the average length maturities in the portfolio. The Finance Department goal will be to have a maximum maturity length no greater than (3) three years to reduce any market risk that may accrue with the sale of a position prior to its stated maturity date. The median length of maturity as of June 30, 2017 is 3.32 years. In addition, the policy provides for a credit review of all CD's and Commercial paper purchased. Although the State statute does not require any credit test, the policy we employ carries a provision to meet a credit threshold as established by bank credit rating agencies. Additionally, the Finance Department can only invest monies in any bank Certificate of Deposit for a maximum length of 18 months, further reducing credit risk. At the end of the fiscal year the City had a total 7.5% of its portfolio invested in instrumentalities that are subject to credit risk. The remaining balance of the portfolio or 92.5% is invested in Agencies and Municipal Bonds that have laddered maturities. The City posts these at market rate, and generally holds all marketable securities to maturity.

The City ended the fiscal year with an increase in its fund balances positions in the General Fund. Other governmental funds generally showed mixed results. The sanitation fund closed the year with a positive net adjustment to unreserved fund balance equal to \$37,327. Unfortunately, as stated earlier in this report, the City has only .6837 mills remaining in its full over-ride vote. This margin is small. The administration understands this situation and will continue to monitor the health of the General Fund. Property values have continued to rise in the last 7 years, however the City cannot capture the increase in market value on the tax roll due to Proposal A. This dynamic is beginning to weigh heavily on our ability to maintain services at their current levels. We are looking for changes to be made via the State Legislature to minimize the issues inherent in the Proposal A calculations. Currently, the City has General Fund equity equal to 36.82% of annual expenditures and transfers out. This level of fund balance is still healthy and above the customary standards for local governmental units. The rapid erosion of our taxing ability during the 2008 recession was not expected and has caused a drop in the amount of millage we have remaining under the statutory cap. Therefore, the City will reach the over-ride maximum far sooner than originally anticipated. Once this cap is reached, there will be no room, under the current tax law to increase millage rates. The reduction of legacy costs for health care and pension is critical to our continued recovery. Moving ahead, further consolidation of services will play a significant role as well. Failure to carefully review these large ticket items could lead to further reduction of current services to pay for past debt.

Data from Oakland County Equalization shows a relatively modest increase in taxable value again for the calendar year 2017 equal to 3.60%, unfortunately because the rate of inflation was kept at 0.09% the City was unable to capture much of this increase. New construction was equal to only 1.0% of our taxable value. not high enough to sustain the growth in the expenditures in General Fund over the long term. As discussed earlier in this document building activity is high and State Share revenue distributions have continued to improve as the State's fiscal health becomes stronger. The City Commission will continue to be faced with making very tough choices between service consolidations and providing services as the City Commission puts together upcoming budgets.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The City again has recently levied an additional 0.50 mills of the over-ride millage, lessening the remaining millage margin to substantially less than one mill. Based upon the over-ride language adopted by voters, the City can continue increasing the millage levy at the discretion of the City Commission until the levied millage equals the declining Headlee tax millage limit. At that point, the City may not levy additional millage. The result is that the City will never be able to reach the statutory charter limit of 20 mills. The chart below illustrates this dynamic. Please note that the decline in the maximum allowable rate did not decline during the 2008 -12 recessionary periods.

AS OF JUNE 2017 THE 2017-18 BUDGET ADOPTED IN MAY 2017 REDUCED THIS FURTHER TO 0.5711 MILLS

Fiscal Year Beginning	Millage as reduced by Headlee	Maximum over-ride allowed	Levied	Over-ride millage remaining
2007	12.9145	5.8737	18.7882	4.3737
2008	12.9145	5.8737	18.7882	3.8737
2009	12.9145	5.8737	18.7882	3.8737
2010	12.9145	5.8737	18.7882	3.3737
2011	12.9145	5.8737	18.7882	2.3727
2012	12.9145	5.8737	18.7882	1.8737
2013	12.9145	5.8737	18.7882	1.3737
2014	12.9145	5.8737	18.7882	1.3737
2015	12.7802	5.8126	18.5928	1.3126
2016	12.5949	5.7885	18.3834	1.2885
2017	12.3669	5.6837	18.0506	0.5711

Capital Outlay

The City allocated \$455,800 in the 2016-17 Capital Improvement Program Budget (CIP). At the end of the fiscal year the City spent a total of \$502,750 on various capital projects. Most of this money was allocated to building repair. Public Safety Department purchased new air evacuating equipment for the fire garage, and new weaponry and one new police vehicle at a cost of \$45,000. The Department of Public Works did not spend any monies on CIP improvements in 2017. The Recreation Department spent a substantial amount to replace old equipment in the daycare center, and to reroof the building which was built in 1973. The Aquatic Center was given a grant to complete the installation of a new scoreboard with grant monies from a civic group within the City and new boilers were installed at the swimming pool. Lastly, the City has continued the implementation of the Road Improvement program and allocated \$390,451 remaining in the construction fund to complete some street rebuilding efforts. Capital Projects fund balances have been reduced primarily due the road expenditures as indicated above, however aging buildings, and other related equipment have caused the City to spend CIP dollars on improvement to roofs, doors parks and other electronic equipment use in our City hall and Cultural Center buildings.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The City of Huntington Woods as a Whole

The City's combined total of net position for the fiscal year ended June 30, 2017 is 20,078,520 as illustrated in the statement below.

City of Huntington Woods' Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 10,131,367	\$ 6,901,642	\$ 1,859,660	\$ 1,534,010	\$ 11,991,027	\$ 8,435,652
Capital Assets	33,160,564	36,073,462	3,932,000	3,997,472	37,092,564	40,070,934
Total Assets	43,291,931	42,975,104	5,791,660	5,531,482	49,083,591	48,506,586
Deferred Outflows	1,205,251	502,938	-	-	-1,205,251	502,938
Long-term liabilities	28,232,418	26,896,517	-	-	28,232,418	26,896,517
Other liabilities	1,175,418	1,040,082	101,412	70,700	1,276,830	1,110,782
Total Liabilities	29,407,836	27,936,599	101,412	70,700	29,509,248	28,007,299
Deferred Inflows	701,074	346,153	-	-	701,074	346,153
Net Position:						
Net investment in capital as	18,562,423	20,393,781	3,932,000	3,997,472	22,494,423	27,391,253
Restricted	6,128,154	2,097,767	-	-	6,128,154	2,097,767
Unrestricted (Deficit)	(10,302,305)	(10,296,258)	1,763,310	1,463,310	(8,544,057)	(8,832,948)
Total Net Position	\$ 14,388,272	\$ 15,195,290	\$ 5,690,248	\$ 5,460,782	\$ 20,078,520	\$ 20,656,072

In 2014 the City had suffered substantial damage to the infrastructure of the City. This event caused the City to spend a substantial amount of monies equal to \$1.45 million for repair of our buildings. A substantial amount of this cost was covered by our liability insurance, however approximately \$280,000 was paid by the City. In addition, a 2014 resolution by the City Commission reduced out current assets by \$1.0 million dollars due to the payment into the MERS retirement system program. As of June 2017, the City has not seen any major change in its current or long-term assets as compared to the prior fiscal year. However, the remaining amount in the 491 Capital Improvement Road fund was spent on roadwork in the City totaling \$2,477,284 as shown in the capital asset table in note #3. At the end of the fiscal year the City had a total of \$214,600 dollars remaining in the construction fund as derived from the 2014 bond sale. The City has recently marketed new bonds in June 2017 to continue work on our road improvement program equal to \$3,330,000.

The City's combined total of net position for the fiscal year ended June 30, 2017 is \$20,078,520. The reduction in the net position has been relatively stationary since 2014, however this is likely to change in 2017-18 due to the implementation of the latest OPEB pension liability actuarial. We believe that the cost of OPEB will increase once the work via the actuaries is complete. The City has reduced our unrestricted net position by and pension liabilities will increase for the City is primarily due to the changes brought about by the implementation of GASB Statement #68, which reduced our net position by \$8,956,300 over this period. At the end of the fiscal year 2014 the net position was \$29,034,820. This decrease will permanently reflect the new GASB standard and more adequately show the adjusted net worth of the City. We would anticipate a further decline in the net position based upon the new OPEB data that will be included in future annual reports.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The following shows the net position as of June 30, 2016 and 2017 in a condensed format.

City of Huntington Woods - Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues: Charges for Services	\$ 3,233,361	\$ 2,726,071	\$ 2,798,640	\$ 2,745,041	\$ 6,032,001	\$ 5,471,112
Operating Grants & Contrib.	11,918	22,955	-	-		22,955
Capital Grants & Contrib.	-	-	-	-		-
General Revenues:						
Property Taxes	7,436,568	7,927,037	-	-		7,927,037
State Shared Revenues	573,630	549,493	-	-		549,493
Investment Earnings	48,235	76,455	4,121	6,570		83,025
Total Revenues	11,303,712	11,302,011	2,802,761	2,751,611	6,032,001	14,053,622
Expenses:						
General Government	2,527,307	2,308,876	-	-	2,527,307	2,308,876
Public Safety	2,064,426	3,387,345	-	-	2,064,426	3,387,345
Public Works	1,246,834	354,650	-	-	1,246,834	354,650
Recreation and Cultural	2,584,876	2,949,723	-	-	2,584,876	2,949,723
Interest on Long-Term Debt	392,639	426,606	-	-	392,639	426,606
Loss on Disposal of Assets	3,054,456	6,824	-	-	3,054,456	6,824
Water and Sewer	-	-	2,813,487	2,736,953	2,813,487	2,736,953
Total Expenses	11,870,538	9,434,024	2,813,487	2,736,953	14,684,025	12,170,977
Excess (Deficiency) before						
Transfers	(566,826)	1,867,987	(10,726)	14,658	(577,552)	1,882,645
Transfers In (Out)	(240,192)	(133,800)	240,192	133,800		-
Change in Net Position	(807,018)	1,734,187	229,466	148,458	(577,552)	1,882,645
Net Position, Beg. of year	15,195,290	13,461,103	5,460,782	5,312,324	20,656,072	18,773,427
Net Position, End of year	14,388,272	15,195,290	5,690,248	5,460,782	20,078,520	20,656,072

The City Commission has levied the last series of bonds for roads as alluded to earlier in this document. The proceeds should allow us to complete perhaps another 3 miles of roadway reconstruction in the City. That said, there has been no additional hearings, or resolutions that would set the stage for levying any additional debt to complete the road reconstruct project. Based upon the low amount of construction monies left in the CIP Road construction fund, the City sold \$3,330,000 of bonds in April 2017. The total debt load of the City is included in (note 4) of this statement. The millage needed at our current level of taxable value to pay our road bond obligations in 2016 was 2.3552 equal to \$779,058 exclusive of overlapping Oakland County Drain debt. The anticipated levy for the 2017-18 fiscal year is 3.5589 mills or \$1,219,596.

Long term debt for the GWK Drain has been restructured and now includes seven separate issues amounting to \$1,661,685. The City has been successful in its negotiations with The City of Detroit regarding the payment of the Detroit portion of the GWK drain debt on the property that lies within the Rackham Golf Course. The apportionment required that 13.89% of the total amount owed on the drain debt for the rebuild of the GWK drain was to be paid by the City of Detroit. Once Detroit filed for bankruptcy, the payments to the City of Huntington Woods remained unpaid. In May 2017 Detroit paid its obligation for the two outstanding years in the amount of \$37,233 to the GWK (225) fund.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

As of June 30, 2017, there were no new drain bonds levied and the principal balance on outstanding obligations has been reduced by principal payments (Note 4.). The City statutorily can levy an amount of the millage equal to the total of the principal and interest obligations in any fiscal year to pay its current year bonded debt obligations. The amount of millage needed to pay the Oakland County Drain bond overlapping debt in 2016-17 was 0.8030 mills; in 2017-18 the anticipated millage is 0.6630 mills. The statutory limit on the amount of outstanding debt that the City can levy is 10% of the assessed value of \$449,400,130 or \$44.9 million. The City's current debt margin is equal to 30.49%; higher than in 2016 due to the new \$3.30 million debt issue sold in June 2017.

The City is currently negotiating with the Police Officers Labor Council on the current contract that expired June 30, 2017. The ramifications of the negotiations are high and will have a large impact on the financial future of the City. As of the end of 2016 the City still has two active labor groups under the MERS defined benefit (DB) plan; Public Safety Officers and Command. The remaining work force received retirement benefits based upon a 401a defined contribution (DC) plan. Beginning in 1998 all new employees in our non-union group and the AFSCME union group are placed into a defined contribution program except both Public Safety labor groups. In 2015 the City had taken substantial steps in our understanding of the unfunded liability in the MERS system, and have taken steps to begin the process of reviewing what new programs we can use to assist us in the management of the legacy costs we have. The failure to make changes that reduce the liability will continue to reduce the amount available for City operations. Recently, the City has requested actuarial studies be done to enable the administration to determine what the long-term costs are associated with either a hybrid plan or a DC plan. With legacy cost continuing to increase as older workers retire, the City must look at methodologies and programs that will assist in reducing the total unfunded liability. Failure to negotiate a settlement will force the City into binding arbitration as per 1929 Act 312 as amended. The current monetary requirement for MERS funding in aggregate for all pensioned DB groups in the City is \$1,244,040 and the required accelerated amount is equal to \$1,365,872. This equates to a total of 3.98 mills; a number which is too high given the small amount remaining under the millage cap voted into place in 2003. Negotiating a settlement is critical to reducing our legacy costs, and liability picture.

With the City Masterplan now in place, the focus on the rewrite of the zoning ordinance has begun in earnest. This most likely will enable parts of the City to be zoned for planned unit development (PUD). Although not yet determined, this change would allow the City and developers to work together to bring alternative housing types to the City, allowing senior residents to remain in place as they age. Currently, our older residents have no option whether to stay in their homes, forcing many residents to move out of the City to seek living arrangements that are more conducive to their limited mobility, and lower incomes. At this point the City is involved in visioning sessions with respect for the possibility of building senior housing to keep our senior residents from moving into alternative housing elsewhere. The City is very sensitive to the needs of our Senior population and the need to meet their needs. With many of the State Shared Revenue programs based upon population, it is incumbent upon the City to do whatever it can to keep our population levels as high as possible.

The City has implemented a very extensive review of the sanitary and storm water overflow system in the City. This is due to the age of the system and increased liability due to unknown damage resulting from the 2014 flood event. The City has spent \$542,440 to clean, map, and televise the entire 32+ miles of sanitary sewers in the City, most of which were installed well over 70 years ago. When finished, the data will be compiled and the City will work on the development of a long-term capital improvement plan to repair the underground sewer lines. The cost of the repair will be borne almost entirely by the residents of the City, although some grant monies may become available. We would anticipate that the program will be extensive and that the costs will need to be handled via bonded debt. At this point the engineers believe that the program cost may be as high as \$12-15 million dollars.

As of June 30, 2017, all required and relevant GASB pronouncements have been implemented. The City administration understands the ramifications of the of unfunded liabilities in both the pension system, and Other Post Employment Benefit costs (OPEB) and will be prepared to implement GASB 75 in 2018. Currently, the City has an overall defined benefit funding ratio of 60%; marginally higher than in 2016. The total December 30, 2016 unfunded liability is \$9,890,536. Reducing the unfunded liability in MERS and OPEB is one of the largest financial issues we face. As of the end of the fiscal year ending June 30, 2017 on a cash basis, the City paid a total of \$1,630,245. in pension payments, \$845,045 in healthcare and related costs, and \$176,963 in Defined Benefit payments in fiscal 2016-17. This level of benefit funding is difficult to sustain. The City will continue to review new policies and procedures available through the Michigan Employee Retirement System (MERS) to both reduce the current liability and to slow down the accrual of new liability in the future. The results of these initiatives will hopefully bring the payment into a fully funded prospective and allow the City to pay pensions based solely upon a normal cost.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

General Fund transfers increased 11% to a total of \$2,175,500 last year. These monies were substantially transferred to pay to for capital projects. The General Fund subsidized the Recreation Fund by \$750,000 and the Post Retirement Fund by \$497,604. These two transfers alone represent 3.77 mills, which is slightly less of a percentage than was transferred in 2016. Very few budget adjustments were required at the end of the fiscal year, and all Act 621 violations were reviewed and covered by adequate fund balance in their respective funds as required by state statute.

TRASNSFERS OUT OF GENERAL FUND FY 2016-17		
	Actual 6/30/17	Percentage
TRANSFER/LOCAL STREET	150,000	6.90%
TRANSFER/RECREATION FUND	750,000	34.47%
TRANSFER - BUD STABILIZATION	50,0000	2.30%
TRANSFER TO WATER FUND	300,000	13.79%
TRANSFER - EQUIPMENT FUND	195,000	8.96%
TRANSFER/POST RETIREMENT	497,604	22.87%
TRANSFER/CAPITAL PLANNING	232,896	10.71%
	2,175,500	100%

Financial Outlook Review

Huntington Woods and other "inner-ring" suburbs are very interested in the strength brought about by the renewed interest in the city of Detroit. The City Commission in Huntington Woods supports the efforts of the Mayor's office and the redevelopment initiatives brought about by the new administration. The City has supported issues and programs designed to bring about new and improved transportation in the region and are ready to help the City of Detroit become powerful again. Huntington Woods has been awarded a very high AA+ S&P bond rating which was reaffirmed this June. Fortunately, Oakland County's high rating and Detroit's comeback have been positive factors in the rating we now enjoy. Lastly, the State has roared back in a big way and enjoys a very healthy rainy-day fund. That said, Huntington Woods needs to be aware that our size, limited tax base, and cost of offering a full complement of services leaves us vulnerable if there is another recessionary cycle. The consideration of consolidation of services needs to be part of planning its agenda for the future. The City remains committed to balancing the budget with limited use of fund balance re-appropriation. The administration and Commission understand that many of the changes that have been made at the Federal, State and local level are permanent, and that most likely we will never fully recover from the standpoint of offering the level of services our residents have received in the last several decades.

Michigan has made significant strides in economic stability, based upon the improved economy. The resulting increase in revenue has helped to stabilize numerous revenue sharing payments statutorily due the City on an annual basis. Changes in personal property taxation in the last two years will reduce the tax burden on small businesses, but will have little impact on Huntington Woods due to our small commercial/business footprint. Generally, we believe that any change will be result in very small changes in Personal Property tax collections for the City. Fortunately, Huntington Woods has only a small fraction (1.2%) of our annual tax bill that would be impacted by the loss of personal property tax payments. In May 2016, the City reviewed the use and character of the roadway system in the City. The emphasis was placed squarely on the function of the roads and whether they should be classified as major or local roads. After the process was complete, the City had determined that numerous roads in the City were under-classified as local roads. This information was submitted to the Department of Transportation (MDOT) in March 2017. In June, the City received a notice from MDOT that they agreed with the reclassification and added 2.70 miles to our major road inventory. The resulting reclassification will mean that the City will be able to use the Major Road formulas under Act 51 gas tax formula to increase the amount of money that will be made available to the City. This increase will be approximately \$27,250 annually based upon the 2017-18 budget. This value will be adjusted annually and may increase or decrease in the future depending upon statutory guidelines and gas tax revenues.

Lastly, the City has been diligent in preparing all documents required to maintain our statutory revenue sharing payments under the new EVIP Statute and will continue to do so in the future. The City Commission and Administration will work harder and smarter, combine service where reasonable and redouble our efforts to maintain the tradition of offering the highest level of service we can afford for our residents.

This report is intended to provide the citizens, taxpayers, customers and investors with a general overview of the City's financial position. Care has been taken to clearly and accurately describe the financial state of the City as of June 30, 2017. We always welcome comments or questions on its content, presentation, or any other aspect of this report either in person, on line, or by personally contacting the City Administrative office located at 26815 Scotia Road, Huntington Woods MI 48070.

SUMMARY

Housing values still are on the uptick in 2017. Building permit growth has also been steady improving 7 years after the recession. We have come back from the recession as it pertains to the value of the City on the tax rolls. That said, the City will never regain the lost revenue caused by the slump in housing values, or the loss in other revenue associated with the downturn. In a recent study put together by the Michigan Municipal League (MML) and its advisors, point to the fact that the State of Michigan is not adequately sharing with local communities any increased revenue in the way of revenue sharing payments. This same study focused on the systemic problems inherent the 1993 Proposal A which dramatically changed the way taxation is calculated in the state. We firmly hope that there will be legislation written that will change current policy on the distribution of revenue sharing and the ability to allow governmental units in the State to keep up with costs by eliminating provisions within Proposal A that "Cap" our ability to raise tax dollars via increased property valuations above inflation. The lack of a viable method to capture the value of "pop-up" or sale adjustments to the roll will ultimately spell doom for urban mature communities that are in a "no-growth" posture. Huntington Woods can be considered in this group. In the last 7 years the City has consistently lost ground every year in its ability to levy tax due to the constraints of Proposal A. This one issue may be our largest challenge. The City does not anticipate any new hiring in the future and will only consider hiring person to fill positions on our staff that have retired.

Investment income has suffered again this year, however new investments and market variables point to higher yields in the future. Recently changes in health care policies and requirements have further caused the City to rethink the cost of staffing and providing services through contracted vendors. We are continually testing the market for finding the right fit in providing benefits to our employees at a reasonable premium. There is no question that the City will need to review what services are critical to our residents and which can be eliminated. Combining services with neighboring communities may be a necessity to overcome the lack of growth in our revenue. It is entirely possible that more services will be combined in a regional effort to offer services at a lower cost. The 0.6837 mill cushion at June 30, 2017 is very slim and will be used quickly within the next few years. The City will, no doubt, need to look at methods of reducing costs, or request that voters once again override the Headlee amendment with a millage vote to maintain services at present levels. It is unlikely that the City's new construction will grow quickly enough to fill the void created by increased costs in the declining revenue environment.

Financial Section

PSLZ LLP
Certified Public Accountants

PLYMOUTH

1034 WEST ANN ARBOR TRAIL
P.O. BOX 5520
PLYMOUTH, MI 48170-1502
Telephone (734) 453-8770

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Rana M. Emmons, C.P.A.
Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.

BLOOMFIELD HILLS

3707 WEST MAPLE ROAD
SUITE 101
BLOOMFIELD HILLS, MI 48301-3212
Telephone (248) 644-9125

Deborah M. Gulledge, C.P.A.
Jing Yang, C.P.A.

Independent Auditor's Report

December 12, 2017

To the Honorable Mayor and
Members of the City Commission
City of Huntington Woods, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Woods, Michigan, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Woods, Michigan, as of June 30, 2017, 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.

Honorable Mayor and
Members of the City Commission
City of Huntington Woods, Michigan

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Huntington Woods, Michigan's basic financial statements. The other supplemental information as listed in the table of contents (combining statements and budgetary comparison schedules) and introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents (combining statements and budgetary comparison schedules), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as listed in the table of contents (combining statements and budgetary comparison schedules), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Respectfully,

A handwritten signature in black ink, appearing to read "PSLZ LLP", is written over the printed name.

PSLZ LLP

Certified Public Accountants

PSLZ LLP Certified Public Accountants

Basic Financial Statements

CITY OF HUNTINGTON WOODS, MICHIGAN

Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 293,157	\$ 7,090	\$ 300,247
Investments	9,452,288	1,009,087	10,461,375
Receivables (net of allowance for uncollectibles):			
Accounts	265,940	783,054	1,048,994
Taxes	11,030	-	11,030
Prepaid Items	100,102	-	100,102
Inventories	8,850	60,429	69,279
Total Current Assets	<u>10,131,367</u>	<u>1,859,660</u>	<u>11,991,027</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable Assets	368,274	1,000	369,274
Depreciable Assets	32,792,290	3,931,000	36,723,290
Total Noncurrent Assets	<u>33,160,564</u>	<u>3,932,000</u>	<u>37,092,564</u>
Total Assets	<u>43,291,931</u>	<u>5,791,660</u>	<u>49,083,591</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows related to Pensions	<u>1,205,251</u>	<u>-</u>	<u>1,205,251</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	230,950	42,135	273,085
Accrued Expenses	241,792	4,381	246,173
Other Liabilities	702,676	15,145	717,821
Current portion of long-term obligations	1,252,713	-	1,252,713
Total Current Liabilities	<u>2,428,131</u>	<u>61,661</u>	<u>2,489,792</u>
Noncurrent Liabilities:			
Other Liabilities	-	39,751	39,751
Net Pension Liability	10,385,861	-	10,385,861
Net Retiree Healthcare Obligation	3,238,324	-	3,238,324
Compensated Absences Payable	10,092	-	10,092
Noncurrent portion of long-term obligations	13,345,428	-	13,345,428
Total Noncurrent Liabilities	<u>26,979,705</u>	<u>39,751</u>	<u>27,019,456</u>
Total Liabilities	<u>29,407,836</u>	<u>101,412</u>	<u>29,509,248</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unamortized Bond Premium	361,961	-	361,961
Deferred Inflow-recreation fees	339,113	-	339,113
Total Deferred Inflows of Resources	<u>701,074</u>	<u>-</u>	<u>701,074</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	18,562,423	3,932,000	22,494,423
Restricted for:			
Sanitation	55,468	-	55,468
Streets	4,101,885	-	4,101,885
Debt Service	892,350	-	892,350
Budget Stabilization	1,078,451	-	1,078,451
Unrestricted (Deficit)	(10,302,305)	1,758,248	(8,544,057)
Total Net Position	<u>\$ 14,388,272</u>	<u>\$ 5,690,248</u>	<u>\$ 20,078,520</u>

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The notes to the financial statements are an integral part of this statement

CITY OF HUNTINGTON WOODS, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
<u>Functions/Programs</u>							
Governmental Activities:							
General Government	\$ 2,527,307	\$ 1,533,159	\$ 3,011	\$ -	\$ (991,137)	\$ -	\$ (991,137)
Public Safety	2,064,426	271,556	3,176	-	(1,789,694)	-	(1,789,694)
Public Works	1,246,834	308,132	-	-	(938,702)	-	(938,702)
Recreation and Cultural	2,584,876	1,120,514	5,731	-	(1,458,631)	-	(1,458,631)
Interest on Long-Term Debt	392,639	-	-	-	(392,639)	-	(392,639)
Total Governmental Activities	<u>8,816,082</u>	<u>3,233,361</u>	<u>11,918</u>	<u>-</u>	<u>(5,570,803)</u>	<u>-</u>	<u>(5,570,803)</u>
Business-type Activities:							
Water and Sewer	<u>2,813,487</u>	<u>2,798,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,847)</u>	<u>(14,847)</u>
 Total Primary Government	 <u>\$ 11,629,569</u>	 <u>\$ 6,032,001</u>	 <u>\$ 11,918</u>	 <u>\$ -</u>	 <u>(5,570,803)</u>	 <u>(14,847)</u>	 <u>(5,585,650)</u>
General Revenues and Transfers:							
Property Taxes					7,436,568	-	7,436,568
State Shared Revenue					573,630	-	573,630
Unrestricted Investment Earnings					48,235	4,121	52,356
Gain (Loss) on Disposal of Assets					(3,054,456)	-	(3,054,456)
Transfers					(240,192)	240,192	-
Total General Revenues and Transfers					<u>4,763,785</u>	<u>244,313</u>	<u>5,008,098</u>
Change in Net Position					(807,018)	229,466	(577,552)
Net Position - Beginning					<u>15,195,290</u>	<u>5,460,782</u>	<u>20,656,072</u>
Net Position - Ending					<u>\$ 14,388,272</u>	<u>\$ 5,690,248</u>	<u>\$ 20,078,520</u>

The notes to the financial statements are an integral part of this statement

CITY OF HUNTINGTON WOODS, MICHIGAN
Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds					Other	Total
	General	Sanitation Fund	Recreation Fund	Capital Projects	Street Debt Service Fund	Nonmajor Governmental Funds	Governmental Funds
<u>ASSETS</u>							
Cash and cash equivalents	\$ 79,965	\$ 3,206	\$ 30,428	\$ 26,171	\$ -	\$ 113,249	\$ 253,019
Investments	2,613,343	52,032	503,452	4,176,924	-	1,276,893	8,622,644
Receivables:							
Accounts Receivable	149,915	1,036	9,889	14,721	-	90,379	265,940
Taxes	10,903	-	127	-	-	-	11,030
Inventories	8,850	-	-	-	-	-	8,850
Prepaid Items	68,946	-	4,090	-	-	-	73,036
Total Assets	<u>\$ 2,931,922</u>	<u>\$ 56,274</u>	<u>\$ 547,986</u>	<u>\$ 4,217,816</u>	<u>\$ -</u>	<u>\$ 1,480,521</u>	<u>\$ 9,234,519</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts Payable	\$ 44,103	\$ 29	\$ 14,730	\$ 158,018	\$ -	\$ 1,219	\$ 218,099
Accrued and Other Liabilities	54,209	777	45,611	23,282	-	1,834	125,713
Total Liabilities	<u>98,312</u>	<u>806</u>	<u>60,341</u>	<u>181,300</u>	<u>-</u>	<u>3,053</u>	<u>343,812</u>
Deferred Inflows of Resources:							
Unavailable revenue-Recreation fees	-	-	339,113	-	-	-	339,113
Fund Balances:							
Nonspendable	77,796	-	-	-	-	-	77,796
Restricted	-	55,468	-	3,516,767	-	1,477,468	5,049,703
Committed	1,110,594	-	-	-	-	-	1,110,594
Assigned	-	-	148,532	519,749	-	-	668,281
Unassigned	1,645,220	-	-	-	-	-	1,645,220
Total Fund Balances	<u>2,833,610</u>	<u>55,468</u>	<u>148,532</u>	<u>4,036,516</u>	<u>-</u>	<u>1,477,468</u>	<u>8,551,594</u>
Total Liabilities and Fund Balances	<u>\$ 2,931,922</u>	<u>\$ 56,274</u>	<u>\$ 547,986</u>	<u>\$ 4,217,816</u>	<u>\$ -</u>	<u>\$ 1,480,521</u>	<u>\$ 9,234,519</u>

The notes to the financial statements are an integral part of this statement.

CITY OF HUNTINGTON WOODS, MICHIGAN
Reconciliation of Governmental Funds Balance Sheet
and Statement of Net Position
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances for governmental funds		\$ 8,551,594
Capital assets used in governmental activities are not financial resources and are not reported in the funds		
Add: Capital assets not being depreciated	89,802	
Add: Capital assets being depreciated	49,799,797	
Deduct: Accumulated depreciation	<u>(17,880,022)</u>	
		32,009,577
Long-term liabilities are not due and payable in the current period and are not reported in the funds - bonds payable		
Long-term debt	(14,239,967)	
Unamortized Bond Premium	(361,961)	
Accrued interest on long-term debt	<u>(115,090)</u>	
		(14,717,018)
Net Retiree healthcare obligations are not due and payable in the current period and are not reported in the funds		(3,238,324)
Net Pension Liabilities are not reported in the funds		(10,385,861)
Deferred Outflows related to Pension		1,205,251
Internal Service Funds are included as part of governmental activities		973,145
Compensated absences are included as a liability in governmental activities		<u>(10,092)</u>
Net Position of governmental activities		<u>\$ 14,388,272</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General	Sanitation Fund	Recreation Fund	Capital Projects	Street Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 5,780,573	\$ 545,088	\$ 66,944	\$ -	\$ -	\$ 1,043,963	\$ 7,436,568
Licenses and Permits	280,163	-	-	-	-	-	280,163
Intergovernmental:							
Federal, State and Local	585,547	-	-	-	-	470,641	1,056,188
Charges for Services	319,024	-	1,047,301	-	-	-	1,366,325
Fines and Forfeitures	171,209	-	-	-	-	-	171,209
Interest	22,990	386	4,436	7,290	-	7,315	42,417
Other	299,842	4,738	5,685	299,069	-	125,914	735,248
Total Revenues	<u>7,459,348</u>	<u>550,212</u>	<u>1,124,366</u>	<u>306,359</u>	<u>-</u>	<u>1,647,833</u>	<u>11,088,118</u>
Expenditures							
Current:							
General Government	1,083,856	-	-	-	-	-	1,083,856
Public Safety	3,197,637	-	-	-	-	-	3,197,637
Public Works	389,185	512,884	-	-	-	544,490	1,446,559
Recreation and Cultural	493,571	-	1,976,926	-	-	-	2,470,497
Debt Service:							
Principal	-	-	-	-	-	1,218,715	1,218,715
Interest and Other Charges	-	-	-	-	-	385,749	385,749
Capital Outlay	-	-	-	893,201	-	-	893,201
Total Expenditures	<u>5,164,249</u>	<u>512,884</u>	<u>1,976,926</u>	<u>893,201</u>	<u>-</u>	<u>2,148,954</u>	<u>10,696,214</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,295,099</u>	<u>37,328</u>	<u>(852,560)</u>	<u>(586,842)</u>	<u>-</u>	<u>(501,121)</u>	<u>391,904</u>
Other Financing Sources (Uses)							
Bond Proceeds	-	-	-	3,691,961	-	-	3,691,961
Transfers In	-	-	750,000	232,896	-	281,613	1,264,509
Transfers Out	(2,125,500)	-	-	-	(31,941)	(39,864)	(2,197,305)
Total Other Financing Sources (Uses)	<u>(2,125,500)</u>	<u>-</u>	<u>750,000</u>	<u>3,924,857</u>	<u>(31,941)</u>	<u>241,749</u>	<u>2,759,165</u>
Net Change in Fund Balances	169,599	37,328	(102,560)	3,338,015	(31,941)	(259,372)	3,151,069
Fund Balances - Beginning	<u>2,664,011</u>	<u>18,140</u>	<u>251,092</u>	<u>698,501</u>	<u>31,941</u>	<u>1,736,840</u>	<u>5,400,525</u>
Fund Balances - Ending	<u>\$ 2,833,610</u>	<u>\$ 55,468</u>	<u>\$ 148,532</u>	<u>\$ 4,036,516</u>	<u>\$ -</u>	<u>\$ 1,477,468</u>	<u>\$ 8,551,594</u>

See accompanying notes to financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	3,151,069
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital Outlay		1,132,638
Depreciation Expense		(927,689)
Loss on Disposal of Assets		(3,054,456)

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net expenses of certain activities of internal service funds is reported with governmental activities.

63,403

Change in Net Pension Liability

1,493,877

Change in Other Post Employment Benefits

(212,536)

The issuance of long-term debt (e.g. bonds, leases) 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payments		1,241,996
Bonds Issued		(3,330,000)
Bond Premium		(361,961)
Change in Accrued Interest		(6,890)
Decrease in Compensated Absences		3,531

Change in net position in governmental activities

\$ (807,018)

See accompanying notes to financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN

Balance Sheet

Proprietary Funds

June 30, 2017

	Business-Type Activities	Governmental Activities
	Water Fund	Internal Service Fund
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 7,090	\$ 40,138
Investments	1,009,087	829,644
Receivables	783,054	-
Prepaid Expense	-	27,066
Inventories	60,429	-
Total Current Assets	<u>1,859,660</u>	<u>896,848</u>
Noncurrent Assets:		
Capital Assets, net		
Assets not depreciated	1,000	-
Assets being depreciated	3,931,000	1,150,987
Total Noncurrent Assets	<u>3,932,000</u>	<u>1,150,987</u>
Total Assets	\$ <u>5,791,660</u>	\$ <u>2,047,835</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 42,135	\$ 12,851
Accrued Expenses	4,381	989
Deposits and Other	15,145	-
Current Portion of Long-term Obligations	-	155,389
Total Current Liabilities	<u>61,661</u>	<u>169,229</u>
Noncurrent Liabilities:		
Due to Employees	39,751	702,676
Noncurrent Portion of Long-term Obligations	-	202,785
Total Noncurrent Liabilities	<u>39,751</u>	<u>905,461</u>
Total Liabilities	<u>101,412</u>	<u>1,074,690</u>
NET POSITION:		
Net Investment in Capital Assets	3,932,000	792,813
Unrestricted	1,758,248	180,332
Total Net Position	<u>5,690,248</u>	<u>973,145</u>
Total Liabilities and Net Position	\$ <u>5,791,660</u>	\$ <u>2,047,835</u>

See accompanying notes to financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	<u>Business-Type Activities Water and Sewer System</u>	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:		
Charges for Sales and Services	\$ 2,773,229	\$ -
Penalties	25,411	-
Charges to other funds of the City	-	209,776
Total Operating Revenues	<u>2,798,640</u>	<u>209,776</u>
Operating Expenses:		
Sewage Disposal Costs	1,097,366	-
Water Purchases	409,007	-
Payroll and Benefits	417,548	-
Operations and Maintenance	764,882	151,246
Depreciation	124,684	108,468
Rebates & Other	-	573,462
Total Operating Expenses	<u>2,813,487</u>	<u>833,176</u>
Operating Income (Loss)	<u>(14,847)</u>	<u>(623,400)</u>
Non-Operating Revenues (Expenses):		
Interest Income	4,121	5,818
Interest Expense	-	(11,619)
Gain(Loss) on disposal of assets	-	-
Total Non-Operating Revenues (Expenses)	<u>4,121</u>	<u>(5,801)</u>
Income (Loss) before transfers	(10,726)	(629,201)
Transfers In	300,000	692,604
Transfers Out	<u>(59,808)</u>	<u>-</u>
Change in Net Position	229,466	63,403
Net Position, Beginning	<u>5,460,782</u>	<u>909,742</u>
Net Position, Ending	<u>\$ 5,690,248</u>	<u>\$ 973,145</u>

See accompanying notes to financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2017

	<u>Business-Type Activities Water and Sewer System</u>	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:		
Receipts from customers	\$ 2,840,784	\$ 209,776
Payments for goods and services	(2,198,625)	(87,236)
Payments to employees for services	(416,935)	(580,473)
Net Cash Provided (Used) by Operating Activities	<u>225,224</u>	<u>(457,933)</u>
Cash Flows from Noncapital Financing Activities:		
Interfund Transfers	240,192	692,604
Net Cash Provided (Used) by Noncapital Financing Activities	<u>240,192</u>	<u>692,604</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(59,212)	(45,077)
Principal Paid on Debt	-	(169,989)
Interest Paid on Debt	-	(11,619)
Net Cash Used by Capital and Related Financing Activities	<u>(59,212)</u>	<u>(226,685)</u>
Cash Flows from Investing Activities:		
Purchase of Investment Securities	(409,839)	(39,277)
Proceeds from Maturities of Investment Securities	6,407	64,347
Interest Received	4,121	5,818
Net Cash Flows from Investing Activities	<u>(399,311)</u>	<u>30,888</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,893	38,874
Cash and Cash Equivalents, Beginning	<u>197</u>	<u>1,264</u>
Cash and Cash Equivalents, Ending	\$ <u><u>7,090</u></u>	\$ <u><u>40,138</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (14,847)	\$ (623,400)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	124,684	108,468
(Increase) Decrease in Receivables	42,144	-
(Increase) Decrease in Prepaid Expense	-	1,063
(Increase) Decrease in Inventories	42,531	-
Increase (Decrease) in Accounts Payable	31,919	6,925
Increase (Decrease) in Accrued Expenses	613	582
Increase (Decrease) in Other Liabilities	(1,820)	48,429
Net Cash Provided (Used) by Operating Activities	\$ <u><u>225,224</u></u>	\$ <u><u>(457,933)</u></u>

See accompanying notes to financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN

Statement of Net Position

Fiduciary Fund

June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,838
Investments	308,000
Total Assets	\$ <u>312,838</u>
 LIABILITIES	
Accounts Payable	\$ -
Accrued and Other Liabilities	171,925
Performance Deposits	140,913
Total Liabilities	\$ <u>312,838</u>

See accompanying notes to financial statements.

City of Huntington Woods, Michigan

Notes to Financial Statements

June 30, 2017

Note 1 - Significant Accounting Policies

The accounting policies of the City of Huntington Woods, Michigan (the "City") conform to 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 City of Huntington Woods, Michigan:

Reporting Entity

The City has adopted the position of the Governmental Accounting Standards Board (GASB) as outlined in its Statement 1 regarding the definition of a reporting entity. The City of Huntington Woods, Michigan is governed by an elected mayor and a four-member commission. A full-time City Manager is appointed by this body to carry out the policies that are established. The City has no component units, or entities for which the City is considered financially accountable.

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. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not included among program revenues are reported as general revenue.

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 the enterprise fund are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund. Revenue is recorded when earned, and expenses recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 1 - Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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, expenditures relating to compensating absences, and claims and judgments are recorded only when payment is due.

The City reports the following major governmental funds:

General fund - The General fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues sources are property taxes, license and permits, fines and state shared revenue.

Sanitation fund - The Sanitation fund accounts for the operation of the solid waste collection, disposal and recycling functions of the City. The main revenue source is property taxes.

Recreation fund - The Recreation fund accounts for the operation and maintenance of city parks, as well as the operation of all recreation programs and leisure activities, including the operation of the City pool. Revenue sources are property taxes and program fees.

Capital Projects fund - The Capital Projects fund accounts for special projects not associated with business-type funds. The revenue source is bond proceeds.

Street Debt Service fund - The Street Debt Service fund accounts for the payment of interest and principal on long term general obligation debt. The revenue source is property taxes.

The City reports the following major proprietary fund:

Water and Sewer fund - The Water and Sewer fund accounts for the operation and maintenance of the water supply system, as well as the City sewage disposal infrastructure. It is financed primarily through user charges.

Additionally, the City reports the following fund types:

Internal Service fund - Internal Service funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis. They also account for accumulated sick and vacation, health care benefits provided to qualified employees during retirement, as well as payments to a trust with MERS for health care benefits.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 1 - Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Agency fund - The Agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. The fund is used to account for assets held by the City as an agent for the City's citizen groups and organizations, who are designated by the City Commission and work on behalf of the City either through the recreation center, library or on their own. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes. The City cannot use these assets to finance its operations.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the proprietary fund's principal ongoing activities. The principal operating revenue of our proprietary fund relates to charges to customers for water sales and services and sewage disposal. Operating expenses for proprietary funds include the cost of water, sewer disposal, operations and maintenance, general and administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Property Tax Revenue

Property taxes are levied on each July 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed. Any real property taxes not paid by March 1st, following the due date, are purchased by the County and paid to the City. The County Treasurer takes over collection responsibility at that date. Delinquent personal property taxes are less certain as to ultimate collection and, therefore, are paid to the City upon collection.

The City's 2016-17 tax is levied and collectible on July 1, 2016, and is recognized as revenue in the year ended June 30, 2017, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2016-2017 taxable valuation of the City totaled \$330,782,340. Total tax levies for general, sanitation and debt service purposes equaled 22.3771 mills. This resulted in \$7,401,950 for general and debt service purposes, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. These amounts are recognized in the respective General, Special Revenue and Debt Service funds financial statements as tax revenue.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 1 - Significant Accounting Policies - Continued

Assets, Liabilities and Net Position or Equity

Cash and Investments - Cash and cash equivalents include cash on hand and demand deposits. Investments include all short-term instruments of less than three months when acquired, as well as investment instruments as allowed by P.A. 20 of 1943 as amended and the City's investment policy. Investments are stated at fair market value. To the extent that cash from various funds has been pooled, investment income is generally allocated to each fund using a weighted average cash balance per fund. This pooling procedure may at times create a temporary bank overdraft in individual funds, but as a whole the pooled cash is not in a bank overdraft situation. At June 30, 2017, operating cash balances were in excess of the FDIC insurance limit of \$250,000 by \$51,451 which equates to substantially less than 1% of all investments and cash at year end.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of allowance for uncollectible accounts.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

Buildings	40 years
Building improvements	40 years
Infrastructure	60 years
Machinery and equipment	7 - 15 years
Office equipment/furniture	5 - 10 years
Vehicles	3-7 years

Compensated Absences (Vacation and Sick Time) - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary financial statements, accrued compensated absences are paid upon employee termination.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the 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 are reported as other financing uses. Issuance costs are reported as expenditures.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 1 - Significant Accounting Policies - Continued

Assets, Liabilities and Net Position or Equity - Continued

Fund Equity – GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund- type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned and unassigned. In the fund financial statements, governmental funds report the following components of fund balance:

Non-spendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the City Commission for use for specific purposes. Commitments are made and can be rescinded only via resolution of the City Commission.

Assigned – Amounts intended to spend on specific purposes expressed by the City Commission or City Manager and Finance Director, who are authorized by the City Commission to make assignments. All current year assignments have been made by the City Manager and Finance Director.

Unassigned – Amounts that are the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City Commission has allocated an amount in unassigned fund balance over 20% of revenues to committed fund balance for OPEB trust funding.

When an expense is incurred for purposes for which both restricted and unrestricted net assets or fund balance are available, the City's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to spend funds in this order: committed, assigned and unassigned.

Pension and Other Postemployment Benefit Costs – The City offers both pension and retiree healthcare benefits to retirees. 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 Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

In 2016 the City hired outside Counsel to review the actuarial calculations pertaining to the amount of liability the City has for other postemployment benefits (OPEB) rather than use an alternative method allowable under GASB for a plan with fewer than 100 members. The results of the new calculations will be included in the CAFR for Fiscal 2017-18.

City of Huntington Woods, Michigan

Notes to Financial Statements, continued

June 30, 2017

Note 1 - Significant Accounting Policies - Continued

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

Budgetary Information

The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1984:

- Budgets must be adopted for the General fund, Special Revenue funds. The City also adopts a budget for Debt Service funds and Capital Projects.
- Budgeted expenditures cannot exceed budgeted revenues and fund balance.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

Budgeted amounts of the revenues and expenditures presented for the governmental funds are a summarization of the budgeted amounts as originally adopted, or as amended by the City Commission. Individual amendments in FY 2016-17 are not material in relation to the original appropriations that were adopted for the general, special revenue, or debt service funds. Budget appropriations lapse at year-end and encumbrances are not included as expenditures. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, for the above funds, is included as required supplemental information. Budgets have been prepared on a basis consistent with generally accepted accounting principles, except that operating transfers have been included in the "revenue" and "expenditure" categories, rather than as "other financing sources and uses".

Compliance and Accountability

Budgetary Information - An annual budget is adopted on a basis consistent with the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at the end of each fiscal year.

The annual budget is prepared based upon the chart of accounts prescribed by the P.A. 2 of 1968 and as amended and P.A. 621 of 1978 the Uniform Budgeting and Accounting Act. The City budget, including all non-agency funds is adopted by the City Commission as required by City Charter and amended ordinances. The line-item budget is adopted by category and amended as such.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 1 - Significant Accounting Policies - Continued

The City Manager and/or Finance Director is authorized to create new appropriation centers or activities as necessary and disclose any changes to the City Commission through monthly transmittals. Changes that will require additional appropriations from fund balance or a change in the overall appropriation as originally adopted, will require a resolution of the City Commission.

Transfers of any nature from the contingency account as set aside under the original budget adoption must be brought to the City Commission for approval.

Budgeted amounts of the revenues and expenditures presented in this document are a summarization of the budgeted amounts as originally adopted or amended by the City Commission. Individual amendments are not shown, as they were not material in relation to the original appropriations resolved by the City.

Excess expenditures over those appropriations that were adopted by the City Commission are shown and detailed in the budget compliance section (Note 1) of this report.

Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The General fund required no appropriation of unassigned fund balance as of June 30, 2017 to handle appropriations. The actual June 30, 2017 unassigned fund balance in the General Fund increased by \$39,667. The unassigned excess in the Budget Stabilization Fund increased by \$56,951. The General fund finished the year with 98% of all appropriations spent in aggregate; however, for the year ended June 30, 2017, the following accounts incurred excess expenditures over the amount appropriated:

	Final Budget	Actual	Variance	Percentage
General Fund				
Public Safety	3,177,400	3,189,826	9,427	0.03%
Recreation Fund				
Parks	133,060	137,084	14,629	3.00%

The funds had adequate fund balance to cover the expenditures in excess of amounts appropriated.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 2 - Deposits and Investments

Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. To the extent that cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool.

The City has designated one bank for the deposit of its funds. Each financial intermediary, broker, or dealer that holds the City's funds is required to comply with the provisions of the City investment policy. The investment policy adopted by the commission in accordance with Public Act 196 of 1997 and reviewed annually delineates what securities may be purchased under P.A. 20 as amended. The City's deposits and investment policy are in accordance with statutory authority. In 2017 the City had made some minor changes to the policy that would allow for a longer CD term to be purchased, provided that the depository met the criteria prescribed in the policy pertaining to depository quality via bank rating services.

The chart included in this note shown the level of investments the City holds at the end of the fiscal year in compliance with GASB 72. The City measures the investments at the end of the fiscal year using the Market Approach and records the net current value of all monies available in the City investment account titles as of that date. No changes have been made by the City in its review of the level of market evaluation at June 30 as compared with a year ago.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

PAR AMOUNT	ASSET TYPE	INVESTMENT VEHICLE	COUPON OR STATED		30-Jun YIELD	30-Jun VALUE	VALUATION APPROACH HIERARCHY 1	S & P/ IDC OR MARKET RATING	MATURITY DATE	PERCENT OF PORTFOLIO	AVERAGE DURATION YEARS
100,000	AGENCY	FNMA	1.200%	1.210%	98,663	Market	AAA		22-Nov-19	0.92%	3.04
100,000	AGENCY	FHLMC	1.375%	1.380%	99,409	Market	AAA		20-Apr-20	0.92%	2.98
100,000	AGENCY	FHLB	1.375%	1.380%	99,616	Market	AAA		14-Dec-21	0.92%	5.07
150,000	AGENCY	FNMA	0.800%	1.170%	147,554	Market	AAA		28-Jan-20	1.37%	3.53
150,000	AGENCY	FNMA	1.260%	1.270%	149,120	Market	AAA		02-Aug-19	1.38%	2.41
150,000	AGENCY	FNMA	1.200%	1.230%	146,061	Market	AAA		24-Nov-20	1.36%	4.31
150,000	AGENCY	FNMA	1.300%	1.294%	149,255	Market	AAA		25-Feb-19	1.39%	2.99
150,000	AGENCY	FNMA	1.125%	1.115%	148,665	Market	AAA		26-Jul-19	1.38%	3.02
150,000	AGENCY	FFCB	1.080%	1.067%	148,463	Market	AAA		15-Aug-19	1.38%	3.05
150,000	AGENCY	FFCB	0.830%	0.826%	149,349	Market	AAA		27-Jul-18	1.39%	2.00
150,000	AGENCY	FNMA	1.125%	1.140%	147,633	Market	AA+		28-Oct-19	1.37%	3.24
200,000	AGENCY	FFCB	0.800%	0.800%	199,854	Market	AAA		12-Oct-17	1.86%	2.26
200,000	AGENCY	FHLB	1.000%	1.000%	199,774	Market	AAA		17-Aug-21	1.86%	5.07
100,000	CD / CREDIT	JP MORGAN CHASE BANK	1.240%	1.240%	99,909	Market	S&P A-2		22-Mar-17	0.93%	1.01
100,000	CD / CREDIT	KEY BANK ASSN OHIO	1.200%	1.200%	99,914	Market	S&P A-2		01-Sep-16	0.93%	0.47
150,000	CD / CREDIT	FIRST NATIONAL BANK KALAMAZOO	0.950%	0.950%	149,952	Market	S&P A-2		26-Sep-17	1.39%	5.07
200,000	CD / CREDIT	MERCHANTILE BANK	1.550%	1.550%	201,144	Market	S&P Baa3		07-Aug-18	1.87%	5.07
250,000	CD / CREDIT	WELLS FARGO BANK	1.750%	1.750%	250,293	Market	AA-		23-Dec-19	2.32%	2.54
16,461	MM POOL	ACRUED INTEREST 6/30/15	0.100%	0.100%	16,461	Market	POOL TRUST		Liquid	0.15%	---
26,822	MM POOL	MBIA	0.100%	0.100%	26,822	Market	Ba1		Liquid	0.25%	---
104,472	MM POOL	COMERICA - 4438	0.300%	0.300%	104,472	Market	POOL TRUST		Liquid	0.97%	---
127,831	MM POOL	HUNTINGTON BANK	0.100%	0.100%	127,831	Market	POOL TRUST		Liquid	1.19%	---
681,228	MM POOL	OAKLAND COUNTY - 7761	1.523%	1.523%	681,228	Market	POOL TRUST		Liquid	6.33%	---
3,700,463	MM POOL	OAKLAND COUNTY - 7762	1.523%	1.523%	3,700,463	Market	POOL TRUST		Liquid	34.36%	---
25,000	MUNI	COMSTOCK PARK MICH SCHOOLS	5.100%	4.990%	25,521	Market	AA-		01-May-17	0.24%	1.78
50,000	MUNI	HASTINGS MI AREA SCHOOLS	3.500%	3.440%	50,816	Market	AA-		01-May-18	0.47%	5.07
50,000	MUNI	JENSON MICHIGAN SCHOOLS	5.150%	5.030%	51,099	Market	AA3		01-May-18	0.47%	2.80
75,000	MUNI	MICHIGAN STATE REFI	3.890%	3.780%	77,229	Market	Aa-		01-Nov-18	0.72%	3.25
75,000	MUNI	UTICA PUBLIC SCHOOLS	4.000%	3.900%	76,836	Market	AA-		01-May-18	0.71%	2.45
80,000	MUNI	LINCILN MICHIGAN PUB SCHOOLS	2.030%	2.030%	79,728	Market	AA-		01-May-19	0.74%	3.02
100,000	MUNI	PAW PAW MI PUBLIC SCHOOLS	2.250%	2.250%	100,213	Market	AA-/A+		01-May-21	0.93%	3.95
100,000	MUNI	MICH STATE SCHOOL BONDS	4.300%	4.584%	106,612	Market	Aa1		15-Apr-20	0.99%	4.31
100,000	MUNI	YPSILANTI MICH SCHOOLS	1.810%	1.810%	119,612	Market	AA-		01-May-19	1.11%	2.63
100,000	MUNI	MCAOMB CITY TAXABLE	2.161%	2.130%	101,056	Market	AA+		01-Nov-19	0.94%	3.69
110,000	MUNI	GROSSE ISLE TWP SCHOOLS	2.000%	1.960%	111,931	Market	AA+		01-May-20	1.04%	3.89
125,000	MUNI	WAYNE COUNTY MI CTAN	4.500%	4.500%	125,111	Market	Sp2		01-Oct-19	1.16%	6.19
150,000	MUNI	CLINTONDALE PUBLIC SCHOOLS	2.842%	2.800%	152,333	Market	AA-		01-May-22	1.41%	4.97
150,000	MUNI	LANSE CRUISE PUBLIC SCHOOLS	5.000%	4.840%	154,845	Market	AA-/A+		01-May-18	1.44%	1.50
150,000	MUNI	LANSE CRUISE PUBLIC SCHOOLS	2.478%	2.470%	150,743	Market	AA-/A+		01-May-21	1.40%	4.06
150,000	MUNI	ALLENDALE PUB SCHOOLS	1.862%	1.860%	150,434	Market	AA-		02-Oct-19	1.40%	4.20
155,000	MUNI	HURON WATER AUTHORITY	4.000%	3.850%	161,180	Market	BBB		01-Apr-19	1.50%	2.39
170,000	MUNI	GENESEE MICH SCHOOL TXBL REFI	1.550%	1.560%	169,262	Market	AA-		01-May-19	1.57%	3.91
200,000	MUNI	CLARKSTON PUBLIC SCHOOLS	1.950%	1.940%	200,700	Market	AA-		01-May-19	1.86%	2.61
200,000	MUNI	ALLENDALE PUB SCHOOLS	2.573%	2.540%	202,734	Market	AA-		01-May-20	1.88%	4.79
200,000	MUNI	HARTLAND SCHOOL BONDS	2.150%	2.168%	201,690	Market	Aa1		01-May-20	1.87%	4.54
230,000	MUNI	BYRON CENTER TXBL REFI	1.800%	1.800%	230,455	Market	AA-		01-May-18	2.14%	2.74
250,000	MUNI	HUNTINGTON WOODS MI	4.800%	4.770%	251,695	Market	AA+		01-Oct-17	2.34%	1.47
365,000	MUNI	LINCOLN SCH TAX REFI	1.770%	1.770%	364,274	Market	AA-		01-May-18	3.38%	2.06
5,551	SAVINGS	FIFTH THIRD BANK	0.035%	0.035%	5,551	Market	Aa3		Liquid	0.05%	---
5,812	SAVINGS	FIFTH THIRD BANK	0.035%	0.035%	5,812	Market	Aa3		Liquid	0.05%	---
10,728,642			1.98%	1.96%	10,769,375					2.00%	3.32

**City of Huntington Woods,
Michigan Notes to Financial Statements,
continued June 30, 2017**

Note 3 - Capital Assets

Capital assets activity of the primary government's governmental and business-type activity was as follows:

GOVERNMENTAL ACTIVITIES DESCRIPTION	BALANCE	CURRENT YEAR			BALANCE
	6/30/2016	NEW	DISPOSALS	LOSS	06/30/2017
ASSETS-INFRASTRUCTURE	38,301,468	184,437		2,201,630	36,284,275
ASSETS-LAND	368,274	-		278,472	89,802
ASSETS-LAND IMPROVEMENTS	577,996	-	278,472	99,728	199,796
ASSET-BLDG & BLDG IMPROVE	9,566,558	789,154		-	10,355,712
ASSETS-MACH & EQUIPMENT	1,248,688	65,898		196,154	1,118,432
ASSETS- OFFICE	759,524	32,149		-	791,673
ASSETS-VEHICLES	16,014	-		-	16,014
ASSETS-BOOKS	972,895	61,000		-	1,033,895
INTERNAL SERVICE FUND	2,430,481	45,077		-	2,475,558
TOTAL GENERAL, ROW, EQUIPMENT FUND ASSETS	54,241,898	1,177,715	278,472	2,775,984	52,365,157

Accumulated Depreciation activity of the primary government's governmental and business-type activity was as follows:

ACCUMULATED DEPRECIATION				
ASSET TYPE	JUNE 2016	CURRENT YEAR DEPRECIATION	CURRENT YEAR DISPOSALS	JUNE 2017
RIGHT-OF-WAY (see ROW inventory sheet 1)	9,253,044	546,031	0	9,799,075
Vehicles	7,507	2,002	0	9,509
Office Equipment and Furniture	677,940	26,102	0	704,042
Library Books and fine arts	882,268	32,521	0	914,789
Machinery and Equipment	1,855,918	140,647	0	1,996,565
Land improvements	512,127	41,934	0	554,061
Building and Building Improvements	4,979,629	246,912	0	5,226,541
Land	0	0	0	0
Total Accumulated Depreciation	18,168,433	1,036,150	0	19,204,593
Total Governmental Activities				
Capital Assets Net:	33,871,823	(432,787)	278,472	33,160,564

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 3 - Capital Assets

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from 5 years to 60 years. Land is a non-depreciable asset. Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental Activities:	
General government	\$ 600,320
Public Safety	4,696
Public works	5,625
Library	75,898
Recreation	241,150
Internal Service Fund	<u>108,468</u>

Total depreciation expense-governmental activities \$ 1,036,150

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Business Type Activities:				
Capital assets not being depreciated:				
Land	1,000	-	-	1,000
Capital assets being depreciated:				
Building & Improvements	7,499	-	-	7,499
Machinery & Equipment	450,862	-	-	450,862
Water & sewer Mains	5,652,209	59,211	-	5,711,420
Water Meters	241,351		-	241,351
Total capital assets	<u>6,352,921</u>	<u>31,196</u>	-	<u>6,412,132</u>
Accumulated depreciation:				
Building and Improvements	7,499	-	-	7,499
Machinery & Equip	325,918	13,637	-	339,555
Water & Sewer Mains	1,732,289	105,012	-	1,732,289
Water Meters	174,843	6,034	-	174,843
Total accumulated depreciation	<u>2,355,448</u>	<u>124,684</u>	-	<u>2,480,132</u>
Net Capital Assets	<u>3,997,473</u>	<u>(83,703)</u>	-	<u>3,932,000</u>

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from 5 years to 60 years. Land is a non-depreciable asset. Depreciation expense at June 30, 2016 amounted to \$124,684.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt

A summary of changes in long-term debt is as follows:

	Balance			Balance	Due Within
	July 1, 2016	Additions	Reductions	June 30, 2017	One Year
Government Activities:					
Compensatory time	\$ 13,623	-	3,531	\$ 10,092	\$ -
George W. Kuhn Drain					
Bonds 2000-A (4-01-22)	197,941	-	31,007	166,934	31,790
George W. Kuhn Drain					
Bonds 2002-C (4-01-24)	1,184,051	-	135,615	1,048,436	138,904
George W. Kuhn Drain					
Bonds 2002-D (4-01-24)	31,247	-	3,602	27,645	3,602
George W. Kuhn Drain					
Bonds 2005 (4-01-26)	25,745	-	2,386	23,359	2,386
George W. Kuhn Drain					
Bonds 2007G (4-01-28)	35,795	-	2,704	33,091	2,704
George W. Kuhn Drain					
Bonds 2008H (4-01-29)	172,287	-	11,454	160,833	11,613
George W. Kuhn Drain					
Bonds 2016 (4-01-24)	233,333		31,946	201,387	33,043
UTGO Road Bonds 11 Mile (4-01-27)	1,150,000	-	50,000	1,100,000	50,000
UTGO 2010 Road Bonds (10-01-24)	2,700,000	-	250,000	2,450,000	250,000
UTGO 2012 Road Bonds (10-01-26)	2,675,000	-	200,000	2,475,000	225,000
UTGO 2014 Road Bonds (10-01-28)	3,700,000	-	500,000	3,200,000	325,000
UTGO 2017 Road Bonds (10-01-30)		3,330,000		3,330,000	-
SEMREO Loan (0%) Solar Panel (4-01-17)	28,425	-	14,212	14,213	14,213
SEMREO Loan (0%) Windows (4-01-17)	18,139	-	9,070	9,069	9,069
Installment Loan- Bus (6-01-19)	57,025	-	18,380	38,645	19,001
Installment Loan-Dump Truck ((8-25-19)	96,814	-	29,511	67,303	30,339
Installment Loan- Fire Truck (3-14-20)	165,510	-	42,776	122,734	43,749
Installment Loan-Patrol Vehicle (10-01-17)	30,947	-	24,684	6,263	6,263
Installment Loan- Dump Truck &					
Patrol Vehicle (8-25-19)	177,867		54,638	123,229	56,037
	12,693,749	3,330,000	1,415,516	14,608,233	1,252,713
Business-Type Activities:					
No activity	-	-	-	-	-
	<u>\$ 12,693,749</u>	<u>\$ 3,330,000</u>	<u>\$ 1,415,516</u>	<u>\$ 14,608,233</u>	<u>\$ 1,252,713</u>

The City estimates compensatory time that is due within one year is equal to \$10,000. Although we do not anticipate any Public Safety personnel that will be leaving within this period. The City pays all accrued sick time each year at 50% of time earned. Vacation time for non-union employees is to be used as of the end of each calendar year. The City anticipates that the amount of compensatory time will move upward marginally by 1-2% to \$10,300. The Compensatory time is paid out to the Public Safety personnel when they leave the employ of the City per the union contract, from the General fund.

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through sale of drain bonds, draw-downs from the State of Michigan revolving fund, Federal and State of Michigan grants and contributions from Oakland County, Michigan. The City, along with thirteen other local communities, is obligated for payment of principal and interest of the outstanding debt. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund being incurred on an as needed basis, the following schedules of principal and interest payments are amounts due on each bond at June 30, 2017 and are subject to change with additional distributions.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

At June 30, 2017, long-term obligations consisted of:

Governmental Activities:

Compensatory time - Public Safety	\$ 10,092
George W. Kuhn Drain Bonds 2000-A dated April 1, 2001; annual principal payments of \$21,000 to \$36,000, due beginning April 2003 serially to April 1, 2022; interest rate at 2.5% (original issue totaled \$560,001). These represent the City's portion of the total bonds issued by Oakland County	166,934
George W. Kuhn Drain Bonds 2002-C dated April 1, 2002; annual principal payments of \$100,850 to \$161,142, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$2,574,502). These represent the City's portion of the total bonds issued by Oakland County	1,048,436
George W. Kuhn Drain Bonds 2002-D dated April 1, 2002; annual principal payments of \$3,915 to \$6,264, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$99,284). These represent the City's portion of the total bonds issued by Oakland County	27,645
George W. Kuhn Drain Bonds 2005 dated September 22, 2005; annual principal payments of \$2,192 to \$2,975, due beginning April 2007 serially to April 1, 2023; interest rate of 1.625% (original issue totaled \$42,295). These represent the City's portion of the total bonds issued by Oakland County	23,359
George W. Kuhn Drain Bonds 2007G dated September 20, 2007; annual principal payments of \$2,386 to \$2,840, due beginning April 2009 serially to April 1, 2028; interest rate of 1.625% (original issue totaled \$55,814). These represent the City's portion of the total bonds issued by Oakland County	<u>33,091</u>
Total this page	<u>1,309,557</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

Governmental Activities - Continued:

Total - from previous page	\$ 1,309,557
George W. Kuhn Drain Bonds 2008H dated September 22, 2008; annual principal payments of \$9,545 to \$13,204, due beginning April 2010 serially to April 1, 2024; interest rate of 2.5% (original issue totaled \$278,760). These represent the City's portion of the total bonds issued by Oakland County	160,833
George W. Kuhn Drain Bonds 2016 dated February 1, 2016; annual principal payments of \$16,756 to \$31,946, due beginning April 2017 serially to April 1, 2024; interest rate of 2.0% (original issue totaled \$233,333). These represent the City's portion of the total bonds issued by Oakland County	201,387
2007 Capital Improvements Bonds (11 Mile Rd. G.O.) dated July 1, 2007; annual principal payments of \$50,000 to \$150,000, due beginning October 2009 serially to October 2027; interest rate of 4.3% to 4.625% (original issue totaled \$1,500,000)	1,100,000
2010 Capital Improvements Bonds (Roads) dated June 2, 2010; annual principal payments of \$250,000 to \$425,000, due beginning October 2011 serially to October 2024; interest rate of 1.45% to 6.00% (original issue totaled \$4,450,000)	2,450,000
2012 Capital Improvements Bonds (Roads) dated June 28, 2012; annual principal payments of \$75,000 to \$250,000, due beginning October 2012 serially to October 2026; interest rate of 2.00% to 2.75% (original issue totaled \$3,050,000)	2,475,000
2014 Capital Improvements Bonds (Roads) dated May 13, 2014; annual principal payments of \$10,000 to \$500,000, due beginning October 2015 serially to October 2028; interest rate of 2.00% to 3.00% (original issue totaled \$3,710,000)	<u>3,200,000</u>
2017 Capital Improvements Bonds (Roads) dated April 27, 2017; annual principal payments of \$10,000 to \$500,000, due beginning October 2018 serially to October 2030; interest rate of 4.00% (original issue totaled \$3,330,000)	<u>3,330,000</u>
Total this page	<u>14,226,777</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

Governmental Activities - Continued:

Total - from previous page	\$ 14,226,777
Michigan Suburbs Alliance Loan-Solar Panels dated March 8, 2012; principal payments of \$14,213 due August 2013 to August 2017, interest free (original issue totaled (\$84,000)	14,213
Michigan Suburbs Alliance Loan-Library Windows dated March 8, 2012; principal payments of \$9,069 due August 2013 to August 2017, interest free (original issue totaled \$53,600)	9,069
Recreation Bus Installment Loan dated July 1, 2014; monthly principal and interest payments of \$1,667; interest rate 3.33% (original issue totaled \$92,000)	38,645
DPW Truck Installment Loan dated September 25, 2014; monthly principal and interest payments of \$2,651; interest rate 2.77% (original issue totaled \$148,693)	67,303
Fire Truck Installment Loan dated March 14, 2013; monthly principal and interest payments of \$3,843, interest rate 2.30% (original issue totaled \$288,050)	122,734
Public Safety Vehicle Installment Loan dated October 18, 2013; monthly principal and interest payments of \$2,098, interest rate 2.50% (original issue totaled \$95,862)	6,263
Public Safety Vehicle & Dump Truck Installment Loan dated September 25, 2015; monthly principal and interest payments of \$4,876, interest rate 2.53% (original issue totaled \$222,824)	<u>123,229</u>
Total long-term debt	\$ <u>14,608,233</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

The following is a summary of annual debt service requirements to maturity for the above bonds only, followed by the detailed bond payments:

Governmental Activities

	Principal	Interest	Interest Subsidy	Net Interest	Total-Net
2018	1,074,042	474,985	(58,562)	416,423	1,490,465
2019	1,158,590	450,674	(53,049)	397,625	1,556,215
2020	1,248,920	410,988	(46,507)	364,481	1,613,401
2021-2025	6,288,729	1,374,276	(109,139)	1,265,137	7,553,866
2026-2029	2,871,404	418,085	-	418,085	3,289,489
2030-2032	1,575,000	96,100		96,100	1,671,100
	<u>\$ 14,216,685</u>	<u>\$ 3,225,108</u>	<u>\$ (267,257)</u>	<u>\$ 2,957,851</u>	<u>\$ 17,174,536</u>

During fiscal year 2010, the City issued Direct Payment Build America Bonds. In accordance with this program, the City will be reimbursed a portion of interest expense incurred (shown above as the interest subsidy).

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2000-A					
4/1/01	\$ 560,001	2.5%	4/1/2018	31,790	4,174
		2.5	4/1/2019	32,573	3,378
		2.5	4/1/2020	33,356	2,564
		2.5	4/1/2021	34,139	1,730
		2.5	4/1/2022	35,076	876
				<u>\$ 166,934</u>	<u>\$ 12,722</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2002-C					
4/1/02	\$ 2,574,502	2.5%	4/1/2018	138,904	26,210
		2.5	4/1/2019	142,349	22,738
		2.5	4/1/2020	145,951	19,180
		2.5	4/1/2021	149,553	15,530
		2.5	4/1/2022	153,311	11,792
		2.5	4/1/2023	157,226	7,960
		2.5	4/1/2024	161,142	4,028
				<u>\$ 1,048,436</u>	<u>\$ 107,438</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2002-D					
4/1/02	\$ 99,284	2.5%	4/1/2018	3,602	691
		2.5	4/1/2019	3,758	601
		2.5	4/1/2020	3,915	507
		2.5	4/1/2021	3,915	409
		2.5	4/1/2022	4,072	311
		2.5	4/1/2023	4,228	210
		2.5	4/1/2024	4,155	104
				<u>\$ 27,645</u>	<u>\$ 2,833</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2005					
9/22/05	\$ 42,295	1.625%	4/1/2018	2,386	380
		1.625	4/1/2019	2,386	341
		1.625	4/1/2020	2,386	302
		1.625	4/1/2021	2,545	263
		1.625	4/1/2022	2,704	222
		1.625	4/1/2023	2,704	178
		1.625	4/1/2024	2,704	134
		1.625	4/1/2025	2,704	90
		1.625	4/1/2026	2,840	46
				<u>\$ 23,359</u>	<u>\$ 1,956</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2007G					
9/20/07	\$ 55,814	1.625%	4/1/2018	2,704	538
		1.625	4/1/2019	2,864	494
		1.625	4/1/2020	2,864	447
		1.625	4/1/2021	2,864	401
		1.625	4/1/2022	3,023	354
		1.625	4/1/2023	3,023	305
		1.625	4/1/2024	3,023	256
		1.625	4/1/2025	3,182	207
		1.625	4/1/2026	3,182	155
		1.625	4/1/2027	3,182	103
		1.625	4/1/2028	3,180	52
				<u>\$ 33,091</u>	<u>\$ 3,312</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2008H					
9/22/08	\$ 278,760	2.5%	4/1/2018	11,613	4,021
		2.5	4/1/2019	11,931	3,730
		2.5	4/1/2020	12,249	3,432
		2.5	4/1/2021	12,568	3,126
		2.5	4/1/2022	12,886	2,812
		2.5	4/1/2023	13,204	2,490
		2.5	4/1/2024	13,522	2,160
		2.5	4/1/2025	13,840	1,822
		2.5	4/1/2026	14,158	1,476
		2.5	4/1/2027	14,636	1,122
		2.5	4/1/2028	14,954	756
		2.5	4/1/2029	15,272	382
				<u>\$ 160,833</u>	<u>\$ 27,329</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2016					
2/01/16	\$ 233,333	2.0%	4/1/2018	33,043	4,028
		2.0	4/1/2019	32,729	3,367
		2.0	4/1/2020	33,199	2,712
		2.0	4/1/2021	33,669	2,048
		2.0	4/1/2022	33,982	1,375
		2.0	4/1/2023	18,009	695
		2.0	4/1/2024	16,756	335
				<u>\$ 201,387</u>	<u>\$ 14,560</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds (11 Mile Rd.) 2007					
7/1/07	\$ 1,500,000	4.300%	10/1/2017	50,000	47,475
		4.300	10/1/2018	75,000	44,787
		4.350	10/1/2019	75,000	41,544
		4.350	10/1/2020	75,000	38,281
		4.350	10/1/2021	100,000	34,475
		4.400	10/1/2022	100,000	30,100
		4.400	10/1/2023	100,000	25,700
		4.450	10/1/2024	125,000	20,719
		4.450	10/1/2025	125,000	15,156
		4.500	10/1/2026	125,000	9,562
		1.625	10/1/2027	150,000	3,375
				<u>\$ 1,100,000</u>	<u>\$ 311,174</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2010					
6/2/10	\$ 4,450,000	4.800%	10/1/2017	250,000	130,138
		5.000	10/1/2018	250,000	117,888
		5.100	10/1/2019	325,000	103,350
		5.250	10/1/2020	325,000	86,531
		6.000	10/1/2021	325,000	68,250
		6.000	10/1/2022	325,000	48,750
		6.000	10/1/2023	325,000	29,250
		6.000	10/1/2024	325,000	9,750
				<u>\$ 2,450,000</u>	<u>\$ 593,907</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2012					
7/1/07	\$ 3,050,000	2.000%	10/1/2017	225,000	53,750
		2.000	10/1/2018	250,000	49,000
		2.000	10/1/2019	250,000	44,000
		2.000	10/1/2020	250,000	39,000
		2.050	10/1/2021	250,000	33,937
		2.200	10/1/2022	250,000	28,625
		2.400	10/1/2023	250,000	22,875
		2.550	10/1/2024	250,000	16,687
		2.650	10/1/2025	250,000	10,187
		2.750	10/1/2026	250,000	3,438
				<u>\$ 2,475,000</u>	<u>\$ 301,499</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2014					
5/13/14	\$ 3,710,000	2.000%	10/1/2017	325,000	80,000
		2.000	10/1/2018	150,000	75,250
		2.000	10/1/2019	150,000	72,250
		2.000	10/1/2020	150,000	69,250
		2.000	10/1/2021	150,000	66,250
		2.500	10/1/2022	200,000	62,250
		2.500	10/1/2023	250,000	56,625
		2.500	10/1/2024	250,000	50,375
		3.000	10/1/2025	250,000	43,500
		3.000	10/1/2026	325,000	34,875
		3.000	10/1/2027	500,000	22,500
		3.000	10/1/2028	500,000	7,500
				<u>\$ 3,200,000</u>	<u>\$ 640,625</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2017					
4/27/17	\$ 3,330,000	4.000%	10/1/2017		123,580
		4.000	10/1/2018	205,000	129,100
		4.000	10/1/2019	215,000	120,700
		4.000	10/1/2020	225,000	111,900
		4.000	10/1/2021	240,000	102,600
		4.000	10/1/2022	200,000	93,800
		4.000	10/1/2023	165,000	86,500
		4.000	10/1/2024	180,000	79,600
		4.000	10/1/2025	190,000	72,200
		4.000	10/1/2026	135,000	65,700
		4.000	10/1/2027		63,000
		4.000	10/1/2028		63,000
		4.000	10/1/2029	505,000	52,900
		4.000	10/1/2030	525,000	32,300
	4.000		10/1/2031	<u>545,000</u>	<u>10,900</u>
				<u>\$ 3,330,000</u>	<u>\$ 1,207,780</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued June
30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan continued.....

1 - Public Safety: Open Division

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25 or 55/15
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	5%
Act 88:	Yes (Adopted 2/16/1965)

10 - General DPW: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25 or 55/15
Early Retirement (reduced):	-
Final Average Compensation:	5 years
Member Contributions:	6%
DC Plan for New Hires:	7/1/1998
Act 88:	Yes (Adopted 2/16/1965)

20- Public Safety Command: Open Division

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25 or 55/15
Early Retirement (reduced):	-
Final Average Compensation:	3 years
COLA for Past Retirees:	2% (Compound)
Member Contributions:	5%
Act 88:	Yes (Adopted 2/16/1965)

21- Public Safety Command B: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	25 and Out
Early Retirement (reduced):	55/15 Final
Average Compensation:	3 years
Member Contributions:	5%
Act 88:	Yes (Adopted 2/16/1965)

22 - Public Safety B: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25 or 55/15
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	5%
Act 88:	Yes (Adopted 1/1/2005)

**City of Huntington Woods,
Michigan Notes to Financial Statements,
continued June 30, 2017**

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

Plan Members covered by benefit terms

At the December 31st, 2016 valuation date, the following members were covered by the benefit terms:

Active Members	26
Vested Former Members	3
Retirees and Beneficiaries	<u>51</u>
Total Participants	80

Contributions

The City is required to contribute at an actuarial determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The 2016-17 fiscal year contribution rate has been calculated by MERS and is between 0.00% and 85.87% of covered payroll as of the close of the fiscal year ending June 30, 2017 for individual member groups, with an annual required contribution of \$1,169,604. A retirement contribution rate of 5-6% of payroll is required by all full time non-union and unionized employees covered under MERS for employees hired prior to 1998. The rates are established by the City through collective bargaining and may be changed or amended by the MERS Board of Trustees.

Net Pension Liability

The City's Net Pension Liability was measured as of December 31, 2016, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions and Methods

The total pension liability in the December 31, 2016 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: (a) an 8.25% investment rate of return, (b) projected salary increases of 3.75% , plus a percentage based upon an age related scale to reflect merit, longevity and promotional salary increases of between 0.00% and 11.00%, (c) the assumption that benefits will not increase after retirement and (d) the inflation rate is 3.75%. Based on the smoothed Actuarial Value of Assets the recognized rate of investment return for MERS overall was 5.90% (less than the 8% actuarial assumption). In 2016 the smoothing method used in the calculations changed from 10 years to 5 years. Although no specific price inflation assumption is needed for the valuation the assumed long-term rate of price inflation is 2.5%

In estimating the amount of the reserves required at the time of retirement to pay a member's benefit for the remainder of their lifetime, it is necessary to make an assumption with respect to the probability of surviving to retirement and the life expectancy after retirement.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

For ages 0-17 we use the rates in Table 3; for ages 18-49 we use the rates in Table 2; for ages 70 and older we use the rates in Table 1; and for ages 50-69 we blend Table 2 and Table 1 as follows:

- a. Age 50, use 60% of Table 2 and 40% of Table 1
- b. Age 51, use 57% of Table 2 and 43% of Table 1
- c. Etc. ...
- d. Age 69, use 3% of Table 2 and 97% of Table 1

The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables. These mortality tables were first used for the December 31, 2015 actuarial valuations. Ninety percent (90%) of active member deaths are assumed to be non-duty deaths and 10% of the deaths are assumed to be duty related. Possible future mortality improvements are reflected in the mortality assumption. The mortality assumptions include a 10% margin for future mortality improvements, relative to the actual mortality experience seen in the 2009-2013 Experience Study.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	57.5%	11.86%
Global Fixed Income	18.0%	6.71%
Real Assets	12.5%	19.67%
Diversifying Strategies	12.0%	5.21%

Discount rate

The discount rate used to measure the total pension liability is 7.75%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

Changes in the Net Pension Liability

Changes in Net Pension Liability			
	Increase (Decrease)		
	Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 12/31/15	<u>\$23,724,551</u>	<u>\$12,547,126</u>	<u>\$11,177,425</u>
Changes for the Year			
Service Cost	248,465		248,465
Interest on Total Pension Liability	1,838,679		1,838,679
Changes in benefits	-		-
Difference between expected and actual experience	37,891		37,891
Changes in assumptions			-
Employer Contributions		1,477,969	(1,477,969)
Employee Contributions		104,976	(104,976)
Net investment income		1,361,642	(1,316,642)
Benefit payments, including employee refunds	(1,730,587)	(1,730,587)	-
Administrative expense		(27,988)	27,988
Other changes**	0		0
Net changes	<u>394,448</u>	<u>1,186,012</u>	<u>(846,867)</u>
Balances as of 12/31/16	<u>\$24,118,999</u>	<u>\$13,733,138</u>	<u>\$10,385,861</u>

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7%) or 1% higher (9%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	12,788,533	10,385,861	8,336,164

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

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

For the year ended December 31, 2016 the employer recognized pension expense of \$932,392. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ (37,891)
Differences in assumptions	-	-
Excess (Deficit) Investment Returns	424,624	
Contributions subsequent to the Measurement date	818,518	-
Total	\$ 1,243,142	\$ (37,891)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2016.

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

Year ended	2018	\$29,467
	2019	\$29,467
	2020	\$77,347
	Thereafter	-

The City contributed additional amounts over and above the annual required contribution as stated below, as a result the City recorded a Net Pension Asset recognizing the additional contributions.

STATEMENT OF FICUCIARY NET POSITION – Combined Reserves							
	Balance Forward	Invoiced & Contributions	Transfers	Benefits Paid	Investment Income	Administrative Expenses**	Ending Balance
12/31/1011	10,106,684	1,206,742	(1000)	(1,570,716)	182,860		9,923,570
12/31/2012	9,923,570	1,172,034	0	(1,593,814)	1,082,255		10,540,045
12/31/2013	10,540,045	1,323,669	0	(1,693,659)	1,489,068		11,659,123
12/31/2014	11,659,123	1,694,183	0	(1,757,589)	728,938	(26,716)	12,297,970
12/31/2015	12,297,970	2,166,431	0	(1,747,438)	(197,489)	(27,650)	12,491,823
12/31/2016	12,491,823	1,582,944	0	(1,730,587)	1,416,945	(27,988)	13,733,137

****Prior to 2013 Investment income was net of administrative expenses and investment income.**

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

The actuarial value of assets used to determine the funded ratio and therequired employer contribution is based upon a smoothed valuation of assets (10-year smoothing prior to 2016; 5 year smoothing beginning in 2016). This smoothing method will reduce the volatility of the valuation of assets, which will affect our funding ratio. The smoothed actuarial rate of return for 2016 was 5.14%.

- A level percentage of payroll amortization is used based upon the assumption that payroll increases 4.5% a year.
- For divisions that are less than 100% funded and are closed to new hires the amortization period for the unfunded liability in 2015 was projected at 23 years. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis for the non-union and public works divisions and on an open basis for public safety and command divisions.
- If the division is closed to new hires, with new hires not covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the amortization period will decrease as follows: Under Amortization Option A, the period will decrease by 2 years each valuation year, until it reaches 6 or 5 years. Then it decreases by 1 year each valuation year until the UAL is paid off. Under Amortization Option B, the period will decrease by 2 years each valuation year, until it reaches 16 or 15 years. Thereafter, the period will reduce by 1 year each valuation year, until the UAL is paid off. This will result in amortization payments that increase faster than the usual 4.5% each year. If the division is closed to new hires, with new hires (and transfers) covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the standard open division amortization period will apply.

Five Year Trend Information for MERS and Funding Progress - fiscal year basis.

<u>Fiscal Yr. Ending</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage Contributed</u>	<u>Additional Annual Contributed*</u>	<u>Unfunded Contribution</u>
2013	703,728	145%	316,840	--
2014	785,820	139%	308,339	--
2015	1,016,340	195%	310,167	--
2016	1,140,744	195%	1,081,619	--
2017	1,169,604	123%	264,840	--

- Does not include employee contributions equal to \$106,340 in FY 2016-17

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 5 - Pension Plans - Defined Benefit Pension Plan, continued

EMPLOYER SCHEDULE OF CONTRIBUTIONS

FISCAL YEAR ENDING	2013	2014	2015	2016	2017
Actuarial Determined Contributions*	703,728	785,820	1,016,340	1,140,744	1,169,604
Contributions in relation to the determined contribution	1,020,568	1,094,159	1,326,507	2,174,955	1,523,904
Contribution deficiency (excess)	(316,840)	(308,339)	(310,167)	(1,034,211)	(354,300)
Covered Employee Payroll	2,026,562	1,866,593	1,909,448	1,867,664	1,860,994
Contributions as a percentage of employee payroll	50%	59%	69%	115%	82%

In fiscal year 2016-17 the monthly contribution based upon the actual payroll and actuarial determined contribution rate was \$1,259,064.. The City paid an additional \$264,840 to MERS as budgeted and approved by the City Commission. Bringing the total contribution in fiscal 2016-17 to \$1,523,904.

Note 6 - Defined Contribution Plan

The City offers an IRS §401(a) defined contribution plan to full-time employees that are not eligible for the defined benefit pension plan, where the contribution rate for the City is between 8 % and 10 % of gross payroll. This contribution rate is established by contractual agreement and Commission resolution, and may be changed from time-to-time. Under the terms of the plan the employee may contribute to the plan on a voluntary basis. The decision to contribute on the part of the employee will affect the percentage of the contribution provided by the City. Plan documentation and regulations have been filed with the MERS Board of Trustees and the International City Management Association (ICMA) which administers the plan. The City's annual employer contributions amounted to \$88,481.71 for the fiscal year ended June 30, 2017. Employees contributed a total of \$46,190.72.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 7 - Changes in General Fund - Fund Balances

Capital assets activity of the primary government's governmental and business-type activity was as follows:

		Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
Assigned					
	Property Tax refunds	73,194	-	-	73,194
	Gallery	19,625	5,681	4,959	20,347
	Crime	14,489	-	-	14,489
	Library	93,510		5,406	88,104
	Subtotal	200,818	5,681	10,365	196,134
Unassigned. Before committed and Non-spendable Reclassifications					
	General	1,409,551	117,332	-	1,526,883
	Rackham	32,142	-	-	32,142
	Budget Stabilization	1,021,500	56,951	-	1,078,451
	Subtotal	2,463,193	174,283	-	2,637,476
	Totals	2,664,011	174,283	10,365	2,833,610

The Gallery, Crime, and Library assigned balances may be appropriated to the Capital Planning fund for use at the discretion of the City Commission. The Property tax refund balance is assigned for Michigan Tax Tribunal Matters, is equal to \$73,194 although no cases are pending that would require utilization of these funds at 6/30/17. For financial statement purposes per GASB 54, a portion of the unassigned fund balance has been allocated to committed fund balance in the amount of \$1,156,247 which includes the \$1,078,451 in the Budget Stabilization fund designated specifically for emergency expenditure basis and non-spendable fund balance in the amount of \$77,796.

Note 8 - Fund Balance Restricted, Committed and Assigned

The Capital Projects fund was combined with the Capital Planning fund for financial statement purposes per GASB 54. The total fund balance is \$4,179,190 consisting of the Capital Projects fund with a restricted fund balance of \$3,691,961 for bond proceeds received for Road Construction and is included in Net Position, Invested in capital assets, net of related debt. The Capital Planning fund portion of the Capital Projects fund balance is \$487,229 and a portion of that fund balance is allocated as follows:

Reserved Parks and Recreation	\$	100,165
Reserved Interstate 696		31,350

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 8 - Net Position/Fund Balance Restricted, Committed and Assigned -continued:

The Capital projects fund was combined with the Capital Planning fund for financial statement purposes per GASB 54. The total fund balance is \$4,036,516 consisting of the Capital Projects fund with a restricted fund balance of \$3,516,767 for bond proceeds received for road constuction and is included in Net Position, invested in capital assets, net of related debt. The Capital Planning fund portion of the Capital Projects fund balance is \$519,749.

The Recreation fund has an assigned fund balance of \$148,532 which includes \$44,178 in gift donations from residents for use at the Recreation Center. Restricted Net Position includes restricted fund balances in Sanitation, Major & Local Roads and Debt Funds.

Note 9 - Inter-fund Transfers - All fund types

	Transfers	
	In	Out
Governmental- General	\$ 179,480	\$ 2,125,500
Governmental - Major Street	-	39,864
Governmental - Local Street	150,000	-
Governmental - Capital Projects	232,892	-
Governmental - Sanitation	-	-
Governmental -Recreation	750,000	-
Business Type - Water and Sewer	300,000	237,288
Governmental -Debt -2010 & 2012 Street Debt Services	-	-
Governmental - Debt - 2014 Street Debt Services	-	-
Governmental -11 Mile Rd. debt	99,704	-
Intergovernmental - Equipment	195,000	-
Intergovernmental - Retirement Benefit	497,606	2,000
Total	<u>\$ 2,404,682</u>	<u>\$ 2,404,682</u>

Transfers between the various funds represent payment from one fund to another without an equivalent return of goods or services to fund operations, capital improvements or debt service expenditures accounted for in the respective funds.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 10 - Other Postemployment Benefits

Plan Description

The City has an obligation to cover all former full-time retired employees and spouses for hospitalization insurance and pay their full premium for employees in the defined benefit plan and a portion of the premium for those in the defined contribution plan. The City pays the retiree health premiums on a pay-as-you-go basis from the Post-retirement benefits fund and has established a trust with Michigan Municipal Employees' Retirement System (MERS) for future funding. The City does not utilize an audited GAAP-basis postemployment plan report for its OPEB funding plan calculations. The OPEB disclosure utilized in these financial statements has been developed by regional accounting firm for use by municipalities that employ less than one hundred persons.

Funding Policy

The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. The City has historically paid this obligation on a pay-as-you-go basis. However, the City made contributions to advance fund these benefits.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City's computed contribution and actual funding are summarized as follows:

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the actuarial valuation, a simplified version of the entry age actuarial cost method was used. The actuarial assumptions include an assumed retirement age of 55 for beginning in 2012, an 8.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.10 percent as per the published national healthcare projections at the Office of the Actuary Center for Medicare and Medicaid Services. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The amortization period used in the calculation of the UAAL at June 30, 2017 was 27 years

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

	2017	2016	2015	2014	2013	2012
Annual required contribution (recommended)	\$ 690,850	\$ 831,862	\$ 852,005	\$ 1,140,963	\$ 1,103,310	\$ 1,074,157
Interest on the prior year's net OPEB obligation	236,441	216,702	186,246	131,055	82,572	32,550
Less Adjustments to the annual required contribution	(212,820)	(199,302)	(168,113)	(116,249)	(72,060)	(27,977)
Annual OPEB costs	714,471	849,262	870,138	1,155,769	1,113,822	1,078,730
Amounts contributed:						
Payments of current premiums	(356,457)	(358,909)	(384,015)	(401,978)	(443,961)	(389,553)
Advance funding	(145,478)	(173,338)	(105,420)	(63,908)	(63,822)	(63,908)
Increase in net OPEB obligation	212,536	317,015	380,703	689,883	606,039	625,269
OPEB obligation - Beginning of year	3,025,788	2,708,773	2,328,070	1,638,187	1,032,148	406,879
OPEB obligation - End of year	\$ 3,238,324	\$ 3,025,788	\$ 2,708,773	\$ 2,328,070	\$ 1,638,187	\$ 1,032,148

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year was as follows:

Annual OPEB costs	\$ 728,691	\$ 849,262	\$ 870,138	\$ 1,155,769	\$ 1,113,822	\$ 1,078,730
Percentage contributed	69%	63%	56%	40%	46%	42%

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

Actuarial value of assets	\$ 1,218,661	\$ 947,908	\$ 768,422	\$ 643,557	\$ 503,812	\$ 391,560
Actuarial accrued liability (AAL)	8,103,570	8,971,126	9,246,456	12,398,154	12,561,069	12,337,460
Unfunded AAL (UAAL)	6,884,909	8,023,218	8,478,034	11,754,597	12,169,509	11,945,900
Funded ratio	18%	12%	9%	5%	4%	3%
Annual covered payroll*	\$ 1,966,631	\$ 1,860,994	\$ 1,867,664	\$ 1,909,448	\$ 1,866,593	\$ 2,026,562
Ratio of UAAL to covered payroll	350%	431%	454%	616%	652%	589%

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 11 - Federal Funding

The City received Federal funds through the Oakland County Community Development Block Grant Program. The City of Huntington Woods, Michigan received \$3,000 in grant allocations in fiscal year 2016-17 all of which was utilized for public transportation programs the City offers its residents. The remaining balance available under the City's CDBG program is held by Oakland County and administered through the Home Improvement Division. This balance will be carried over to the next fiscal year. In 2016-17 the City received no other Federal Funds for either capital projects or operating.

Note 12 - Risk Management

The City has entered into a joint powers agreement with other Michigan units of government for its general liability, property damage insurance including auto and public official's liability, contractor's equipment and workers' compensation. The City's maximum deductibles are as follows: property \$250, liability \$0-, property and crime \$250 and additional coverage for sewage system overflow of \$50,000 per occurrence/event. Under the regulations of the state pool there is no yearly stop loss limit provided. The City has received in fiscal years 2011/12 thru 2016/17 a total of 329,711 in dividend distributions from the state insurance pool and have incurred 726,295 in costs related to liability premiums and deductibles (exclusive of judgments, and court costs associated with City liability claims and litigation. The effects of the 2014 flood on the asset distribution from the State insurance pool through the MMRMA is still being felt. The amount of distribution in the next few years from the State insurance pool will be substantially less.

The City accounts for transactions related to these risks in accordance with GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss that can be reasonably estimated. No settlements have exceeded insurance coverage during the last three years. The City has made no reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2017, and thus no liability has been recorded, however the City has numerous cases that recently are being reviewed by the city's general liability insurance provider, although no definitive outcome has been determined.

Note 13 - Joint Venture

The City is a member of Southeastern Oakland County Resource Recovery Authority ("SOCRRA"), which consists of 12 municipalities in Oakland County. SOCRRA provides refuse disposal services for the benefit of member municipalities. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$352,300 related to payments to SOCRRA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCRRA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

The City is a member of Southeastern Oakland County Water Authority ("SOCWA"), which consists of 11 municipalities in Oakland County. The City purchases water from SOCWA. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$401,009 related to payments to SOCWA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCWA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2017

Note 14 - Upcoming Pronouncements

Although scheduled for June 2017 the City will implement GASB 74, a year later than anticipated. The City has completed all work associated with the development of a proforma that can be used on a n ongoing basis to measure the amount of liability we carry as associated with legacy costs for OPEB. . This statement will serve to record the full cost and liability that has accrued Pension Plans and will enhance the accountability and transparency of the statements, through notes, disclosers and related required supplemental information (RSI). The City will this spring be in the process of evaluating the impact of the requirement and will implement the statement at the end of the 2017-18 fiscal year.

Note 15 - Extraordinary Events

The City has completed a comprehensive cleaning and televising of the 32.78 miles of municipal sewer line under the City's jurisdiction. The City will put together a long-term plan replace, reline and repair all sewer mains beginning in 2018. This will entail a detailed review of the entire system, and most likely be a multi- year process. The City will be reviewing data associated with the process in the 2017-18 fiscal year and will determine methodologies for the repair and relining of the City's sewer main infrastructure.

Required Supplemental Information

City of Huntington Woods, Michigan
Notes to Required Supplemental Information
June 30, 2017

Note 1 - Compliance and Accountability

Budgetary Information - An annual budget is adopted on a basis consistent with the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at the end of each fiscal year.

The annual budget is prepared based upon the chart of accounts prescribed by the P.A. 2 of 1968 and as amended and P.A. 621 of 1978 the Uniform Budgeting and Accounting Act. The City budget, including all non-agency funds is adopted by the City Commission as required by City Charter and amended ordinances. The line-item budget is adopted by category and amended as such.

The City Manager and/or Finance Director is authorized to create new appropriation centers or activities as necessary and disclose any changes to the City Commission through monthly transmittals. Changes that will require additional appropriations from fund balance or a change in the overall appropriation as originally adopted, will require a resolution of the City Commission.

Transfers of any nature from the contingency account as set aside under the original budget adoption must be brought to the City Commission for approval.

Budgeted amounts of the revenues and expenditures presented in this document are a summarization of the budgeted amounts as originally adopted or amended by the City Commission. Individual amendments are not shown, as they were not material in relation to the original appropriations resolved by the City.

Excess expenditures over those appropriations that were adopted by the City Commission are shown and detailed in the budget compliance section (Note 1) of this report.

City of Huntington Woods, Michigan
Notes to Required Supplemental Information
June 30, 2017 cont....

CITY OF HUNTINGTON WOODS
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Two Fiscal years

	2017	2016
Total Pension Liability		
Service Cost	\$ 248,465	\$ 232,843
Interest	1,838,679	1,837,293
Changes of Benefit Terms	-	-
Difference between expected and actual experience	-	(722,984)
Changes of assumptions	-	1,097,193
Benefit payments including employee refunds	(1,730,587)	(1,747,437)
Other	-	-
Net Change in Total Pension Liability	356,557	696,908
Total Pension Liability beginning	23,724,551	23,027,643
Total Pension Liability ending	\$ 24,081,108	\$ 23,724,551
Plan Fiduciary Net Position		
Contributions-employer	1,477,969	2,067,226
Contributions-employee	104,976	99,205
Net Investment income	1,416,945	(142,007)
Benefit payments including employee refunds	(1,730,587)	(1,747,437)
Administrative expense	(27,651)	(27,651)
Net Change in Plan Fiduciary Net Position	1,241,652	249,336
Plan Fiduciary Net Position beginning	12,547,126	12,297,790
Plan Fiduciary Net Position ending	\$ 13,788,778	\$ 12,547,126
Employer Net Pension Liability	\$ 10,292,330	\$ 11,177,425
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	57%	53%
Covered Employee Payroll	1,966,631	1,860,994
Employer's Net Pension Liability as a percentage of Covered Employee Payroll	523.35%	600.62%

The notes to the financial statements are an integral part of this statement

Schedule of City Pension Contributions - Last Ten Fiscal Years
City of Huntington Woods - fiscal year ending

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	1,169,604	1,140,744	1,016,340	785,820	703,728	675,516	585,852	558,012	518,214	476,580
Actual contributions	1,523,904	2,174,955	1,326,507	1,094,159	1,020,568	1,021,118	931,458	558,012	518,214	476,580
Contributions Additional/Deficiency	<u>354,300</u>	<u>1,034,211</u>	<u>310,167</u>	<u>308,339</u>	<u>316,840</u>	<u>345,602</u>	<u>345,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
Employee Covered Payroll	1,860,994	1,867,664	1,909,448	1,866,593	2,026,562	2,031,439	2,239,156	2,275,446	2,263,735	2,263,735
Contributions as a Percentage of Employee Covered Payroll	82%	116%	69%	59%	50%	50%	42%	25%	23%	21%

Valuation Date: December 31, of each year (18 months prior to the beginning of the subsequent fiscal year)

Assumption method used: Entry-Age normal

Remaining Amortization Period 25 years

Asset Valuation Method 5 yr to 10 year smoothed Market

Inflation index 4.5%

Salary increases 4.5% including inflation

Investment Rate of Return 7.75%

Retirement Age Experience Based Tables, specific to the type of eligibility

Mortality 50% Male - 50% Female (blend of 1994 Group Annuity Mortality Table)

CITY OF HUNTINGTON WOODS, MICHIGAN
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Budgetary Fund Balance, July 1, 2016	\$ 2,664,011	\$ 2,664,011	\$ 2,664,011	\$ -
Resources (Inflows):				
Property Taxes	5,763,170	5,763,170	5,780,573	17,403
Licenses and Permits	307,650	273,650	280,163	6,513
Intergovernmental	565,420	566,920	585,547	18,627
Charges for Services	307,280	307,280	319,024	11,744
Fines and Forfeits	140,500	140,500	171,209	30,709
Interest Income	40,800	40,800	22,990	(17,810)
Other Revenues	297,500	262,500	299,842	37,342
Additional Amounts Available for Appropriation	7,422,320	7,354,820	7,459,348	104,528
Charges to Appropriations (Outflows):				
General Government	1,155,010	1,202,610	1,083,856	118,754
Public Safety	3,223,900	3,177,400	3,197,637	(20,237)
Public Works	431,670	428,070	389,185	38,885
Library	532,610	532,610	493,571	39,039
Transfers Out	2,080,510	2,125,510	2,125,500	10
Total Charges to Appropriations	7,423,700	7,466,200	7,289,749	176,451
Budgetary Fund Balance - June 30, 2017	\$ 2,662,631	\$ 2,552,631	\$ 2,833,610	\$ 280,979

CITY OF HUNTINGTON WOODS, MICHIGAN
Sanitation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ 18,140	\$ 18,140	\$ 18,140	\$ -
Resources (Inflows):				
Property Taxes	546,090	546,090	545,088	(1,002)
Interest Income	500	500	386	(114)
Other	8,500	8,500	4,738	(3,762)
Additional Amounts Available for Appropriation	555,090	555,090	550,212	(4,878)
Charges to Appropriations (Outflows):				
Administrative	66,940	66,940	45,798	21,142
Employee Benefits	70,740	70,740	73,450	(2,710)
Professional Services	416,910	416,910	393,636	23,274
Total Charges to Appropriations	554,590	554,590	512,884	41,706
Budgetary Fund Balance - June 30, 2017	\$ 18,640	\$ 18,640	\$ 55,468	\$ (46,584)

CITY OF HUNTINGTON WOODS, MICHIGAN
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Budgetary Fund Balance, July 1, 2016	\$ 251,092	\$ 251,092	\$ 251,092	\$ -
Resources (Inflows):				
Property Taxes	67,020	67,020	66,944	(76)
Aquatic Club Charges	180,000	180,000	227,785	47,785
Program Fees	857,100	891,500	819,516	(71,984)
Interest Income	3,500	3,500	4,436	936
Grants	-	6,000	5,685	(315)
Other	500	500	-	(500)
Transfers In	750,000	750,000	750,000	-
Additional Amounts Available for Appropriation	1,858,120	1,898,520	1,874,366	(24,154)
Charges to Appropriations (Outflows):				
Bus	52,830	52,830	48,767	4,063
Recreation	603,130	652,130	642,569	9,561
Programs	1,037,400	1,028,800	1,017,660	11,140
Pool	268,970	268,970	267,930	1,040
Total Charges to Appropriations	1,962,330	2,002,730	1,976,926	25,804
Budgetary Fund Balance - June 30, 2017	\$ 146,882	\$ 146,882	\$ 148,532	\$ 1,650

Other Supplemental Information

Major and Local Street funds are governmental funds that are specifically for the purpose of detailing the revenue and expenditures of P.A. 51 monies allocated from State of Michigan Gas and Weight leivis for use by local governmental units.

GWK Drain Debt Funds are non-governmental funds that handle the repayment of bonded bebt for the rebuilding of the Oakland County George W. Kuhn Drain system.

11 Mile GO Debt Funds are non-governmental funds that handle the repayment of bonded bebt forth rebuilding of the 11 Mile major roadway in Huntington Woods

2010- 2014 Bon funds are non-governmental funds that handle the repayment of bonded bebt forth rebuilding of the the major and local roadway system with the City of Huntington Woods

CITY OF HUNTINGTON WOODS, MICHIGAN

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2017

Nonmajor Special Revenue Funds				Nonmajor Debt Service Funds				Total
Major Street Fund	Local Street Fund	GVK Drain Debt Fund	11 Mile GO Debt Fund	2010 Street GO Debt Fund	2012 Street GO Debt Fund	2014 Street GO Debt Fund	Nonmajor Governmental Funds	
ASSETS								
Cash and cash equivalents	\$ 44,574	\$ 20,084	\$ 8,216	\$ 8,479	\$ 1,152	\$ 6,041	\$ 113,249	
Investments	347,748	87,368	354,945	28,143	241,251	42,438	1,276,893	
Accounts Receivable	62,854	25,543	504	-	622	452	90,379	
Total Assets	\$ 455,176	\$ 132,995	\$ 363,665	\$ 36,622	\$ 243,025	\$ 48,931	\$ 1,480,521	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 1,200	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 1,219	
Accrued Payroll	827	1,007	-	-	-	-	1,834	
Total Liabilities	2,027	1,026	-	-	-	-	3,053	
Fund Balances:								
Restricted	453,149	131,969	363,665	36,622	243,025	48,931	1,477,468	
Total Fund Balances	453,149	131,969	363,665	36,622	243,025	48,931	1,477,468	
Total Liabilities and Fund Balances	\$ 455,176	\$ 132,995	\$ 363,665	\$ 36,622	\$ 243,025	\$ 48,931	\$ 1,480,521	

CITY OF HUNTINGTON WOODS, MICHIGAN
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2017

	Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds					Total Nonmajor Governmental Funds
	Major Street Fund	Local Street Fund	GWK Drain Debt Fund	11 Mile GO Debt Fund	2010 Street GO Debt Fund	2012 Street GO Debt Fund	2014 Street GO Debt Fund	
Revenues:								
Property Taxes	\$ -	\$ -	\$ 265,405	\$ -	\$ 327,655	\$ 237,787	\$ 213,116	\$ 1,043,963
Intergovernmental	338,593	132,048	-	-	-	-	-	470,641
Interest Income	2,354	591	2,199	251	1,674	246	-	7,315
Other	26,863	2,420	37,233	-	59,398	-	-	125,914
Total Revenues	367,810	135,059	304,837	251	388,727	238,033	213,116	1,647,833
Expenditures:								
Public Works	282,329	262,161	-	-	-	-	-	544,490
Debt Service:								
Principal	-	-	218,715	50,000	250,000	200,000	500,000	1,218,715
Interest and other charges	-	-	46,093	50,456	142,450	58,250	88,500	385,749
Total Expenditures	282,329	262,161	264,808	100,456	392,450	258,250	588,500	2,148,954
Excess (Deficiency) of Revenues Over Expenditures	85,481	(127,102)	40,029	(100,205)	(3,723)	(20,217)	(375,384)	(501,121)
Other Financing Sources (Uses):								
Transfers In	-	150,000	-	99,672	-	31,941	-	281,613
Transfers Out	(39,864)	-	-	-	-	-	-	(39,864)
Total Other Financing Sources (Uses)	(39,864)	150,000	-	99,672	-	31,941	-	241,749
Net Change in Fund Balance	45,617	22,898	40,029	(533)	(3,723)	11,724	(375,384)	(259,372)
Fund Balance - July 1	407,532	109,071	323,636	37,155	246,748	37,207	575,491	1,736,840
Fund Balance - June 30	\$ 453,149	\$ 131,969	\$ 363,665	\$ 36,622	\$ 243,025	\$ 48,931	\$ 200,107	\$ 1,477,468

CITY OF HUNTINGTON WOODS, MICHIGAN
Major Streets Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ <u>407,532</u>	\$ <u>407,532</u>	\$ <u>407,532</u>	\$ <u>-</u>
Resources (Inflows):				
Intergovernmental	291,350	291,350	338,593	47,243
Other	15,050	27,350	26,863	(487)
Interest Income	<u>150</u>	<u>150</u>	<u>2,354</u>	<u>2,204</u>
Additional Amounts Available for Appropriation	<u>306,550</u>	<u>318,850</u>	<u>367,810</u>	<u>48,960</u>
Charges to Appropriations (Outflows):				
Maintenance	248,340	244,340	210,494	33,846
Traffic Services	27,190	27,190	25,978	1,212
Snow and Ice Removal	33,590	42,590	35,712	6,878
Administrative	13,390	13,390	10,145	3,245
Transfers Out	<u>39,870</u>	<u>39,870</u>	<u>39,864</u>	<u>6</u>
Total Charges to Appropriations	<u>362,380</u>	<u>367,380</u>	<u>322,193</u>	<u>45,187</u>
Budgetary Fund Balance - June 30, 2017	\$ <u><u>351,702</u></u>	\$ <u><u>359,002</u></u>	\$ <u><u>453,149</u></u>	\$ <u><u>94,147</u></u>

CITY OF HUNTINGTON WOODS, MICHIGAN
Local Streets Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ 109,071	\$ 109,071	\$ 109,071	\$ -
Resources (Inflows):				
Intergovernmental	112,840	112,840	132,048	19,208
Other	500	500	2,420	1,920
Interest Income	60	60	591	531
Transfers In	150,000	150,000	150,000	-
Additional Amounts Available for Appropriation	263,400	263,400	285,059	21,659
Charges to Appropriations (Outflows):				
Maintenance	210,870	210,870	196,490	14,380
Traffic Services	24,270	24,270	20,010	4,260
Snow and Ice Removal	37,920	37,920	36,973	947
Administrative	12,400	12,400	8,688	3,712
Total Charges to Appropriations	285,460	285,460	262,161	23,299
Budgetary Fund Balance - June 30, 2017	\$ 87,011	\$ 87,011	\$ 131,969	\$ 44,958

CITY OF HUNTINGTON WOODS, MICHIGAN
GWK Drain Debt Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ <u>323,636</u>	\$ <u>323,636</u>	\$ <u>323,636</u>	\$ <u>-</u>
Resources (Inflows):				
Property Taxes	265,620	265,620	265,405	(215)
Other	-	-	37,233	37,233
Interest Income	<u>2,500</u>	<u>2,500</u>	<u>2,199</u>	<u>(301)</u>
Additional Amounts Available for Appropriation	<u>268,120</u>	<u>268,120</u>	<u>304,837</u>	<u>36,717</u>
Charges to Appropriations (Outflows):				
Debt Service-principal	217,148	217,148	218,715	(1,567)
Debt Service-interest	<u>50,972</u>	<u>50,972</u>	<u>46,093</u>	<u>4,879</u>
Total Charges to Appropriations	<u>268,120</u>	<u>268,120</u>	<u>264,808</u>	<u>3,312</u>
Budgetary Fund Balance - June 30, 2017	\$ <u><u>323,636</u></u>	\$ <u><u>323,636</u></u>	\$ <u><u>363,665</u></u>	\$ <u><u>40,029</u></u>

CITY OF HUNTINGTON WOODS, MICHIGAN
11 Mile Road G.O. Debt Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ <u>37,155</u>	\$ <u>37,155</u>	\$ <u>37,155</u>	\$ <u>-</u>
Resources (Inflows):				
Interest Income	380	380	251	(129)
Transfers In	<u>99,680</u>	<u>99,680</u>	<u>99,672</u>	<u>(8)</u>
Additional Amounts Available for Appropriation	<u>100,060</u>	<u>100,060</u>	<u>99,923</u>	<u>(137)</u>
Charges to Appropriations (Outflows):				
Debt Service-principal	50,000	50,000	50,000	-
Debt Service-interest	<u>50,060</u>	<u>50,060</u>	<u>50,456</u>	<u>(396)</u>
Total Charges to Appropriations	<u>100,060</u>	<u>100,060</u>	<u>100,456</u>	<u>(396)</u>
Budgetary Fund Balance - June 30, 2017	\$ <u><u>37,155</u></u>	\$ <u><u>37,155</u></u>	\$ <u><u>36,622</u></u>	\$ <u><u>(533)</u></u>

CITY OF HUNTINGTON WOODS, MICHIGAN
2010 Street G.O. Debt Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ <u>246,748</u>	\$ <u>246,748</u>	\$ <u>246,748</u>	\$ <u>-</u>
Resources (Inflows):				
Property Taxes	327,870	327,870	327,655	(215)
Other	72,880	72,880	59,398	(13,482)
Interest Income	<u>2,210</u>	<u>2,210</u>	<u>1,674</u>	<u>(536)</u>
Additional Amounts Available for Appropriation	<u>402,960</u>	<u>402,960</u>	<u>388,727</u>	<u>(14,233)</u>
Charges to Appropriations (Outflows):				
Debt Service-principal	250,000	250,000	250,000	-
Debt Service-interest	<u>142,050</u>	<u>142,050</u>	<u>142,450</u>	<u>(400)</u>
Total Charges to Appropriations	<u>392,050</u>	<u>392,050</u>	<u>392,450</u>	<u>(400)</u>
Budgetary Fund Balance - June 30, 2017	\$ <u><u>257,658</u></u>	\$ <u><u>257,658</u></u>	\$ <u><u>243,025</u></u>	\$ <u><u>(14,633)</u></u>

CITY OF HUNTINGTON WOODS, MICHIGAN
2012 Street G.O. Debt Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
Budgetary Fund Balance, July 1, 2016	\$ 37,207	\$ 37,207	\$ 37,207	\$ -
Resources (Inflows):				
Property Taxes	238,070	238,070	237,787	(283)
Interest Income	280	280	246	(34)
Transfers In	30,000	30,000	31,941	1,941
Additional Amounts Available for Appropriation	268,350	268,350	269,974	1,624
Charges to Appropriations (Outflows):				
Debt Service-principal	200,000	200,000	200,000	-
Debt Service-interest	58,350	58,350	58,250	100
Total Charges to Appropriations	258,350	258,350	258,250	100
Budgetary Fund Balance - June 30, 2017	\$ 47,207	\$ 47,207	\$ 48,931	\$ 1,724

CITY OF HUNTINGTON WOODS, MICHIGAN
2014 Street G.O. Debt Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Budgetary Fund Balance, July 1, 2016	\$ 575,491	\$ 575,491	\$ 575,491	\$ -
Resources (Inflows):				
Property Taxes	213,120	213,120	213,116	(4)
Interest Income	450	450	-	(450)
Additional Amounts Available for Appropriation	213,570	213,570	213,116	(454)
Charges to Appropriations (Outflows):				
Debt Service-principal	500,000	500,000	500,000	-
Debt Service-interest	88,600	88,600	88,500	100
Total Charges to Appropriations	588,600	588,600	588,500	100
Budgetary Fund Balance - June 30, 2017	\$ 200,461	\$ 200,461	\$ 200,107	\$ (354)

CITY OF HUNTINGTON WOODS, MICHIGAN
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Budgetary Fund Balance, July 1, 2016	\$ 698,501	\$ 698,501	\$ 698,501	\$ -
Resources (Inflows):				
Other	115,000	115,000	299,069	184,069
Interest Income	5,700	5,700	7,290	1,590
Bond Proceeds	-	-	3,691,961	3,691,961
Transfers In	355,900	355,900	232,896	(123,004)
Additional Amounts Available for Appropriation	476,600	476,600	4,231,216	3,754,616
Charges to Appropriations (Outflows):				
Capital Outlay	770,370	785,370	893,201	(107,831)
Transfers Out	-	-	-	-
Total Charges to Appropriations	770,370	785,370	893,201	(107,831)
Budgetary Fund Balance - June 30, 2017	\$ 404,731	\$ 389,731	\$ 4,036,516	\$ 3,646,785

CITY OF HUNTINGTON WOODS, MICHIGAN
Street Debt Service Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
Budgetary Fund Balance, July 1, 2016	\$ 31,941	\$ 31,941	\$ 31,941	\$ -
Resources (Inflows):				
Interest Income	-	-	-	-
Additional Amounts Available for Appropriation	-	-	-	-
Charges to Appropriations (Outflows):				
Transfer Out	-	-	31,941	(31,941)
Total Charges to Appropriations	-	-	31,941	(31,941)
Budgetary Fund Balance - June 30, 2017	\$ 31,941	\$ 31,941	\$ -	\$ (31,941)

CITY OF HUNTINGTON WOODS, MICHIGAN
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	<u>Equipment Fund</u>	<u>Post Retirement Benefits Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Certificates of Deposit	\$ 34,433	\$ 5,705	\$ 40,138
Investments - at fair value	57,413	772,231	829,644
Prepaid Expense	-	27,066	27,066
Total Current Assets	<u>91,846</u>	<u>805,002</u>	<u>896,848</u>
Capital Assets	2,475,558	-	2,475,558
Less: Accumulated Depreciation	<u>(1,324,571)</u>	<u>-</u>	<u>(1,324,571)</u>
Net Capital Assets	<u>1,150,987</u>	<u>-</u>	<u>1,150,987</u>
Total Assets	<u>\$ 1,242,833</u>	<u>\$ 805,002</u>	<u>\$ 2,047,835</u>
<u>LIABILITIES AND NET POSITION</u>			
Current Liabilities:			
Accounts Payable	\$ 9,676	\$ 3,175	\$ 12,851
Accrued Liabilities	1,022	412	1,434
Current Portion of Long-term Obligations	<u>169,921</u>	<u>-</u>	<u>169,921</u>
Total Current Liabilities	<u>180,619</u>	<u>3,587</u>	<u>184,206</u>
Noncurrent Liabilities:			
Due to employees	-	702,676	702,676
Noncurrent Portion of Long-term Obligations	<u>187,808</u>	<u>-</u>	<u>187,808</u>
Total Noncurrent Liabilities	<u>187,808</u>	<u>702,676</u>	<u>890,484</u>
Total Liabilities	<u>368,427</u>	<u>706,263</u>	<u>1,074,690</u>
NET POSITION:			
Net Investment in Capital Assets	793,258	-	793,258
Unrestricted	<u>81,148</u>	<u>98,739</u>	<u>179,887</u>
Total Net Position	<u>874,406</u>	<u>98,739</u>	<u>973,145</u>
Total Liabilities and Net Position	<u>\$ 1,242,833</u>	<u>\$ 805,002</u>	<u>\$ 2,047,835</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
Combining Statement of Operations and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2017

	<u>Equipment Fund</u>	<u>Post Retirement Benefits Fund</u>	<u>Total</u>
<u>Operating Revenues:</u>			
Charges for Services	\$ 209,776	\$ -	\$ 209,776
Other	-	-	-
Total Operating Revenues	<u>209,776</u>	<u>-</u>	<u>209,776</u>
<u>Operating Expenses:</u>			
Operations & Maintenance	151,246	-	151,246
Depreciation	108,468	-	108,468
Retiree Healthcare & Other	-	573,462	573,462
Total Operating Expenses	<u>259,714</u>	<u>573,462</u>	<u>833,176</u>
Operating Income (Loss)	<u>(49,938)</u>	<u>(573,462)</u>	<u>(623,400)</u>
<u>Nonoperating Revenues (Expenses):</u>			
Interest on investments	389	5,429	5,818
Interest Expense	(11,619)	-	(11,619)
Gain(Loss) on Disposal of Assets	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(11,230)</u>	<u>5,429</u>	<u>(5,801)</u>
Transfers In	<u>195,000</u>	<u>497,604</u>	<u>692,604</u>
Net Income (Loss)	133,832	(70,429)	63,403
Net Position, Beginning	<u>740,574</u>	<u>169,168</u>	<u>909,742</u>
Net Position, Ending	\$ <u><u>874,406</u></u>	\$ <u><u>98,739</u></u>	\$ <u><u>973,145</u></u>

CITY OF HUNTINGTON WOODS, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2017

	Equipment Fund	Post Retirement Benefits Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 209,776	\$ -	\$ 209,776
Payments for goods and services	(87,236)	-	(87,236)
Payments for employee benefits	(57,342)	(523,131)	(580,473)
Net Cash Provided (Used) by Operating Activities	<u>65,198</u>	<u>(523,131)</u>	<u>(457,933)</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Transfers	195,000	497,604	692,604
Net Cash Provided by Noncapital Financing Activities	<u>195,000</u>	<u>497,604</u>	<u>692,604</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(45,077)	-	(45,077)
Proceeds from Installment Note	-	-	-
Principal Paid on Debt	(169,989)	-	(169,989)
Interest Paid on Debt	(11,619)	-	(11,619)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(226,685)</u>	<u>-</u>	<u>(226,685)</u>
Cash Flows from Investing Activities:			
Purchase of Investment Securities	(927)	(38,350)	(39,277)
Proceeds from Maturities of Investment Securities	598	63,749	64,347
Interest received	389	5,429	5,818
Net Cash Provided by Investing Activities	<u>60</u>	<u>30,828</u>	<u>30,888</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,573	5,301	38,874
Cash and Cash Equivalents, Beginning	<u>860</u>	<u>404</u>	<u>1,264</u>
Cash and Cash Equivalents, Ending	<u>\$ 34,433</u>	<u>\$ 5,705</u>	<u>\$ 40,138</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (49,938)	\$ (573,462)	\$ (623,400)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization Expense	108,468	-	108,468
(Increase) Decrease in Receivables	-	-	-
(Increase) Decrease in Prepaid Expense	-	1,063	1,063
Increase (Decrease) in Accounts Payable	6,177	748	6,925
Increase (Decrease) in Accrued Liabilities	491	91	582
Increase (Decrease) in Other Liabilities	-	48,429	48,429
Net Cash Provided (Used) by Operating Activities	<u>\$ 65,198</u>	<u>\$ (523,131)</u>	<u>\$ (457,933)</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
Statement of Changes in Net Position
Agency Fund
For the Year Ended June 30, 2017

	Balance June 30, 2016		Additions		Deductions		Balance June 30, 2017
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 1,828	\$	3,772,390	\$	3,769,380	\$	4,838
Investments	373,000		40,000		105,000		308,000
Total Assets	<u>\$ 374,828</u>	\$	<u>3,812,390</u>	\$	<u>3,874,380</u>	\$	<u>312,838</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 900	\$	3,611,024	\$	3,611,924	\$	-
Accrued and Other Liabilities	196,213		204,756		229,044		171,925
Performance Deposits	177,715		190,443		227,245		140,913
Total Liabilities	<u>\$ 374,828</u>	\$	<u>4,006,223</u>	\$	<u>4,068,213</u>	\$	<u>312,838</u>

Statistical Section

STATISTICAL SECTION INDEX

This part of the City of Huntington Woods' comprehensive annual financial report presents de information as a context for understanding what the information in the financial statements, n disclosures and required supplementary information says about the City's overall financial he

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<u>Financial Trends</u>	105-108
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These schedules contain trend information to help the reader understand how the City's financial performance has changed.

<u>Revenue Capacity</u>	109-113
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These schedules contain information to help the reader access the City's most significant local revenue source, the property tax.

<u>Debt Capacity</u>	114-118
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

<u>Demographic and Economic Information</u>	119-120
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

<u>Operating Information</u>	121-123
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in the fiscal year ended 6/30/03; schedules presenting government-wide information include information beginning in that year.

CITY OF HUNTINGTON WOODS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Investment in capital assets, net of related debt	\$ 14,007,428	\$ 16,427,039	\$ 17,189,807	\$ 17,293,790	\$ 17,489,323	\$ 17,680,106	\$ 18,807,744	\$ 20,306,882	\$ 23,393,781	\$ 18,562,423
Restricted	136,015	136,015	890,287	828,641	1,006,973	1,121,696	1,118,423	1,431,856	2,097,767	6,128,154
Unrestricted	3,300,774	3,075,721	2,572,613	3,299,301	3,236,502	3,530,883	3,898,844	(8,277,635)	(10,296,258)	(10,302,305)
Total governmental activities net position	<u>\$ 17,444,217</u>	<u>\$ 19,638,775</u>	<u>\$ 20,652,707</u>	<u>\$ 21,421,732</u>	<u>\$ 21,732,798</u>	<u>\$ 22,332,685</u>	<u>\$ 23,825,011</u>	<u>\$ 13,461,103</u>	<u>\$ 15,195,290</u>	<u>\$ 14,388,272</u>
Business-type activities										
Net position, invested in capital assets	\$ 2,686,299	\$ 2,945,582	\$ 3,103,420	\$ 3,238,887	\$ 3,914,602	\$ 3,888,654	\$ 3,796,684	\$ 4,081,175	\$ 3,997,472	\$ 3,932,000
Unrestricted	1,804,579	1,141,016	787,774	638,798	1,306,100	1,362,627	1,413,125	1,231,149	1,463,310	1,758,248
Total business-type activities net position	<u>\$ 4,490,878</u>	<u>\$ 4,086,598</u>	<u>\$ 3,891,194</u>	<u>\$ 3,877,685</u>	<u>\$ 5,220,702</u>	<u>\$ 5,251,281</u>	<u>\$ 5,209,809</u>	<u>\$ 5,312,324</u>	<u>\$ 5,460,782</u>	<u>\$ 5,690,248</u>
Primary government										
Net Investment in capital assets	\$ 16,693,727	\$ 19,372,621	\$ 20,293,227	\$ 20,532,677	\$ 21,403,925	\$ 21,568,760	\$ 22,604,428	\$ 24,388,057	\$ 27,391,253	\$ 22,494,423
Restricted	136,015	136,015	890,287	828,641	1,006,973	1,121,696	1,118,423	1,431,856	2,097,767	6,128,154
Unrestricted	5,105,353	4,216,737	3,360,387	3,938,099	4,542,602	4,893,510	5,311,969	(7,046,486)	(8,832,948)	(8,544,057)
Total primary government net position	<u>\$ 21,935,095</u>	<u>\$ 23,725,373</u>	<u>\$ 24,543,901</u>	<u>\$ 25,299,417</u>	<u>\$ 26,953,500</u>	<u>\$ 27,583,966</u>	<u>\$ 29,034,820</u>	<u>\$ 18,773,427</u>	<u>\$ 20,656,072</u>	<u>\$ 20,078,520</u>

CITY OF HUNTINGTON WOODS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 4,343,016	\$ 2,658,500	\$ 2,631,232	\$ 3,110,281	\$ 2,525,906	\$ 4,073,818	\$ 3,219,263	\$ 3,509,607	\$ 2,308,876	\$ 2,527,307
Public safety	1,797,164	2,398,441	2,635,710	2,952,968	3,045,555	3,155,832	3,183,604	3,222,889	3,387,345	2,064,426
Public works/Streets	796,378	763,744	690,256	652,119	748,803	773,641	842,723	1,671,457	449,678	1,246,834
Recreation/Library	2,678,771	2,922,304	2,879,352	2,602,036	2,482,326	2,438,815	2,537,079	2,560,634	2,949,723	2,584,876
Capital outlay	-	-	-	-	-	-	-	-	-	-
Interest on debt	472,567	545,749	511,931	452,253	451,564	482,619	448,602	471,953	426,606	392,639
Total governmental activities expenses	\$ 10,087,896	\$ 9,288,738	\$ 9,348,481	\$ 9,769,657	\$ 9,254,154	\$ 10,924,725	\$ 10,231,271	\$ 11,436,540	\$ 9,522,228	\$ 8,816,082
Business-type activities:										
Water	1,655,646	1,808,143	1,813,535	2,036,080	2,007,100	2,124,635	2,091,775	2,162,586	2,736,953	2,813,487
Total primary government expenses	\$ 11,743,542	\$ 11,096,881	\$ 11,162,016	\$ 11,805,737	\$ 11,261,254	\$ 13,049,360	\$ 12,323,046	\$ 13,599,126	\$ 9,522,228	\$ 8,816,082
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 401,852	\$ 405,991	\$ 408,743	\$ 1,067,243	\$ 426,840	\$ 503,394	\$ 592,498	\$ 949,342	\$ 1,215,049	\$ 1,533,159
Public safety	149,096	125,295	113,568	154,259	159,390	208,333	168,001	143,111	82,130	271,556
Public works	223,807	164,382	-	-	-	-	-	536,074	230,432	308,132
Recreation / Library	1,034,090	977,150	1,052,260	1,005,786	1,004,193	1,005,290	986,267	1,068,491	1,034,111	1,120,514
Operating grants and contributions	369,953	354,666	4,362	4,248	3,609	4,275	4,749	3,030	22,955	11,918
Capital grants and contributions	8,956	928,717	13,002	7,890	13,800	12,361	10,003	21,643	-	-
Total governmental activities program revenue	\$ 2,187,754	\$ 2,956,201	\$ 1,591,935	\$ 2,239,426	\$ 1,607,832	\$ 1,733,653	\$ 1,761,518	\$ 2,721,691	\$ 2,584,677	\$ 3,245,279
Business-type activities:										
Charges for services	1,832,946	1,754,065	1,815,271	2,071,196	2,268,021	2,417,538	2,299,856	2,511,407	2,745,041	2,798,640
Total business-type activities program revenues	1,832,946	1,754,065	1,815,271	2,071,196	2,268,021	2,417,538	2,299,856	2,511,407	2,745,041	2,798,640
Total primary government program revenues	\$ 4,020,700	\$ 4,710,266	\$ 3,407,206	\$ 4,310,622	\$ 3,875,853	\$ 4,151,191	\$ 4,061,374	\$ 5,233,098	\$ 5,329,718	\$ 6,043,919
Net (Expenses)/Revenue										
Governmental activities	\$ (7,900,142)	\$ (6,332,537)	\$ (7,756,546)	\$ (7,530,231)	\$ (7,646,322)	\$ (9,191,072)	\$ (8,469,753)	\$ (8,714,849)	\$ (6,937,551)	\$ (5,570,803)
Business-type activities	\$ 177,300	\$ (54,078)	\$ 1,736	\$ 35,116	\$ 260,921	\$ 292,903	\$ 208,081	\$ 348,821	\$ 8,088	\$ (14,847)
Total primary government net expense	\$ (7,722,842)	\$ (6,386,615)	\$ (7,754,810)	\$ (7,495,115)	\$ (7,385,401)	\$ (8,898,169)	\$ (8,261,672)	\$ (8,366,028)	\$ (6,929,463)	\$ (5,585,650)
General Revenues and Other Changes in Nets Position										
Governmental activities:										
Property taxes	\$ 5,883,281	\$ 5,638,599	\$ 5,784,124	\$ 5,592,840	\$ 5,525,532	\$ 5,662,130	\$ 5,769,462	\$ 5,940,391	\$ 6,133,390	\$ 6,409,700
Property tax - debt service	1,195,163	1,442,147	1,326,964	1,589,480	2,021,074	2,059,560	2,229,093	2,313,711	1,793,647	1,026,868
State shared revenue	566,966	648,811	570,623	447,260	511,759	526,067	539,886	549,411	549,493	573,630
Investment earnings	268,356	224,401	196,680	108,111	51,098	22,040	67,846	54,153	76,455	48,235
Bond proceeds	1,470,000	-	-	-	-	-	-	-	-	-
Gain or loss (disposable assets)	34,058	174,385	983,122	493,710	918,666	1,258,737	1,100,473	(280,515)	(6,824)	(3,054,456)
Transfers - internal activities	397,632	398,752	232,735	67,855	(1,070,741)	262,425	255,319	254,446	125,577	(240,192)
Total governmental activities	\$ 9,815,456	\$ 8,527,095	\$ 9,094,248	\$ 8,299,256	\$ 7,957,388	\$ 9,790,959	\$ 9,962,079	\$ 8,831,597	\$ 8,671,738	\$ 4,763,785
Business-type activities:										
Investment earnings	62,873	48,550	35,595	19,230	11,355	101	5,766	8,139	6,570	4,121
Transfers - internal activities	(225,316)	(398,752)	(232,735)	(67,855)	1,070,741	(262,425)	(255,319)	(254,446)	133,800	240,192
Total business-type activities	(162,443)	(350,202)	(197,140)	(48,625)	1,082,096	(262,324)	(249,553)	(246,307)	140,370	244,313
Total primary government	\$ 9,653,013	\$ 8,176,893	\$ 8,897,108	\$ 8,250,631	\$ 9,039,484	\$ 9,528,635	\$ 9,712,526	\$ 8,585,290	\$ 8,812,108	\$ 5,008,098
Cumulative effect in accounting change- Gov Activities	\$ -	\$ -	\$ (323,770)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 1,915,314	\$ 2,194,558	\$ 1,013,932	\$ 769,025	\$ 311,066	\$ 599,887	\$ 1,492,326	\$ 116,748	\$ 1,734,187	\$ (807,018)
Business-type activities	14,857	(404,280)	(195,404)	(13,509)	1,343,017	30,579	(41,472)	102,514	148,458	229,466
Net Position - Beginning as restated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,554,165	\$ 18,773,427	\$ 20,656,072
Total primary government	\$ 1,930,171	\$ 1,790,278	\$ 818,528	\$ 755,516	\$ 1,654,083	\$ 630,466	\$ 1,450,854	\$ 219,262	\$ 1,882,645	\$ (577,552)
Net Position Ending	\$ 1,930,171	\$ 1,790,278	\$ 818,528	\$ 755,516	\$ 1,654,083	\$ 630,466	\$ 1,450,854	\$ 18,773,427	\$ 20,656,072	\$ 20,078,520

CITY OF HUNTINGTON WOODS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Unreserved	764,444	911,888	1,143,934	-	-	-	-	-	-	-
All Other Governmental Funds										
Reserved	136,015	136,015	4,097,588	-	-	-	-	-	-	-
Unreserved, reported in										
Special revenue funds	659,885	1,014,192	1,024,990	-	-	-	-	-	-	-
Capital projects funds	929,901	213,091	-	-	-	-	-	-	-	-
Debt service funds	564,837	565,692	533,429	-	-	-	-	-	-	-
Total other governmental funds	2,290,638	1,928,990	5,656,007	-	-	-	-	-	-	-
Total Governmental Funds	<u>\$ 3,055,082</u>	<u>\$ 2,840,878</u>	<u>\$ 6,799,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	-	-	-	114,497	144,205	168,916	143,268	132,848	103,220	34,985
Committed	-	-	-	568,760	619,067	835,141	1,356,823	993,773	1,053,674	1,110,593
Assigned	-	-	-	199,210	196,346	206,674	208,232	209,592	200,818	196,134
Unassigned	-	-	-	1,205,965	1,249,435	1,325,324	1,401,826	1,139,107	1,306,299	1,491,898
Total General Fund	-	-	-	2,088,432	2,209,053	2,536,055	3,110,149	2,475,320	2,664,011	2,833,610
All Other Governmental Funds										
Restricted	-	-	-	3,221,216	2,959,254	1,976,615	4,699,354	1,699,416	2,129,708	5,049,703
Committed	-	-	-	4,500	4,500	4,500	4,500	4,500	-	-
Assigned	-	-	-	488,666	677,792	920,995	990,788	826,485	606,806	668,281
Total other governmental funds	-	-	-	3,714,382	3,641,546	2,902,110	5,694,642	2,530,401	2,736,514	5,717,984
Total Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,802,814</u>	<u>\$ 5,850,599</u>	<u>\$ 5,438,165</u>	<u>\$ 8,804,791</u>	<u>\$5,005,721</u>	<u>\$5,400,525</u>	<u>\$ 8,551,594</u>

CITY OF HUNTINGTON WOODS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Propert Taxes										
Property Taxes	\$ 7,078,444	\$ 7,080,747	\$ 7,111,088	\$ 7,182,320	\$ 7,546,606	\$ 7,721,690	\$ 7,998,556	\$ 8,254,102	\$ 7,927,037	\$ 7,436,568
Licenses and permits	178,729	157,402	156,381	188,152	174,874	269,542	335,440	362,019	292,808	280,163
Intergovernmental	927,552	907,990	931,382	790,958	924,370	900,917	963,349	975,988	969,807	1,056,188
Charges for services	88,077	89,088	90,106	86,388	68,142	68,630	69,723	130,608	137,603	348,908
Aquatic Club charges	176,356	178,107	187,287	189,441	180,504	215,591	178,911	149,203	214,683	227,784
Program fees	789,247	740,497	808,836	760,548	766,337	730,343	748,342	828,612	751,532	789,633
Fines and forfeits	243,079	227,645	217,433	252,461	254,523	287,122	264,246	162,928	160,718	171,209
Investment income	226,656	185,965	160,219	88,524	38,312	19,803	58,276	54,152	67,729	42,417
Other	1,751,689	306,508	253,514	280,311	496,028	824,797	731,083	661,744	615,745	735,248
Total revenues	11,459,829	9,873,949	9,916,246	9,819,103	10,449,696	11,038,435	11,347,926	11,579,356	11,137,662	11,088,118
Expenditures										
General government	2,945,990	1,763,458	1,721,646	1,355,543	1,510,107	1,439,464	1,442,701	1,875,418	1,017,647	1,083,856
Public safety	1,729,266	2,358,034	2,595,099	2,904,831	2,994,502	3,107,956	3,158,098	3,308,232	3,240,419	3,197,637
Public works / Major Local Streets	1,003,056	956,853	816,577	836,597	845,708	874,862	949,755	1,407,961	1,396,969	1,446,559
Recreation and Cultural	1,999,223	2,452,578	2,479,765	2,260,315	2,117,522	669,130	2,172,617	2,303,759	2,418,115	2,470,497
Capital outlay	603,880	1,233,005	783,937	1,639,092	2,329,334	1,519,142	1,231,650	3,540,722	567,429	893,201
Debt service										
Principal	816,779	942,947	1,055,312	1,240,486	1,699,874	1,785,516	1,940,373	2,005,394	1,206,350	1,218,715
Interest	472,567	461,209	437,845	391,884	446,230	461,542	494,235	471,953	425,450	385,749
Total expenditures	9,570,761	10,168,084	9,890,181	10,628,748	11,943,277	9,857,612	11,389,429	14,913,439	10,272,379	10,696,214
Excess of revenues over (under) expenditures	1,889,068	(294,135)	26,065	(809,645)	(1,493,581)	1,180,823	(41,503)	(3,334,083)	865,283	391,904
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	10,705,000	-	3,050,000	-	3,769,328	-	-	3,691,961
Debt defeasement/ underwriter discount	-	-	(6,295,050)	-	-	-	-	-	-	-
Transfers - in	1,598,712	2,071,871	1,697,843	1,319,938	1,354,454	1,496,514	1,438,071	1,399,076	1,466,828	1,264,509
Transfers - out	(1,491,320)	(1,991,940)	(1,851,025)	(1,507,420)	(2,863,088)	(1,678,176)	(1,799,270)	(1,583,548)	(1,937,307)	(2,197,305)
Total other financing sources (uses)	107,392	79,931	4,256,768	(187,482)	1,541,366	(181,662)	3,408,129	(184,472)	(470,479)	2,759,165
Cumulative Effect of Accounting Change	-	-	(323,770)	-	-	-	-	-	-	-
Extraordinary Item										
Flood Grants and Reimbursements	-	-	-	-	-	-	-	1,221,193	-	-
Flood Related Expenditures	-	-	-	-	-	-	-	1,501,708	-	-
Net Flood Loss	-	-	-	-	-	-	-	(280,515)	-	-
Net changes in fund balances	\$ 1,996,460	\$ (214,204)	\$ 3,959,063	\$ (997,127)	\$ 47,785	\$ 999,161	\$ 3,366,626	\$ (3,799,070)	\$ 394,804	\$ 3,151,069
Debt service as a percentage of noncapital expenditures	5.95%	5.36%	5.10%	4.51%	3.48%	2.71%	3.17%	3.59%	4.95%	5.11%

CITY OF HUNTINGTON WOODS
TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Year Ended June 30	General Property Taxes	Property Tax Debt Service	Sales and use tax	Total
2008	5,526,631	1,195,163	566,966	7,288,760
2009	5,610,003	1,442,147	562,846	7,614,996
2010	5,784,124	1,326,964	570,623	7,681,711
2011	5,592,840	1,589,480	447,260	7,629,580
2012	5,525,532	2,021,074	511,759	8,058,365
2013	5,662,130	2,059,560	526,067	8,247,757
2014	5,769,462	2,229,093	539,886	8,538,441
2015	5,923,050	2,313,685	549,411	8,786,146
2016	6,029,645	1,766,165	549,493	8,345,303
2017	6,357,383	1,043,965	573,630	7,974,978
Change 2008-2017	15%	-13%	1%	9%

CITY OF HUNTINGTON WOODS

STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property			Total			Tax Rate Mills
	State Equalized Value	Taxable Value	Estimated Actual Value	State Equalized Value	Taxable Value	Estimated Actual Value	State Equalized Value	Taxable Value	Estimated Actual Value	
2008	441,218,380	315,309,480	882,436,760	3,901,770	3,901,770	7,803,540	445,120,150	319,211,250	890,240,300	20.4431
2009	422,093,760	320,335,580	844,187,520	3,255,160	3,255,160	6,510,320	425,348,920	323,590,740	850,697,840	21.1527
2010	390,205,870	322,032,850	780,411,740	3,124,990	3,124,990	6,249,980	393,330,860	325,157,840	786,661,720	21.3175
2011	336,572,800	302,579,950	673,145,600	3,289,130	3,289,130	6,578,260	339,861,930	305,869,080	679,723,860	22.8115
2012	306,653,240	290,958,970	613,306,480	3,231,820	3,231,820	6,463,640	309,885,060	294,190,790	619,770,120	24.9469
2013	303,544,520	289,733,230	607,089,040	3,651,340	3,651,340	7,302,680	307,195,860	293,384,570	614,391,720	25.5963
2014	317,816,110	295,229,080	635,632,220	3,678,740	3,678,740	7,357,480	321,494,850	298,907,820	642,989,700	26.0592
2015	355,575,280	305,056,180	711,150,560	3,724,850	3,724,850	7,449,700	359,300,130	308,781,030	718,600,260	26.7149
2016	409,797,890	321,468,780	819,595,780	4,197,210	4,197,210	8,394,420	413,995,100	325,665,990	827,990,200	23.7381
2017	445,081,270	326,133,110	890,162,540	4,318,860	4,318,860	8,637,720	449,400,130	330,451,970	898,800,260	22.3771

Source: Oakland County Assessor

The city's operating millage rate is limited to 23 mills, reduced by Headlee to current operating millage rate of 19.1944

The city levies the maximum as authorized under the Headlee tax limitation formula

CITY OF HUNTINGTON WOODS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Taxable Value)
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate			Overlapping Rates				
	Operating	Debt Service	Total Direct	School Districts		Community College	Intermediate School District	County
				Berkley	Royal Oak			
2008: Homestead (1)	17.3490	3.0941	20.4431	10.3467	7.6057	1.5844	3.3690	5.8918
2008: Non-Homestead	17.3490	3.0941	20.4431	28.3467	25.6057	1.5844	3.3690	5.8918
2009: Homestead (1)	17.8490	3.3037	21.1527	10.2167	13.4095	1.5844	4.9534	5.2361
2009: Non-Homestead	17.8490	3.3037	21.1527	28.2167	31.4095	1.5844	4.9534	5.2361
2010: Homestead (1)	17.9556	3.3619	21.3175	10.2167	13.3521	1.5844	3.3690	5.3361
2010: Non-Homestead	17.9556	3.3619	21.3175	28.2167	31.3521	1.5844	3.3690	5.3361
2011: Homestead (1)	18.3490	4.4625	22.8115	10.2167	13.7312	1.5844	3.3690	5.3361
2011: Non-Homestead	18.3490	4.4625	22.8115	28.2167	31.7312	1.5844	3.3690	5.3361
2012: Homestead (1)	18.8490	6.0979	24.9469	10.6967	13.7300	1.5844	3.3690	5.3361
2012: Non-Homestead	18.8490	6.0979	24.9469	28.6967	31.7300	1.5844	3.3690	5.3361
2013: Homestead (1)	19.3490	6.2473	25.5963	10.7167	13.7300	1.5844	3.3690	5.5361
2013: Non-Homestead	19.3490	6.2473	25.5963	28.7167	31.7300	1.5844	3.3690	5.5361
2014: Homestead (1)	19.3490	6.7102	26.0592	10.7367	13.7300	1.5844	3.3690	5.5361
2014: Non-Homestead	19.3490	6.7102	26.0592	28.7367	31.7300	1.5844	3.3690	5.5361
2015: Homestead (1)	19.1989	6.7723	25.9712	10.7353	13.1928	1.5844	3.3690	5.9461
2015: Non-Homestead	19.1989	6.7723	25.9712	28.7353	31.1928	1.5844	3.3690	5.9461
2016: Homestead (1)	18.9812	4.7569	23.7381	13.7269	13.3842	1.5819	3.3633	5.7432
2016: Non-Homestead	18.9812	4.7569	23.7381	31.7269	31.3842	1.5819	3.3633	4.8460
2017: Homestead (1)	18.2189	3.1582	21.3771	13.7148	13.4477	1.5707	3.3398	4.7909
2017: Non-Homestead	18.2189	3.1582	21.3771	31.7148	31.2911	2.5707	3.3398	4.7909

Source: Oakland County Assessor

The city's operating millage rate is limited to 23 mills, reduced by Headlee to current operating millage rate of 19.1989

The city levies the maximum as authorized under the Headlee tax limitation formula

CITY OF HUNTINGTON WOODS
TEN LARGEST TAXPAYERS
LAST TEN FISCAL YEARS

Taxpayer/type of business	Percent of Total City			Percent of Total City			Percent of Total City			Percent of Total City			Percent of Total City		
	Taxable Value	Rank	Taxable Value	Taxable Value	Rank	Taxable Value	Taxable Value	Rank	Taxable Value	Taxable Value	Rank	Taxable Value	Taxable Value	Rank	Taxable Value
	2008			2009			2010			2011			2012		
Detroit Edison-Utility	\$ 1,094,440	1	0.34%	\$ 727,670	4	0.22%	\$ 759,790	3	0.23%	\$ 641,610	5	0.21%	\$ 653,240	5	0.17%
Herman Brodsky-Property Mgmt	974,020	2	0.31%	996,410	1	0.31%	1,040,240	1	0.32%	1,037,110	1	0.34%	1,054,730	1	0.27%
Chase Bank-Commercial Bank	944,710	3	0.30%	966,420	2	0.30%	1,008,930	2	0.31%	1,005,880	2	0.33%	948,430	2	0.24%
Kasco Equities-Property Mgmt	812,650	4	0.25%	584,290	6	0.18%	554,530	6	0.17%	751,550	4	0.25%	685,110	4	0.17%
Consumers Energy-Utility	509,530	5	0.16%	588,890	5	0.18%	663,030	5	0.20%	798,880	3	0.26%	910,870	3	0.23%
Rite Aid-Retail Pharmacy	509,440	6	0.16%	575,020	7	0.18%	541,480	7	0.17%	479,530	6	0.16%	433,600	8	0.11%
Private Residence-Hendrie	488,230	7	0.15%	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Hendrie	488,120	8	0.15%	-	-	-	-	-	-	-	-	-	525,000	6	0.13%
Private Residence-Hendrie	479,970	9	0.15%	750,000	3	0.23%	728,750	4	0.22%	645,070	7	0.21%	457,070	7	0.12%
Private Residence-Hendrie	466,870	10	0.15%	477,600	8	0.15%	-	-	-	-	-	-	428,670	9	0.11%
Private Residence-Nadine	-	-	-	-	-	-	464,840	9	0.14%	-	-	-	-	-	-
Southmain Enterprises-Property Mgmt	-	-	-	-	-	-	450,790	10	0.14%	449,430	8	0.15%	-	-	-
Private Residence-Nadine	-	-	-	463,710	10	0.14%	-	-	-	-	-	-	-	-	-
Private Residence-Borgman	-	-	0.00%	469,620	9	0	490,280	8	0	469,130	10	0	-	-	-
Ten Largest Taxpayers	6,767,980		2.12%	6,599,630		2.04%	6,702,660		2.06%	6,278,190		2.05%	6,096,720		1.55%
Other Taxpayers	\$ 312,443,270			\$ 316,991,110			\$ 318,455,180			\$ 299,590,890			\$ 287,770,630		
Total Taxable Value	\$ 319,211,250			\$ 323,590,740			\$ 325,157,840			\$ 305,869,080			\$ 394,190,790		
	2013			2014			2015			2016			2017		
Detroit Edison-Utility	\$ 702,690	4	0.24%	\$ 666,820	4	0.22%	\$ 657,010	4	0.31%	\$ 797,670	3	0.25%	\$ 830,300	3	0.25%
Herman Brodsky-Property Mgmt	1,083,200	2	0.37%	1,130,450	2	0.38%	1,050,000	2	0.50%	685,800	5	0.21%	478,540	8	0.14%
Chase Bank-Commercial Bank	919,000	3	0.31%	920,070	3	0.31%	926,910	3	0.44%	941,730	2	0.29%	953,020	2	0.29%
Kasco Equities-Property Mgmt	645,390	5	0.22%	640,060	5	0.21%	644,870	5	0.31%	655,180	6	0.20%	664,640	6	0.20%
Consumers Energy-Utility	1,296,330	1	0.44%	1,474,340	1	0.49%	1,722,210	1	0.82%	1,950,060	1	0.61%	2,416,710	1	0.73%
Rite Aid-Retail Pharmacy	403,530	8	0.14%	403,230	8	0.13%	-	-	-	-	-	-	417,210	-	-
Vargo Detroit	-	-	-	-	-	-	-	-	-	725,000	4	-	725,000	4	-
Private Residence-Hendrie	500,530	6	0.17%	512,540	6	0.17%	520,740	6	0.25%	529,070	7	0.16%	-	-	0.00%
26711 Woodward Ave LLC	-	-	-	-	-	-	-	-	-	-	-	-	694,040	5	-
Private Residence-Borgman	411,860	7	0.14%	421,740	7	0.14%	428,480	9	0.21%	435,330	9	0.14%	-	-	0.00%
Private Residence-Hendrie	-	-	-	378,910	9	0.13%	-	-	-	-	-	-	-	-	-
Private Residence - Lincoln	-	-	-	-	-	-	-	-	-	-	-	-	611,600	7	-
Private Residence-Nadine	368,790	9	0.13%	377,440	10	0.13%	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	364,870	10	0.12%	-	-	-	-	-	-	-	-	-	-	-	-
Private Residences-Pembroke/Salem	-	-	-	-	-	-	498,760	7	0.24%	-	-	0.00%	393,870	10	0.12%
Private Residence-Parkwood	-	-	-	-	-	-	470,730	8	0.23%	478,260	8	0.15%	-	-	0.00%
Private Residence-Elgin	-	-	-	-	-	-	423,970	10	0.20%	435,330	10	0.14%	-	-	0.00%
26789 Woodward Ave LLC	-	-	-	-	-	-	-	-	-	-	-	-	385,570	9	-
Ten Largest Taxpayers	6,696,190		2.29%	6,925,600		2.33%	7,343,680		3.53%	7,633,430		2.38%	8,570,500		2.60%
Other Taxpayers	\$ 286,688,380			\$ 291,982,220			\$ 301,437,350			\$ 313,835,350			\$ 322,013,620		
Total Taxable Value	\$ 293,384,570			\$ 298,907,820			\$ 208,781,030			\$ 321,468,780			\$ 330,584,120		

CITY OF HUNTINGTON WOODS

TAX INFORMATION

Taxes Due: July 1st,

Payable:

City, County operating taxes and fifty percent (50%) of school taxes are due and payable July 1st at the office of the City Treasurer. (The County parks, transportation and drain debt taxes and the remaining fifty percent (50%) of

Penalties and Interest for Delinquency:

All City taxes paid on or before the 10th day of August shall be collected without additional charge. There shall be added to all taxes paid after the 10th day of August, one percent for each and every month that the amount remains unpaid; provided however, that if one-half of the City taxes are paid on or before the 10th day of August, the remaining one-half of the tax is due on or before the 31th day of October without additional charge, but should the latter one-half not be paid before the 31th day of October, then the taxes shall be subject to the charge of one percent per month from August 10th. County taxes are to be paid on or before the 14th day of February without additional charge. All County taxes paid after the 14th day of February shall be subject to a penalty of three percent. Commencing March 1st, taxes on real property are collected through the County Treasurer of Oakland County, who adds and retains a collection fee of four

Lien on Property:

Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

<u>Date of Sale</u>	<u>Delinquent Tax Property to be Sold</u>
July 2013	Year 2008
July 2014	Year 2009
July 2015	Year 2010

State Land Sale:

The General Property Tax Act, Public Act 206 of 1893, as amended, requires the County Treasurer to foreclose on real property for failure to pay delinquent property taxes. One March 1st, following the year taxes went delinquent a \$175.00 fee and a \$18.00 recording fee will be added to the parcel. The interest rate on the unpaid balance increases to 1.5% per month retroactive to the previous March 1st. In February properties that are delinquent for two years will be taken to the Circuit Court for foreclosure. Property owners have 21 days from the foreclosure judgement date to redeem the property by paying all taxes, penalties, interest and fees. After 21 days the State is granted first right of refusal to purchase property at the greater of minimum bid or fair market value. The City has second right of refusal to purchase property for a public purpose at the minimum bid price. The County may purchase property at the minimum bid price following the local unit

CITY OF HUNTINGTON WOODS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year Ended June 30	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Net Debt Per Capita
	General Obligation Bonds	GWK Drain Bonds	Installment Loans	Installment Loan				
2008	9,300,000	3,142,189	104,633	-		12,546,822	4.76%	2,040
2009	8,525,000	3,195,516	189,030	-		11,909,546	4.52%	1,936
2010	12,155,000	3,015,205	120,587	-		15,290,792	4.89%	2,486
2011	11,100,000	2,887,131	49,044	-		14,036,175	4.33%	2,282
2012	12,640,000	2,697,258	133,818	-		15,471,076	4.74%	2,480
2013	11,050,000	2,501,743	123,840	288,052		13,963,635	4.17%	2,238
2014	13,020,000	2,301,372	93,128	326,641		15,741,141	4.68%	2,523
2015	11,220,000	2,095,978	69,846	461,643		13,847,467	4.12%	2,220
2016	10,225,000	1,880,099	46,564	527,719		12,679,382	3.71%	2,033
2017	12,555,000	1,661,684	23,282	358,174		14,598,140	4.16%	2,340

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

Source: Michigan Department of Labor (per capita income) see demographic and economic statistical schedule for details

**CITY OF HUNTINGTON WOODS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ending June 30	Total Tax Levy	End of Year Current Tax Collections	Percent of Levy Collected	Delinquent Personal Property Tax Collections	Total Tax Collections	Total Collections As Percent Of Current Levy
2008	6,721,794	6,719,362	99.96%	2,432	6,721,794	100.00%
2009	7,052,150	7,050,957	99.98%	1,193	7,052,150	100.00%
2010	7,111,088	6,923,773	97.37%	187,315	7,111,088	100.00%
2011	7,182,320	7,180,200	99.97%	2,120	7,182,320	100.00%
2012	7,546,606	7,543,196	99.95%	3,410	7,546,606	100.00%
2013	7,721,690	7,718,188	99.95%	3,502	7,721,690	100.00%
2014	7,998,555	7,990,759	99.90%	7,796	7,998,555	100.00%
2015	8,236,735	8,229,454	99.91%	7,281	8,236,735	100.00%
2016	7,795,810	7,789,164	99.91%	6,646	7,795,810	100.00%
2017	7,401,348	7,393,895	99.90%	7,453	7,401,348	100.00%

Source: Oakland County Assessor

CITY OF HUNTINGTON WOODS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	General Obligation Bonds	Less Available Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
2008	9,300,000	564,837	8,735,163	0.98%	1,420
2009	8,525,000	565,692	7,959,308	0.94%	1,294
2010	12,155,000	533,465	11,621,535	1.48%	1,889
2011	11,100,000	655,429	10,444,571	1.54%	1,674
2012	12,640,000	757,088	11,882,912	1.92%	1,905
2013	11,050,000	811,306	10,238,694	1.67%	1,641
2014	13,020,000	509,292	12,510,708	1.95%	2,006
2015	11,220,000	843,221	10,376,779	1.44%	1,663
2016	10,225,000	857,045	9,367,955	1.13%	1,502
2017	12,555,000	896,601	11,658,399	1.30%	1,869

General Obligation Bonds in this table represent only those bonds serviced from property tax revenues

Source: City of Huntington Woods Assessor (estimated actual values)

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

CITY OF HUNTINGTON WOODS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

Name of Governmental Unit	Bonds/Debt Outstanding	Balances on Hand	Net Debt Outstanding	Percentage Applicable to City	City's Share of Debt
City of Huntington Woods					
Direct Debt					
General Obligation-Capital Improvement Bonds	12,555,000	896,601	11,658,399	100%	11,658,399
Share of County Issued GWK Drain Bonds	1,661,685	323,636	1,338,049	100%	1,338,049
Michigan Suburbs Alliance Installment Loans	23,282	-	23,282	100%	23,282
Fire Truck/Public safety vehicle/Bus/DPW Truck Installment Loans	358,174	-	358,174	100%	358,174
Overlapping Debt					
Public Schools					
Berkley School District			60,685,000	34.98%	21,227,613
Royal Oak School District			26,260,000	0.01%	2,626
County			372,173,081	0.63%	2,344,690
Intermediate School District			45,495,000	0.63%	286,619
Oakland Community College			820,000	0.63%	5,166
Total Overlapping Debt					<u>23,866,714</u>
Total Direct and Overlapping Debt					<u>\$ 37,244,618</u>

Source: Percentages obtained from Municipal Advisory Council of Michigan

**CITY OF HUNTINGTON WOODS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012
Debt Limit	\$ 44,512,015	\$ 42,534,892	\$ 39,333,086	\$ 33,986,193	\$ 30,988,506
Total net debt applicable to limit	\$ 11,992,471	\$ 11,360,456	\$ 14,775,116	\$ 13,394,156	\$ 14,729,662
Legal Debt Margin	\$ 32,519,544	\$ 31,174,436	\$ 24,557,970	\$ 20,592,037	\$ 16,258,844
Total net debt applicable to the limit as a percentage of the debt limit	26.94%	26.71%	37.56%	39.41%	47.53%
	2013	2014	2015	2016	2017
Debt Limit	\$ 30,719,586	\$ 32,149,485	\$ 35,930,013	\$ 41,399,510	\$ 44,940,013
Total net debt applicable to limit	\$ 13,161,696	\$ 15,241,179	\$ 13,016,344	\$ 11,764,763	\$ 13,701,540
Legal Debt Margin	\$ 17,557,890	\$ 16,908,306	\$ 22,913,669	\$ 29,634,747	\$ 31,238,473
Total net debt applicable to the limit as a percentage of the debt limit	42.84%	47.41%	36.23%	28.42%	30.49%

Legal Debt Margin Calculation for Fiscal Year 2017

State Equalized Valuation	\$ 449,400,130
Legal Debt Limit (10% of State Equalized Value)	\$ 44,940,013
Amount of Debt Applicable to Limit	14,598,141
Less: Amount Available in Debt Service Fund	896,601
Net General Obligation Debt Subject to Limitation	\$ 13,701,540
Legal Debt Margin less amount available	\$ 31,238,473

State law limits the amount of city general obligation debt to 10% of state equalized value

CITY OF HUNTINGTON WOODS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Home Value</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2008	6,151	263,527,293	\$ 42,843	365,398	1,250	2.6%
2009	6,151	263,527,293	\$ 42,843	349,560	1,275	2.6%
2010	6,151	312,556,914	\$ 50,814	323,152	1,325	5.5%
2011	6,238	324,276,192	\$ 51,984	278,735	1,315	3.4%
2012	6,238	326,609,204	\$ 52,358	253,957	1,253	3.7%
2013	6,238	335,036,742	\$ 53,709	251,383	1,301	2.9%
2014	6,332	336,222,868	\$ 53,099	263,202	1,325	2.9%
2015	6,290	336,219,370	\$ 53,453	294,472	1,303	2.9%
2016	6,290	341,685,380	\$ 54,322	339,377	1,069	2.9%
2017	6,290	350,910,885	\$ 56,184	368,597	1,048	4.7%

Source: U.S. Census Department (population)
Source: Michigan Department of Labor (unemployment rates)
Source: City-Data.com(personal income and per capita income)
Source: U.S. Census Department (school enrollment)
Source: ERI Economic Research Institute

CITY OF HUNTINGTON WOODS
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

Employer	2008			2009			2010			2011			2012		
			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment
	Employees	Rank		Employees	Rank		Employees	Rank		Employees	Rank		Employees	Rank	
Detroit Zoo	480	1	58.04%	215	2	35.89%	215	2	39.52%	215	1	39.67%	178	2	36.78%
Rackham Golf Course	50	3	6.05%	50	3	8.35%	50	3	9.19%	50	3	9.23%	50	3	10.33%
City of Huntington Woods	216	2	26.12%	253	1	42.24%	212	1	38.97%	213	2	39.30%	203	1	41.94%
Chase Bank	50	4	6.05%	50	4	8.35%	40	4	7.35%	40	4	7.38%	30	4	6.20%
Huntington Cleaners	31	5	3.75%	31	5	5.18%	27	3	4.96%	24	5	4.43%	23	5	4.75%
Largest Employers	827		100.00%	599		100.00%	544		100.00%	542		100.00%	484		100.00%
Forced Jobs SEMCOG	1,441		57.39%	1,412		42.42%	1,442		37.73%	1,471		36.85%	1,500		32.27%
	2013			2014			2015			2016			2017		
			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment			Percentage of Total City Employment
	Employees	Rank		Employees	Rank		Employees	Rank		Employees	Rank		Employees	Rank	
Detroit Zoo	210	1	43.57%	203	1	43.10%	220	1	44.35%	220	1	43.65%	245	1	47.12%
Rackham Golf Course	26	4	5.39%	26	3	5.52%	30	3	6.05%	30	3	5.95%	32	3	6.15%
City of Huntington Woods	196	2	40.66%	196	2	41.61%	202	2	40.73%	211	2	41.87%	201	2	38.65%
Chase Bank	30	3	6.22%	25	4	5.31%	24	4	4.84%	24	4	4.76%	24	4	4.62%
Huntington Cleaners	20	5	4.15%	21	5	4.46%	20	5	4.03%	19	5	3.77%	18	5	3.46%
Largest Employers	482		100.00%	471		100.00%	496		100.00%	504		100.00%	520		100.00%
Forced Jobs SEMCOG	1,529		31.52%	1,558		30.23%	1,588		31.23%	1,582		31.86%	1,579		32.93%

Source: Huntington Woods Business Licenses & City Budget document

Note: Values for forced jobs in 2016-17 are estimated from SEMCOG data as of 6/30/17

CITY OF HUNTINGTON WOODS
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	9	9	9	6	6	6	6	6	6	6
Pulic safety	19	19	19	18	18	18	18	18	18	18
Public works	9	9	9	9	9	8	10	10	10	10
Library	7	7	7	6	6	6	6	7	7	7
Recreation	30	30	30	33	33	32	30	31	31	32
Total	74	74	74	72	72	70	70	72	72	73

Source: City of Huntington Woods budget document

CITY OF HUNTINGTON WOODS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Tax bills issued	2,607	2,653	2,581	2,574	2,567	2,567	2,576	2,532	2,515	2,510
Commission meetings held	16	16	16	16	16	16	16	17	19	16
Public Safety										
Physical arrests	397	291	302	218	312	295	430	298	542	353
Traffic violations	4,501	3,986	4,171	5,122	5,132	4,733	6,003	3,832	5,057	5,923
Parking violations	1,663	1,665	1,687	1,531	1,615	1,474	1,380	969	1,130	1,145
Emergency responses (medical runs)	247	212	224	193	214	220	215	228	217	127
Fire responses	113	92	104	93	61	94	80	66	126	147
Public Services										
Miles of streets plowed	25	25	25	25	25	25	25	25	25	25
Miles of streets reconstructed	1.25	1.25	1.71	1.08	1.31	1.12	1.04	0.69	0.76	0.05
Library										
Volumes in collection	59,548	60,255	61,956	63,584	66,258	70,552	73,171	69,106	62,089	50,615
Total volumes borrowed	67,398	80,482	69,417	52,649	68,288	68,542	73,082	61,646	53,996	61,118
Recreation										
Pool visitors	30,609	34,510	23,290	26,259	36,601	30,542	30,421	31,250	33,542	34,059
Camp participants	1,070	1,113	1,264	1,037	968	1,075	917	1,094	1,157	1,159
Class participants	7,341	6,358	6,325	5,950	6,992	6,542	5,290	5,766	6,409	5,935
Latchkey participants	268	236	211	202	238	192	198	202	192	201
Senior participants	806	642	1,677	1,491	1,798	1,509	1,468	1,711	1,881	1,877
Water & Sewer utility										
Average daily consumption (units)	772	742	709	662	708	667	623	540	570	591
Water main breaks	8	13	13	12	4	16	13	4	10	12
Transportation										
Individuals transported	4,384	3,507	3,783	3,847	2,783	3,675	2,717	3,672	5,169	3,896

Source: City department Heads

CITY OF HUNTINGTON WOODS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	5	5
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire vehicles	2	2	2	2	2	2	2	2	2	2
Public Services										
Number of trucks	18	18	18	18	18	18	18	18	19	19
Miles of major streets	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	6.95	9.65
Miles of local streets	17.80	17.80	17.80	17.80	17.80	17.80	17.80	17.80	17.80	15.10
Recreation										
Number of parks	13	13	13	13	13	13	13	13	13	13
Acreage	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Water utility										
Miles of water line	25	25	25	25	25	25	25	25	25	25
Wastewater utility										
Miles of sewer line	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09
Transportation										
Number of vehicles	5	5	5	5	5	5	5	5	5	5

Source: City Budget document