



CITY OF GROSSE POINTE WOODS
20025 Mack Plaza Drive
Grosse Pointe Woods, Michigan 48236-2397

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**NOTICE OF MEETING
AND
AGENDA**

COMMITTEE-OF-THE-WHOLE

Mayor Robert E. Novitke has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, December 14, 2015, at 7:30 p.m.** The meeting will be held in the Conference Room of the Municipal Building, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Plante Moran - Audit Report A. Comprehensive Annual Financial Report for the Fiscal Year Ended 06/30/15
5. New Business/Public Comment
6. Adjournment

Alfred Fincham
City Administrator

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440, Telecommunications Device for the Deaf (TDD) 313 343-9249, or e-mail the City Clerk at cityclk@gpwmi.us.

cc:
Council – 7
Berschback
Fincham
Hathaway

Rec. Secretary
Email Group
Media - Email
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File

December 1, 2015

To the City Council and Management
City of Grosse Pointe Woods, Michigan

We have audited the financial statements of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2015 and have issued our report thereon dated December 1, 2015. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Legislative and Informational Items

Section I includes any deficiencies we observed in the City's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about the City's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the City Council and Management of the City.

Section III presents informational legislative items offered in the interest of helping the City toward continuous improvements and to remain informed of the changing legislative landscape.

We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

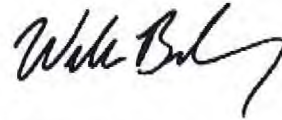
To the City Council and Management
City of Grosse Pointe Woods, Michigan

December 1, 2015

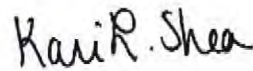
We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC



William Brickey



Kari Shea

Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the City as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as discussed below, we identified certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency in the City's internal control to be material weaknesses:

During the audit, we identified various journal entries that were needed to adjust the year-end balances to be in conformity with generally accepted accounting principles. These journal entries were related to deferred inflows, MTT and chargeback liabilities, recording of new road bonds, retainage payable, and capital assets. Failure to properly identify and record year-end journal entries could lead to materially inaccurate financial reporting.

Section II - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 5, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 20, 2015.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 14, the City changed accounting policies related to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this statement is that for governments that provide defined benefit pensions to recognize the unfunded pension benefit obligation as a liability on the entity's balance sheet. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements include the liability and expense associated with pension benefits, the asset associated with other postemployment benefits (OPEB) funding, and unbilled water and sewer charges. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the pension liability and expense is based on discount rates, rate of return, and other assumptions, which are used by an actuary to calculate the total pension liability. While the actuary uses assumptions to calculate the total pension liability, it is management's responsibility to assess whether the assumptions made are reasonable. We evaluated the key assumptions used to calculate the total pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

At year end, due to the timing of the billing cycles for water and sewer, it is necessary to record an estimate for the amount unbilled to customers. The amount is recorded as a receivable in the Water and Sewer Fund.

The estimates of the incurred but not reported amounts related to the City's self-insured workers' compensation and health insurance obligations are disclosed in Note 11 to the financial statements. Management's estimate of the various incurred but not reported amounts is based on historical information regarding claims.

We evaluated the key factors and assumptions used to develop the above accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 1, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section III - Legislative and Informational Items

Legacy Costs

Legacy costs and the challenge of funding them continues to be a topic of discussion. GASB pronouncements of late have placed even more focus on the net long-term liability arising from these benefit promises.

New Pension Standards

Beginning with the City's June 30, 2015 year end, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, significantly revises the employer's accounting and reporting requirements for pensions.

Employers providing defined benefit pensions to its employees will begin to recognize their unfunded pension benefit obligation as a liability for the first time, and must begin to measure the costs of pension benefits as the employees' service is rendered, rather than as the employer funds the benefit. As a result, the City is now reporting a net pension liability of \$20,014,532.

New Other Postemployment Benefits Standards (Retiree Healthcare Obligations)

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB, which refers to retiree health care). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees.

Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive note disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The City is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 (the City's year end of June 30, 2017) whereas GASB Statement No. 75 is effective one year later.

Revenue Sharing

The FY 2016 State of Michigan budget includes \$1.3 billion for revenue sharing broken down as follows:

State FY 2015 Amount Total \$1.2 billion	State FY 2016 Amount Total \$1.3 billion	Description
\$760.2 M	\$783.8 M	Constitutionally required payments
\$242.9 M	\$243.0 M	CVTRS
\$ 169 M	\$171.8 M	County revenue sharing
\$ 42.2 M	\$ 42.9 M	County incentive program
\$ 5.8 M	\$ 5.8 M	One-time payments
\$ 8.0 M	\$ 5.0 M	Fiscally Distressed Community Grants

The FY 16 includes the “City, Village, and Township Revenue Sharing” (CVTRS), which was established in FY 15. Section 952 of 2014 PA 252 states that each city, village, or township is eligible to receive 100 percent of its eligible payment. If a city, village, or township’s statutory payment for FY 2010 was greater than \$4,500, the local unit will receive a “percent payment” equal to 78.51044 percent of its FY 2010 statutory payment. A local unit with a population of 7,500 or more will receive a population payment which is calculated by taking the local units population multiplied by \$2.64659. For those cities, villages, or townships that had both a statutory payment greater than \$4,500 and population greater than 7,500, they will receive the greater of the population payment or percent payment. In order to receive the CVTRS payments in FY 16, qualified local units will need to comply with the same best practices as they did last year:

- A citizen’s guide to local finances with disclosure of unfunded liabilities
- Performance dashboard
- Debt service report
- Two-year budget projection

The “one-time payments” that existed in 2015 are also part of the 2016 budget. While the overall budget for constitutional payments increased about 3 percent, CVTRS remained flat. Each community’s overall increase will vary as each has a different mix of constitutional and CVTRS. In addition, the 2015-2016 budget states that it recommends anticipated funding for FY 2017 revenue sharing to be \$1.3 billion in total, showing no increase over FY 2016.

Personal Property Tax

In August 2014, Michigan voters put the last piece of personal property tax reform in place. As a result, personal property taxes will be reduced in two respects:

1. Small taxpayers with total personal property within a taxing unit valued at less than \$80,000 will be able to sign an affidavit exempting this personal property from taxation. This exemption began with the 2014 tax billings.
2. Personal property used in a manufacturing process that is purchased after December 31, 2012 will be exempt. This exemption will begin in the 2016 tax billings.

The legislation is generally intended to fully reimburse local units of government for revenue losses that result from this exempt property. The changes include creation of a new Local Community Stabilization Authority (LCSA) that will receive money from two sources:

- Use tax: The legislation includes specific amounts of the use tax that will be diverted from the State's General Fund to the new LCSA; and
- Essential Services Assessment: Manufacturers will pay a "local community essential services assessment" to the LCSA based on the value of their exempt manufacturing property. The rate is set at 2.4 mills for a property's first five years; then 1.25 mills for the next five; then 0.9 mills thereafter.

There have been a number of refinements, changes, and clarifications made along the way.

New Rules Governing Management of Federal Programs

The Office of Management and Budget (OMB) has issued significant reforms to the compliance requirements that must be followed by non-federal entities receiving federal funding. All entities receiving federal dollars will need to understand the changes made as a result of these reforms and may be required to make changes to internal procedures, processes, and controls.

These reforms impact three key areas of federal grants management:

1. **Audit Requirements** - For fiscal years beginning on or after January 1, 2015, the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major programs required to be tested for some clients.

The City has historically been below the current \$500,000 threshold. However, from time to time, depending upon the level of federal spending, the City may still be subject to an audit requirement even at the new higher \$750,000 threshold.

2. **Cost Principles** - Effective for all federal awards received on or after December 26, 2014, the grant reforms related to cost principles go into effect. Not only were certain changes made to allowable costs under this new guidance, but there were significant changes in the area of time and effort reporting and indirect costs.

- 3. Administrative Requirements** - Also effective for all federal awards received on or after December 26, 2014, non-federal entities receiving federal funding must adhere to new rules related to administering federal awards. Most notably, these requirements may impact the City's procurement systems, including maintaining written conflict of interest policies and disclosures.

These revisions are clearly the most significant change to occur to federal grants management in recent history. Entities receiving federal funding will need to carefully digest these changes. Plante & Moran, PLLC has been on the cutting edge of these reforms, offering our clients free webinars, implementation checklists, and other tools to aid in implementation. The implementation date is already upon us and the City will need to ensure that the implementation of the new regulations occurs in a timely and complete manner. Plante & Moran, PLLC has many experts in this area and welcome any questions or needs you may have in this area.

Pension/OPEB Bonds

Originally, the public act allowing for the issuance of pension/OPEB borrowings was set to sunset effective December 31, 2014 but was extended for one year. Public Act 46 of 2015 was recently passed, which allows for an additional three year extension. Therefore, communities meeting certain criteria such as maintaining a credit rating of AA or higher and closing or freezing plans can issue bonds up until December 31, 2018.

PA 298 of 2012 - Act 51 Performance Audits

Public Act 298 of 2012 allows the Michigan Department of Transportation (MDOT) to conduct performance audits and make investigations of the disposition of all Act 51 state funds received by county road commissions, cities, and villages. The act states that these audits will be conducted by either an independent CPA or an employee of MDOT; however, recent communications sent to all cities, villages, and road commissions from MDOT indicate that you will need to have your CPA conduct the performance audit.

Based on this communication, the City will need a performance audit for its fiscal year ended June 30, 2017 (the year that begins after October 1, 2015). These procedures will be focused on evaluating the procedures the City puts in place to ensure it complies with the requirements of Public Act 51, and we will issue a separate report for this engagement. We are currently in the process of writing programs to address the key compliance areas. It is not clear to us whether this will be an annual requirement, but we will keep you apprised as additional information is provided by the State.

City of Grosse Pointe Woods

**Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2015**

Prepared by the Office of the City's Finance Department

City of Grosse Pointe Woods, Michigan

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CITY OF GROSSE POINTE WOODS

20025 Mack Plaza Drive
Grosse Pointe Woods, Michigan 48236-2397

December 1, 2015

To the Honorable Mayor
and City Council
City of Grosse Pointe Woods, Michigan

The Comprehensive Annual Financial Report (C.A.F.R.) of the City of Grosse Pointe Woods, Michigan for the fiscal year ended June 30, 2015 is submitted herewith, in accordance with provisions of Section 8.7 (Charter) of the City of Grosse Pointe Woods and the rules and regulations as put forward by the State of Michigan Department of Treasury. This report was prepared by and is the responsibility of the City's Finance Department. This document represents the official report of the City's financial operations to its residents, elected officials, employees, investment firms, banks and rating and regulatory agencies, and other interested parties. The data as presented in the report is accurate in all material respects, is shown in a manner designed to clearly and fairly set forth the financial activity of all the various funds established and utilized by the City and that all disclosures have been included to enable the reader to gain the maximum understanding of the City's financial operations. The independent auditing firm of Plante & Moran, PLLC performed the annual audit of the City of Grosse Pointe Woods' financial statements as required by the Michigan Department of Treasury and has issued its unqualified opinion here within.

Format

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. This narrative details the Financial Staff's letter of transmittal and introduces the reader to the City's financial background, the legal requirements expected, and details of financial/economic events that occurred during the year, and the impact that they had on the financial statements. It is important to note that this letter complements the Management's Discussion and Analysis (MD&A), which is found in the financial section. The introductory section also includes the municipality's organizational chart and a list of principal officials. The financial section includes the MD&A of the basic financial statements and the combining and individual fund statements, schedules, and accompanying footnotes to the financial statements, and most importantly the auditor's opinion on the financial statements and supporting documentation. The statistical section, which is unaudited, includes selected financial and demographic information, where practical, presented on a multiyear basis. Also included in the statistical section is selected information required by the United States Securities and Exchange Commission depicting necessary disclosures in regard to the refunding of the 2003 Water and Sewer Revenue Bonds and the 2015 Road Construction Bonds.

To the Honorable Mayor
and City Council
City of Grosse Pointe Woods, Michigan

December 1, 2015

This document consists of management's representations concerning the finances of the City of Grosse Pointe Woods. Consequently, Administration assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, City Administration has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To ensure that the City's system of internal controls are providing the security needed, the City's auditors are routinely consulted before any changes are made to the system and are requested to advise management of any improvements that would benefit operations. As administration, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Reporting Entity

This report includes all funds for which the City's elected officials have operational and financial authority. This authority implies that the elected and administrative officials are legally responsible for establishing and implementing the fiscal policies and overseeing the financial management of the City. Where required, actual results of individual government funds are shown with its original/amended budgetary appropriations. This required disclosure allows the reader to compare the effectiveness of the administration to stay within the spending guidelines (budget) established by the City Council during the budget process and to disclose other variations that may occur during the course of the fiscal year.

Legal Requirement

This report has been prepared pursuant to and in compliance with Michigan Department of Treasury regulations, which, in part, requires that an annual independent audit of the City's financial records of accounts and transactions be performed. The opinion by the City's independent auditor, Plante & Moran, PLLC, dated December 1, 2015, on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. There is not a separately issued Single Audit Report for the Federal Grant Fund under the A-133 Federal Single Audit Act because the total federal grant expenditures of \$184,700 were less than the threshold of \$500,000, which is the minimum expenditure limit needed to be subject to the regulations of the Single Audit Act. Through the Wayne County Block Grant Program the City is designated as a sub-grantee and coordinates it program.

Consistent with previous years, the intent and responsibility of Administration is to effectively adhere to the fiscal policies and initiatives established by the City Council while remaining cost-efficient and responsive to the needs of the residents. Many of the financial policies and procedures established by the City Council are detailed in the City's annual budget. In accordance with the City Charter, the City Administrator and the Treasurer/Comptroller will have presented their budgetary estimates of revenues and expenditures of all the City's funds (excluding Trust & Agency Funds and selected Special Revenue Funds) to the Mayor and City Council no later than the first meeting in April. These estimates are then forwarded to the City's Finance Committee, which performs a thorough review of the operational, financial, and capital components of the budget. Upon completing this budget review along with recommendations, the budget is presented back to the Mayor and City Council for additional review and comments. The proposed budget document is formally approved by the Mayor and City Council no later than the third Monday in May. Throughout the course of the fiscal year, the Finance Committee may review any significant changes to the original budget document as recommended by the City Administrator and/or the Treasurer/Comptroller. Per the City Charter, the Mayor and City Council must formally approve any proposed adjustments to the budget. This process allows the City to remain flexible to changes in the revenue and expenditure patterns that occur throughout the year as well as keeping the elected officials updated on the financial condition of the City. Following the passage of the budget, a summary of the completed document is made available to all residents, published in the local newspaper and annual City calendar.

Fiscal Policies/Major Initiatives

One of the most elemental functions of our City is to establish practices to guide us through good times and challenging times. Clearly, these last several years have been challenging.

In order to finance debt, we need to have a strong cash reserve. Currently, we have an unassigned fund balance of 30.7 percent of actual expenses. Although our cash reserves are acceptable based upon the GFOA recommendation of a 10-15 percent fund balance, we will use more than 50 percent of reserves to balance our structural deficit over the next five years. We are ever cognizant of our operating expenses and continue to look for efficiencies.

The City's long-term financial stability is the result of a strong and continuous commitment to fundamental principles of fiscal integrity. The City's current administration has taken many steps over the last several years toward improved budgeting, cost containment, and improved efficiency, which has helped in dealing with the current economic conditions. The City has developed a proactive strategy that consists of the following changes:

- a. In November 2014, residents approved a \$10 million capital improvement bond for major road repair and reconstruction. Construction began in May 2015 when the first series of bonds were issued. We expect construction to continue through fiscal year 2017-2018. In conjunction with this project, the City has replaced many streetlights with a more energy-efficient LED light. The cost recovery for the lights is estimated at one and one-half years.

- b. The City received a Congestion Mitigation Air Quality Grant to replace a 10-yard dump truck with a new; more environmentally friendly vehicle. We are on the list for a second grant in 2016.
- c. Through the Department of Justice, the City was awarded a small grant to assist with the purchase of new vests for our Public Safety Officers. The City has been awarded this grant for a number of years.

The Cities of Grosse Pointe Woods, Shores, and Farms were awarded a grant to combine public safety dispatch and police lockup services. This grant will provide for equipment and retrofitting of the Grosse Pointe Woods dispatch center to house the operations of all three cities. We are currently in the planning stages and hope to begin providing services to the other communities during the next fiscal year.

- d. We received a grant to partially fund the purchase of a trolley. The City believes that this trolley, in conjunction with Music on the Lawn and the Fall Festival, will help maintain a "sense of community." A vibrant community spirit will make Grosse Pointe Woods a point of destination.
- e. The City remains vigilant with property maintenance enforcement to ensure properties are maintained. Maintaining property values and minimizing the decline through an effective property maintenance and rental inspection program is an important component to our overall financial plan.
- f. The City will continue with cost containment initiatives as reflected in the current budget approved by City Council.

Additionally, maintaining a strong cash reserve is paramount in order to continue with our Water/Sewer bond rating of AA allowing for the City to make the costs of borrowing lower and allow us to better invest in our city. Just as importantly, we need to build our savings so that we can pay our bills in the event of a fiscal emergency or natural disaster. Lastly, increasing our reserves would demonstrate to businesses, governmental organizations, and ratings agencies that we have prudent, disciplined fiscal practices and that we are good stewards of our taxpayers' money. This stability is good for business and good for the people of Grosse Pointe Woods.

With regard to water and sewer infrastructure improvements, the City completed repairs to the City's water and sewer lines, which was financed by low-cost loans from the State of Michigan Drinking Water Revolving Fund (DWRP) and Sewer Revolving Fund (SRF). The City is on the list for consideration of a Storm Water Asset Management and Wastewater (SAW) Grant. This grant will allow the City to investigate the condition of storm sewer and truck lines that were not included in previous grants.

Economic Conditions

The City's most pressing financial concern is the low (0.3%) inflation rate multiplier used to calculate taxable value. This dramatic decrease from 1.6% in the previous two years will have a significant effect on property tax revenues in 2016. We remain hopeful that new development will add value in 2017.

To the Honorable Mayor
and City Council
City of Grosse Pointe Woods, Michigan

December 1, 2015

In accordance with the City Charter, the City may levy up to 20 mills. The Headlee Act, which amended the State Constitution in regard to property tax relief, has forced the City to roll back its 20 mills to 14.0492 mills. The 2015 millage rate is at the headlee cap.

The General Fund fund balance has an unassigned balance of \$3.73 million and \$534,000 assigned to the Cable Fund. The fund balance *will* be used to balance the budget over the next several years.

Administrative Summary

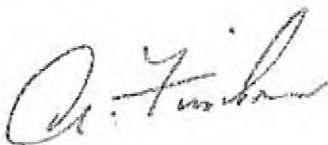
The City's strengths continue to be strong financial management, sound finances and low debt levels. Because of this, the City's Water and Sewer Fund enjoys an outstanding bond rating of "AA" and the City's overall rating is "AA+" from Standard & Poor's. This outstanding bond rating allows the City to borrow at the lowest possible interest rate, saving taxpayers thousands of dollars in future costs.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This is the 46th consecutive year that the City of Grosse Pointe Woods received this prestigious award. In fact, our City is the longest standing recipient in GFOA's history.

In 2014, GFOA awarded the City with a Popular Annual Financial Reporting Award (PAFR). This award is presented to local governments that successfully extract information from their comprehensive annual financial report (CAFR) and produce a high-quality report specifically designed to be readily accessible and easily understandable to the general public and others who do not have a background in public finance.

The City continues to retain its status as well respected and one of the most desired areas to live in southeast Michigan. The challenge to the City is to continue to provide a multitude of public services, while complying with increased state regulations for accountability and transparency. Administration also remains confident that City Council and the employees possess the capability, foresight, and resolve necessary to successfully meet these challenges.

Sincerely,



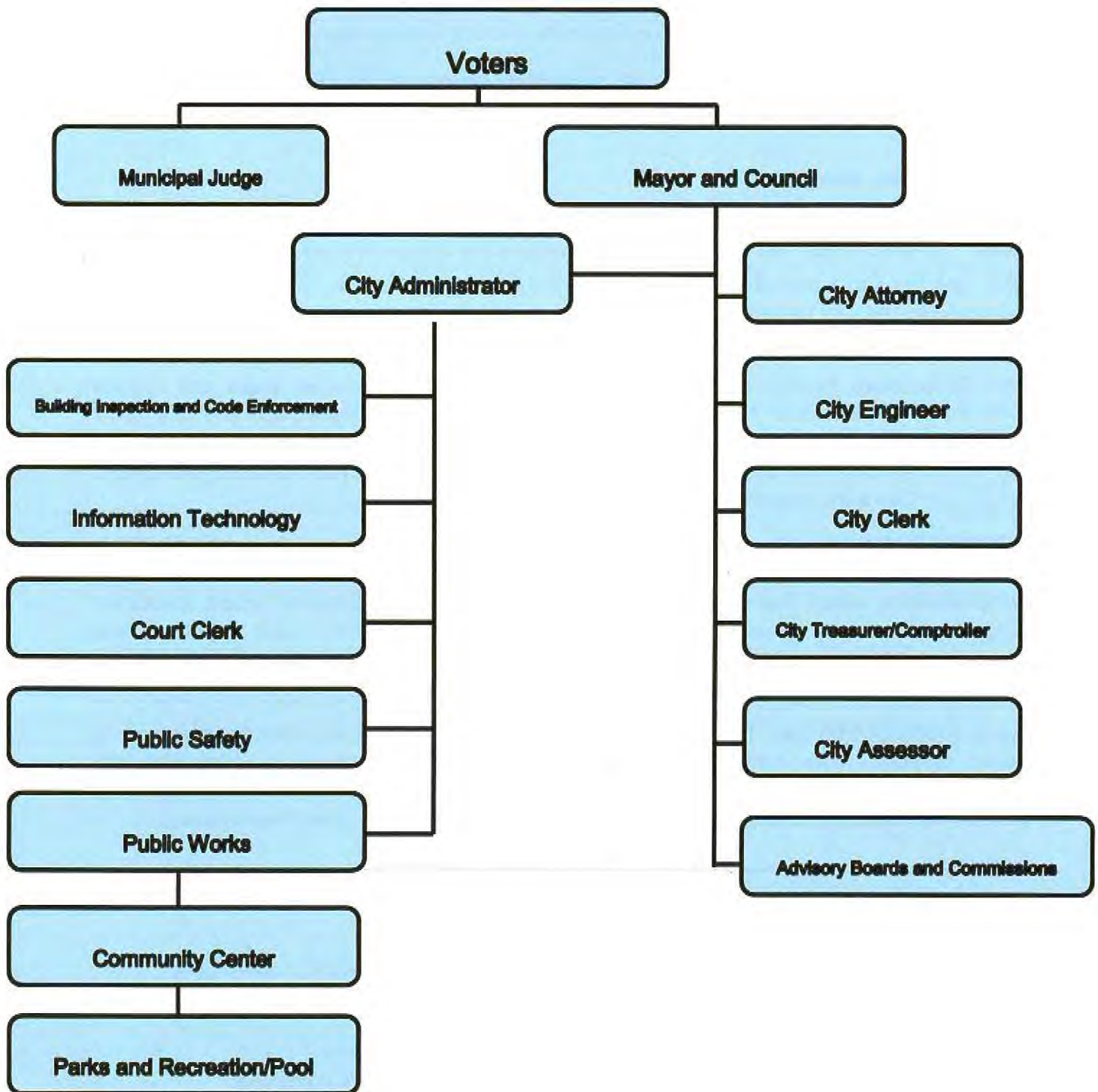
Alfred John Fincham, III
City Administrator



Dee Ann Irby
Treasurer/Comptroller

City of Grosse Pointe Woods, Michigan

Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Grosse Pointe Woods
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of Grosse Pointe Woods, Michigan

List of Principal Officers Year Ended June 30, 2015

Elected Officials

Mayor

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Robert E. Novitke

Michael Koester

Victoria A. Granger

Arthur W. Bryant

Richard Shetler Jr.

Kevin Ketels

Todd A. McConaghy

Municipal Judge

Municipal Judge

Theodore Metry

Administrator's Office

Administrator

Alfred John Fincham, III

Clerk's Office

Clerk

Lisa K. Hathaway

City Treasurer/Comptroller's Office

Treasurer

Dee Ann Irby

City Attorney

City Attorney

City Attorney

Don R. Berschback

Chip Berschback

City of Grosse Pointe Woods, Michigan

Fund Organizational Chart Year Ended June 30, 2014

<u>Fund Name</u>	<u>Fund Number</u>
<u>GOVERNMENTAL FUNDS</u>	
General Fund	101
Special Revenue Funds	
Major Streets Fund	202
Local Streets Fund	203
Ambulance Fund	210
Act 302 Training Fund	211
Solid Waste Disposal	226
Grants Fund	245
911 Emergency Service	261
Drug Enforcement	265
Parkway Beautification Fund	205
Cable Franchise Fund	206
Debt Service Funds	
Grosse-Gratiot Drain Fund	365
Capital Projects Funds	
Municipal Improvement Fund	401
2015 Road Bond Construction	406
<u>PROPRIETARY FUNDS</u>	
Enterprise Funds	
Water and Sewer Utility Fund	592
Parking Utility Fund	585
Boat Dock Rental Fund	594
Commodity Sales Fund	598
Internal Service Funds	
Motor Vehicle Fund	640
Workers' Compensation Fund	632
<u>FIDUCIARY FUNDS</u>	
Trust and Agency Funds	
Pension Fund	731
Supplementary Annuity Fund	732
Other Postemployment Benefit Trust Fund	736
Wayne County Tax Fund	703

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Independent Auditor's Report

To the City Council
City of Grosse Pointe Woods

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 Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Grosse Pointe Woods, Michigan'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 Grosse Pointe Woods, Michigan as of June 30, 2015 and the respective changes in its 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.

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To the City Council
City of Grosse Pointe Woods

Emphasis of Matter

As discussed in Note 14 to the basic financial statements, during the year ended June 30, 2015, the City adopted the new accounting guidance of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, a net pension liability has been recognized on the government-wide and proprietary statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grosse Pointe Woods, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, the introductory section, and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and the statistical section 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.

Plante & Moran, PLLC

December 1, 2015

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City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the City of Grosse Pointe Woods, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the City's financial statements.

Financial Highlights

The following represents the most significant financial highlights for the year ended June 30, 2015:

- Property taxes continue to be the City's largest source of revenue; however, like most communities in Michigan, the taxable value of property is slow to rebound after the 2007 decline. Although the millage rate is at the Headlee cap, general property tax revenue increased approximately \$400,000 over fiscal year 2013-2014. This increase is a result of increased taxable value; primarily through new construction. Future tax increases will depend upon new development.
- Revenue sharing from the State of Michigan remains our second largest revenue source, showing a slight increase of \$25,000 over fiscal year 2013-2014. The City is committed to meeting all requirements of Accountability and Transparency in order to receive full payments.
- Building license and permit revenues decreased \$85,000 over fiscal year 2013-2014, the second year for a decrease. This decrease in permit revenue is the result of completing the permit process of new construction. The direct cost of operating the building department increased again this year by \$9,000. Department costs have increased from \$299,000 in 2010 to \$405,000 in 2015; a 74 percent increase. An increase in staffing is the primary reason for increased costs.
- Revenue from District Court fees and fines decreased by \$34,000 as compared to fiscal year 2013-2014. This is the third year for a decline in revenue and the number of violations being processed. In fiscal year 2011-2012, revenue was 49.4 percent higher than the current year. The direct cost of operating the Municipal Court decreased for the second year by approximately \$32,000 due to cost containment.
- Cable franchise fees decreased \$25,000 over the previous fiscal year, for a two-year reduction of \$65,000. The Retiree Drug Subsidy decreased \$13,000 as compared to fiscal year 2013-2014. It appears that the federal funding of this program is nearing an end.
- Medstar ambulance lease, a new revenue source for fiscal year 2013-2014, netted \$1,000 after expenses for resident transportation.
- Although there were fluctuations in the various revenue categories, overall, the General Fund's revenue increased approximately \$367,000 over fiscal year 2013-2014. The transfers in were the same as the prior year.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

- General Fund department expenditures, with the exception of parks and recreation, came in under budget by approximately 2 percent. The Parks and Recreation department was 20 percent under budget. This decrease was offset by an increase in health benefits for active employees and retirees of nearly \$200,000 over fiscal year 2013-2014. Additional cost overruns are attributable to union negotiations/arbitration and the trench collapse. In total, the actual general fund expenditures increased \$320,000 over fiscal year 2013-2014.
- Transfers out to other funds remain the same as the previous year. The majority of the transfer (\$480,000) went to the Local Street Fund to cover road salt, patching material, and employee costs for road maintenance. The transfers to the Motor Vehicle Fund include an annual lease payment for new Police and Public Works vehicles. This is the first time in six years that new vehicles were added to the aging fleet. Since there will be minimal growth in taxable value, the City must find a way to control expenditures so that we can continue to provide essential City services at a reasonable cost.
- As a result of departmental cost containment, the General Fund fund balance, exclusive of Cable Franchise and Local Street Funds, increased \$8,000. It is important to mention that the fiscal forecast shows the use of fund balance as a balancing tool for future budgets.

Using this Annual Report

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

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

The City as a Whole

The following table shows, in a condensed format, the net position as of the current date as compared to the prior year (in millions of dollars):

Summary of Condensed Statement of Net Position

Current assets in the governmental activities group increased \$6.8 million over the prior year due to the sale of road construction bonds. The total increase in restricted net position also reflects this activity. The slight increase (\$1.5 M) in total capital assets reflects the start of the road improvements.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

Deferred outflows and deferred inflows are new this year to show the \$7.6 million in deferred pension expense resulting from the implementation of GASB Statement No. 68, which required the City to record its net pension liability and \$0.4 million in pension contributions. Long-term liabilities jumped \$26.8 million, primarily due to net pension liability initial recording and the OPEB liability continuing to increase.

Current liabilities increased slightly, in both governmental and business-type activities, due to the current portion of debt for the roads and water/sewer projects. Overall, City debt remains very low.

The combined net position decreased \$13.1 million over the prior year. The increase in liabilities and deferred inflows (\$29.8M) outpaced the increase assets and deferred outflows (\$16.7M) primarily due to the reporting of net pension and OPEB.

The following table shows the City's major revenue and expenses as a whole for both the governmental and business-type activities (in millions of dollars). The bottom of the table shows the changes in net position during the current year in comparison to the prior year.

Summary Condensed Statement of Changes in Net Position (presented in millions of dollars)

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Assets						
Current assets	\$ 11.5	\$ 18.3	\$ 7.8	\$ 9.0	\$ 19.3	\$ 27.3
Noncurrent assets:						
Restricted assets	-	-	0.3	0.3	0.3	0.3
Capital assets	26.3	27.8	29.1	28.7	55.4	56.5
Total assets	37.8	46.1	37.2	38.0	75.0	84.1
Deferred Outflows of Resources						
Deferred outflows related to pensions	-	7.0	-	0.6	-	7.6
Liabilities						
Current liabilities	1.2	2.3	0.4	1.4	1.6	3.7
Long-term liabilities	17.2	44.0	12.6	13.1	29.8	57.1
Total liabilities	18.4	46.3	13.0	14.5	31.4	60.8
Deferred Inflow of Resources						
Deferred inflows related to pensions	-	0.3	-	0.1	-	0.4
Net Position						
Net investment in capital assets	26.3	27.6	18.4	18.2	44.7	45.8
Restricted	0.8	7.5	0.3	0.3	1.1	7.8
Unrestricted	(7.7)	(28.6)	5.5	5.5	(2.2)	(23.1)
Total net position	\$ 19.4	\$ 6.5	\$ 24.2	\$ 24.0	\$ 43.6	\$ 30.5

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

	Governmental		Business-type		Total	
	2014	2015	2014	2015	2014	2015
Revenue						
Program revenue:						
Charges for services	\$ 1.3	\$ 0.9	\$ 6.8	\$ 6.9	\$ 8.1	\$ 7.8
Operating grants and contributions	0.9	1.1	0.1	-	1.0	1.1
General revenue:						
Property taxes	13.0	12.1	-	-	13.0	12.1
State-shared revenue	1.5	1.6	-	-	1.5	1.6
Unrestricted investment earnings	-	-	-	-	-	-
Cable franchise fees	0.3	0.3	-	-	0.3	0.3
Other miscellaneous revenue	0.3	0.5	-	-	0.3	0.5
Total revenue	17.3	16.5	6.9	6.9	24.2	23.4
Program Expenses						
General government	3.1	2.5	-	-	3.1	2.5
Public safety	6.6	7.8	-	-	6.6	7.8
Public works	6.1	6.1	-	-	6.1	6.1
Solid waste	1.1	1.1	-	-	1.1	1.1
Recreation and culture	1.6	1.8	-	-	1.6	1.8
Municipal improvements	0.3	0.6	-	-	0.3	0.6
Interest on long-term debt	0.8	-	-	-	0.8	-
Water and sewer	-	-	5.4	5.9	5.4	5.9
Parking	-	-	0.2	0.3	0.2	0.3
Boat dock	-	-	0.1	0.1	0.1	0.1
Commodity sales	-	-	-	-	-	-
Total program expenses	19.6	19.9	5.7	6.3	25.3	26.2
Change in Net Position	\$ (2.3)	\$ (3.4)	\$ 1.2	\$ 0.6	\$ (1.1)	\$ (2.8)

Total revenue for governmental activities decreased \$0.8 million as compared to fiscal year 2013-2014. A \$0.5 million increase in general operating and solid waste property tax revenue was offset by a \$1.1 million decrease in tax revenue for Grosse Gratiot Drain. The drain millage rate was reduced because the debt had been paid off. District Court fines and building department permits decreased \$0.4 million. Revenue sharing and operating grants show a slight increase. Total governmental expenses increased \$0.3 million (1.6 percent). The majority of the increased expenses in Municipal Improvements pertain to the City's contribution to road repairs at Marter/Morningside. Interest on long-term debt decreased because the Drain bonds are paid off. General Government and Public Works shows a decrease, due in part to a decrease in staff through attrition and cost containment efforts.

In the business-type activities, the \$0.6 million increase in expenses is attributable to providing water and sewer to residents and businesses.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

The City's governmental revenue totaled approximately \$16.4 million, with the greatest revenue source being property taxes. Property taxes make up approximately 73 percent of total governmental revenue. That percentage is down by 2 percent, from approximately 75 percent of total governmental revenue in fiscal year 2013-2014. The City experienced a slight increase in taxable value for 2013-2014, and remains hopeful that new development continues into the next fiscal year. Because there were a large number of Michigan Tax Tribunal cases settled by stipulation in fiscal years 2012-2013 and 2013-2014, the City must report a reduction in revenue equal to the total dollar amount of all cases currently under appeal.

Total governmental expenses for the City were approximately \$19.9 million. This is down by \$0.3 million as compared to fiscal year 2013-2014. Overall expenses decreased this year due to a reduction in interest on long-term debt. Concessions by employees, unpaid furlough days, and departmental cost containment efforts continue into 2014-2015.

Business-type Activities

The City's business-type activities consist of the funds for water and sewer, parking utility, and boat dock. In 2014-2015, the City was in the final year of the sewer construction project and began installation of new parking meters throughout the City. The Boat Dock did not have any major changes in this fiscal year.

Water and sewer utility system revenue is primarily from fees paid by customers, based on use. All of the business-type revenue is generated by user fees. User fees were increased to cover increased costs to purchase water and infrastructure improvements.

The business-type activities expenses increased \$0.6 million over 2013-2014, due to an increase in the cost to purchase water and dispose of sewer. A total of \$3.7 million is collected from Grosse Pointe Woods customers and paid to the City of Detroit for water and sewer treatment. This represents an increase of \$570,000 over last fiscal year, due to a change in their formula for fixed fees.

The City's Funds

An analysis of the City's major funds begins on page 16, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council created funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for fiscal year 2014-2015 include the General Fund, the Major Streets Fund, the Solid Waste Fund, the Grosse Gratiot Drain Fund, and the 2015 Road Construction Fund. Since the Local Streets Fund and the Cable Fund receive the majority of their revenue from unrestricted sources, they can no longer be classified as special revenue funds. Therefore, they are included in the General Fund. The City's major business-type fund is the Water and Sewer Fund.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

General Fund

The General Fund pays for most of the City's governmental services. The two largest services funded by the General Fund are public safety (combined police and fire services) and public works. The General Fund transferred approximately \$0.5 million to the Major and Local Streets Funds, \$0.2 million to the Municipal Improvement Fund, and \$0.5 million to the Motor Vehicle Fund.

Other major activities in the General Fund include recreation and culture, solid waste, and all general government administrative and services operations. Some of these activities rely on fees for services to help offset costs and some do not generate any significant service-related revenue. Many of these activities rely heavily on property taxes and revenue sharing to subsidize their operations.

In fiscal year 2014-2015, the General Fund's fund balance increased by approximately \$8,000. Employee concessions and cost containment efforts of the City Council, appointed officials, and department directors helped to hold the operating expenditures line. The Local Streets Fund added \$240,000 to the General Fund fund balance, due to a reduction in concrete maintenance and overall cost containment. GASB Statement No. 54 requires that the Local Streets and Cable Funds are now shown as part of the General Fund.

The City's General Fund year-end fund balance is approximately \$5.4 million; \$1.66 million is committed, assigned, and non-spendable, leaving \$3.74 million unassigned. The unassigned amount represents approximately 30.7 percent of fiscal year 2014-2015 actual expenditures. This level of fund balance is above the recommended level of between 10 percent and 15 percent of annual expenditures; however, the City strives to maintain a cash surplus sufficient to maintain superior City services and retain a favorable bond rating. In addition, the City's fiscal forecasting applies \$2 million (53 percent) of the unassigned fund balance to the next four years of operations to cover the structural deficit. We remain hopeful that new development will help increase tax revenue above the 0.3 percent cost of living adjustment.

Major Streets Fund

The Major Streets Fund accounts for the maintenance and replacement of all major streets within the City. Financing is provided by distribution of gas tax proceeds. Major revenue includes approximately \$31,000 from the City's business occupancy permits and approximately \$662,000 in gas and weight tax revenue. Current year expenditures were approximately \$81,000 higher than fiscal year 2013-2014, due to increased cost of employee benefits and concrete maintenance. Due to a transfer from General Fund, the Major Streets Fund's revenue exceeded expenditures by approximately \$35,000. The fund balance at year end is \$394,881.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

Solid Waste Fund

The Solid Waste Fund is used to account for the collection, disposal, and recycling of all residential and commercial waste within the City. The special millage for fiscal year 2014-2015 was 2.0251 mills, the same as the previous three years. The millage generated \$1.24 million in revenue. Net expenses in 2014-2015 were \$1.22 million and a decrease of \$0.1 million as compared to the previous year. A reduction in trash hauling fees contributed to the decrease in expenses. The fund balance at year end is \$371,695.

Road Bond Construction Fund

In November 2014, voters authorized \$10 million in capital improvement bonds for the purpose of road construction. This special revenue fund records the construction expense and use of bond proceeds. In May 2015 the City sold \$6.6 million in bonds for the first round of construction. The face value of debt and bond proceeds total \$7.1 million in this fiscal year. During fiscal year 2014-2015, there was \$0.5 million in construction recorded. Construction is expected to continue in fiscal year 2015-2016. Thereafter, the City Council will authorize the sale of \$3.4 million in bonds to finish the initial construction project.

Grosse-Gratiot Drain Fund

The Grosse-Gratiot Drain Fund is used to accumulate resources for payment of operations and maintenance costs as well as the Grosse-Gratiot Drain improvements financed by issuance of debt. The fund derived revenue from property taxes of approximately \$1.68 million in fiscal year 2014-2015. Because there were no debt payments, the millage rate was reduced 1.7941 mills to 2.7340. Expenditures are primarily related to drain operations and maintenance provided by Wayne County. This is the sixth year of increases for these services, a cost of \$1.45 million in fiscal year 2014-2015. We anticipate Wayne County issuing bonds in the next fiscal year, for infrastructure improvements. This will directly affect the millage rate in fiscal year 2015-2016.

This Grosse-Gratiot Drain Fund's fund balance increased approximately \$3,000; the reserves at year end are \$539,964.

Water and Sewer Fund

The Water and Sewer Fund continues to maintain a small amount of working capital and the required reserves to meet bond covenants. Because revenue is derived from user fees and fees are adjusted periodically to cover expenses, the fund is relatively secure. Unlike the governmental activities of the City, the Water and Sewer Fund does not rely on tax dollars and state aid for its financial well-being.

Water and sewer rates have increased to cover the cost of fee increases imposed by the City of Detroit water and sewerage system and payments for infrastructure improvements financed by issuance of debt.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

City Council and administration review revenue and expenditures annually to ensure revenue remains at an adequate level to support the required expenditures of the systems. An annual rate increase will be necessary to support infrastructure improvements to the water system and sewer systems, which have been funded by low-interest loans from the State of Michigan Drinking Water Revolving Fund and Sewer Revolving Fund.

General Fund Budgetary Highlights

The City's General Fund ended fiscal year 2014-2015 with continued concessions from three of the four labor unions and nonunion employees. Employees were granted a \$1,000 loyalty bonus in exchange for extending the benefit concessions for another year. Facing a slow rebound in taxable value and an aging fleet of vehicles, the City chose to lease public safety and public works vehicles rather than pay cash. The continued reduction in revenue from the Violations Bureau of the Municipal Court overshadowed the cost containment efforts of the City. Total General Fund revenue was \$8,000 over expenses. Since the Cable and Local Street Funds are reported in the General Fund, their increase in fund balance of \$234,000 will account for the majority of the total increase. The City's long-term fiscal forecast predicts the City will use fund balance to balance the budget for the next several years.

Local Streets Activity

The Local Streets Fund accounts for the maintenance and replacement of all local streets within the City. Financing is provided by distribution of gas tax proceeds. The primary sources of revenue are a transfer from General Fund, in the amount of \$481,000, and approximately \$271,000 in gas and weight tax revenue. In addition, the City received a Local Agency Disbursement from the State of Michigan for road repairs in the amount of \$82,000. Revenue plus transfers in fiscal year 2014-2015 is \$125,000 greater than the previous year. The department receives a small amount of its revenue from fees, other state funding, special assessment, and interest on investments. Expenditures for fiscal year 2014-2015 increased by \$20,000 due to an increase in concrete maintenance.

The Local Streets Fund fund balance decreased approximately \$232,000 with a year-end balance of (\$174,000). For reporting purposes, this fund balance has been classified as "committed" and rolled into the General Fund. This increase is a combination of an increase in state revenue and transfer from General Fund.

Cable Franchise Activity

The Cable Franchise Fund was established to invest the proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements. Due to cost containment, there were no transfers out of the Cable Fund for six years, including fiscal year 2014-2015.

The Cable Franchise Fund's fund balance is approximately \$534,000 and is reported in the General Fund as "assigned."

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

During fiscal year 2013-2014, the City received two funding awards and one rebate for various equipment and street lighting. The State of Michigan awarded the City with video arraignment equipment for the Municipal Court, which will save in overtime costs and prisoner transport fees. Wayne County awarded the City with a grant for "Share the Road" signage and bicycle racks. This will create a more active community, at no cost to the City. DTE offered the City an Energy Optimization efficiency rebate to upgrade LED streetlights throughout the City. This will provide more efficient lighting for many years.

The sewer infrastructure improvements, funded by a low interest loan of the Sewer Revolving Fund, continued for a second year. The repair of water mains and replacement of water meters were finalized during fiscal year 2013-2014. All of the City's debt is related to the Water and Sewer enterprise fund and is not a part of the calculation for the allowable legal debt margin limit. Overall, the City debt remains low. Detailed information on the City's debt can be found in the statistical section of this report, in the debt capacity and direct and overlapping debt schedules. For more information regarding the activity of capital assets and debt, please refer to Note 4 and Note 6, respectively. In fiscal year 2014-2015, the City will finalize the sewer infrastructure improvements.

Economic Factors

Due to declining tax revenue, the City has implemented a number of cost-saving actions in order to continue its prudent fiscal management. There have been across-the-board budget reductions, the elimination of vacant positions, and the implementation of a hiring freeze over the past six years. In addition, major reductions in discretionary spending such as travel and training were eliminated. A number of capital improvement projects have been delayed, cancelled, or face a reduction in project scope. City employees have accepted benefit cuts for seven years.

In looking to the future, the City continues to work with neighboring communities for consolidation partnerships, which will reduce costs and increase efficiencies. One example of planned consolidation and sharing of services is the receipt of a grant to combine public safety dispatch and police lockup services for the cities of Grosse Pointe Woods, Shores, and Farms. This grant will provide for equipment and retrofitting of the Grosse Pointe Woods dispatch center to house the operations of all three cities.

The City received an Energy Optimization efficiency rebate, from DTE, for upgrading to LED streetlights in certain sections of the City. In conjunction with this year's road construction program, the City was able to upgrade an additional 33 streetlights. The more efficient LED lighting will provide a return on investment in approximately 1.5 years.

City of Grosse Pointe Woods, Michigan

Management's Discussion and Analysis (Continued)

In fiscal year 2014-2015, the City purchased a new 2015 diesel International 10-yard dump truck with a \$116,000 grant award from the Congestion Mitigation Air Quality Grant. This vehicle replaced a 22-year-old Department of Public Works vehicle. The City is on the award list for a second truck in 2016. In addition, the City received an \$8,000 grant from the Department of Justice for new vests for public safety officers.

The City is on the list for consideration of a Storm Water Asset Management and Wastewater (SAW Grant) program/plan. This plan includes the investigation of the City's sewer lines, manholes, and catch basins; an asset management system to properly inventory and rate the condition of each sewer asset and develop a long-term capital improvement plan.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the city administrator's office at (313) 343-2450.

City of Grosse Pointe Woods, Michigan

Statement of Net Position June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 17,374,320	\$ 7,622,933	\$ 24,997,253
Receivables:			
Customers	-	1,306,554	1,306,554
Accrued interest	17,287	8,284	25,571
Due from other governmental units	633,173	17,362	650,535
Internal balances	11,205	(11,205)	-
Prepaid expenses	178,171	10,245	188,416
Restricted assets	-	306,500	306,500
Investment in Grosse Pointes-Clinton Refuse Disposal Authority (Note 13)	58,939	-	58,939
Capital assets (Note 4):			
Nondepreciable capital assets	3,420,242	2,915,009	6,335,251
Depreciable capital assets - Net	24,368,699	25,806,816	50,175,515
Total assets	46,062,036	37,982,498	84,044,534
Deferred Outflows of Resources -			
Deferred outflows related to pensions	7,050,711	567,341	7,618,052
Liabilities			
Accounts payable	891,661	477,450	1,369,111
Accrued liabilities and other:			
Accrued salaries and wages	145,111	9,440	154,551
Payroll taxes and withholdings	26,584	2,473	29,057
Accrued interest payable	49,968	61,628	111,596
Accrued other	346,023	2,521	348,544
Noncurrent liabilities (Note 6):			
Due within one year:			
Compensated absences	552,214	42,686	594,900
Provision for claims	137,337	6,394	143,731
Current portion of long-term debt	117,957	725,000	842,957
Due in more than one year:			
Compensated absences	218,694	23,899	242,593
Net OPEB obligation	18,071,489	1,805,558	19,877,047
Net pension liability - Greater than 1 year	18,509,600	1,504,932	20,014,532
Long-term debt	7,279,070	9,811,752	17,090,822
Total liabilities	46,345,708	14,473,733	60,819,441
Deferred Inflows of Resources -			
Deferred inflows related to pensions	257,568	46,776	304,344
Net Position			
Net investment in capital assets	27,569,120	18,185,073	45,754,193
Restricted for:			
Roads	6,955,396	-	6,955,396
Debt service	-	306,500	306,500
Fireworks	79,298	-	79,298
Public safety	93,465	-	93,465
Solid waste	371,695	-	371,695
Community development	728	-	728
Unrestricted	(28,560,231)	5,537,757	(23,022,474)
Total net position	\$ 6,509,471	\$ 24,029,330	\$ 30,538,801

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

City of Grosse Pointe Woods, Michigan

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 2,494,362	\$ 455,417	\$ 157,371
Public safety	7,777,514	321,151	-
Public works	6,176,373	-	933,843
Solid waste	1,143,308	-	-
Municipal improvements	554,163	-	-
Recreation and culture	1,773,961	111,904	-
Total governmental activities	19,919,681	888,472	1,091,214
Business-type activities:			
Water/Sewer	5,919,315	6,241,351	-
Parking	246,050	454,533	-
Boat dock	96,733	140,986	-
Commodity sales	36,955	33,075	-
Total business-type activities	6,299,053	6,869,945	-
Total primary government	\$ 26,218,734	\$ 7,758,417	\$ 1,091,214
General revenue:			
Property taxes			
State-shared revenue (unrestricted)			
Unrestricted investment earnings			
Franchise taxes			
Other miscellaneous income			
Gain on sale of fixed assets			
Total general revenue			
Change in Net Position			
Net Position - Beginning of year - As restated (Note 14)			
Net Position - End of year			

**Statement of Activities
Year Ended June 30, 2015**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,881,574)	\$ -	\$ (1,881,574)
(7,456,363)	-	(7,456,363)
(5,242,530)	-	(5,242,530)
(1,143,308)	-	(1,143,308)
(554,163)	-	(554,163)
(1,662,057)	-	(1,662,057)
(17,939,995)	-	(17,939,995)
-	322,036	322,036
-	208,483	208,483
-	44,253	44,253
-	(3,880)	(3,880)
-	570,892	570,892
(17,939,995)	570,892	(17,369,103)
12,089,662	-	12,089,662
1,568,207	-	1,568,207
43,238	28,735	71,973
315,723	-	315,723
507,807	-	507,807
7,850	-	7,850
14,532,487	28,735	14,561,222
(3,407,508)	599,627	(2,807,881)
9,916,979	23,429,703	33,346,682
\$ 6,509,471	\$ 24,029,330	\$ 30,538,801

City of Grosse Pointe Woods, Michigan

Governmental Funds Balance Sheet June 30, 2015

	General Fund	Special Revenue Funds			Debt Service Fund	Nonmajor Funds	Total
		Major Streets Fund	Solid Waste Disposal	2015 Road Bond Construction	Grosse - Gratiot Drain Fund		
Assets							
Cash and investments (Note 3)	\$ 5,881,848	\$ 304,161	\$ 411,116	\$ 6,705,184	\$ 558,193	\$ 664,516	\$ 14,525,018
Receivables:							
Accrued interest receivable	10,343	-	103	-	-	175	10,621
Due from other governmental units	464,801	112,722	-	-	-	20,893	598,416
Due from other funds (Note 5)	19,183	-	359	-	-	488	20,030
Prepays	104,203	8,429	2,581	-	-	2,355	117,568
Total assets	\$ 6,480,378	\$ 425,312	\$ 414,159	\$ 6,705,184	\$ 558,193	\$ 688,427	\$ 15,271,653
Liabilities							
Accounts payable	\$ 619,703	\$ 13,242	\$ 24,381	\$ 122,669	\$ -	\$ 63,969	\$ 843,964
Due to other funds (Note 5)	2,007	-	-	-	-	7,000	9,007
Accrued liabilities and other:							
Accrued salaries and wages	134,283	5,529	1,536	-	-	1,121	142,469
Payroll taxes and withholdings	23,528	1,503	398	-	-	295	25,724
Accrued other liabilities	210,571	1,632	14,018	-	18,229	389	244,839
Provision for claims	65,005	8,525	2,131	-	-	1,066	76,727
Total liabilities	1,055,097	30,431	42,464	122,669	18,229	73,840	1,342,730
Deferred Inflows of Resources							
Unavailable revenue	18,123	-	-	-	-	-	18,123
Fund Balances							
Nonspendable - Prepays	104,203	8,429	2,581	-	-	2,355	117,568
Restricted:							
Roads	-	364,452	-	6,582,515	-	-	6,946,967
Solid waste	-	-	369,114	-	-	-	369,114
Public safety	-	-	-	-	-	93,465	93,465
Community development	-	-	-	-	-	728	728
Fireworks	-	-	-	-	-	78,298	78,298
Committed:							
Local streets	513,479	-	-	-	-	-	513,479
Repairs and equipment	45,000	22,000	-	-	-	44,700	111,700
Assigned:							
Subsequent year's budget	493,016	-	-	-	-	-	493,016
Debt service	-	-	-	-	539,964	-	539,964
Public safety	-	-	-	-	-	181,243	181,243
Capital projects	-	-	-	-	-	123,811	123,811
Parkway beautification	-	-	-	-	-	89,987	89,987
Cable	534,499	-	-	-	-	-	534,499
Unassigned	3,716,961	-	-	-	-	-	3,716,961
Total fund balances	5,407,158	394,881	371,695	6,582,515	539,964	614,587	13,910,800
Total liabilities and fund balances	\$ 6,480,378	\$ 425,312	\$ 414,159	\$ 6,705,184	\$ 558,193	\$ 688,427	\$ 15,271,653

City of Grosse Pointe Woods, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2015

Fund Balance Reported in Governmental Funds	\$ 13,910,800
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	26,828,168
Investments in joint ventures are not financial resources and are not reported in the funds	58,939
Net pension liability is not due and payable in the current period and is not reported in the funds	(17,913,172)
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources and deferred inflows of resources in the statement of net position, but are reported as expenses in the governmental funds	6,580,168
Deferred inflows for unavailable revenue is reported in the funds but not in the governmental activities	18,123
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(7,124,469)
Net OPEB obligation does not present a claim on current financial resources. Therefore, it is not reported as a fund liability	(17,528,033)
Accrued interest is not due and payable in the current period and is not reported in the funds	(49,968)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(739,133)
Internal service funds are included as part of governmental activities	<u>2,468,048</u>
Net Position of Governmental Activities	<u>\$ 6,509,471</u>

City of Grosse Pointe Woods, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2015

	Special Revenue Funds				Debt Service Fund		Total
	General Fund	Major Streets Fund	Solid Waste Fund	2015 Road Bond	Grosse-Gratiot Drain Fund	Nonmajor Funds	
				Construction			
Revenue							
Property taxes	\$ 9,165,203	\$ -	\$ 1,241,954	\$ -	\$ 1,682,505	\$ -	\$ 12,089,662
Licenses and permits	762,903	-	-	-	-	-	762,903
Federal sources	-	-	-	-	-	7,693	7,693
State and local sources	1,703,204	662,419	-	-	-	23,719	2,389,342
Charges for services	200,141	-	-	-	-	-	200,141
Fines and forfeitures	321,151	-	-	-	-	-	321,151
Investment income	21,244	-	3,087	1,554	-	329	26,214
Other revenue	381,461	37,461	540	-	-	199,610	619,072
Total revenue	12,555,307	699,880	1,245,581	1,554	1,682,505	231,351	16,416,178
Expenditures							
Current:							
General government	2,831,165	-	-	-	-	33,685	2,864,850
Public safety	5,326,347	-	-	-	-	71,453	5,397,800
Public works	2,526,256	720,189	1,223,308	543,505	1,452,632	-	6,465,890
Municipal improvement	59,239	-	-	-	-	438,856	498,095
Parks and recreation	1,338,659	-	-	-	-	34,932	1,373,591
Debt service - Principal	-	-	-	-	226,874	-	226,874
Total expenditures	12,081,666	720,189	1,223,308	543,505	1,679,506	578,926	16,827,100
Excess of Revenue Over (Under) Expenditures	473,641	(20,309)	22,273	(541,951)	2,999	(347,575)	(410,922)
Other Financing Sources (Uses)							
Face value of debt issue	-	-	-	6,599,997	-	-	6,599,997
Debt premium or discount	-	-	-	524,469	-	-	524,469
Transfers in	-	55,680	-	-	-	175,736	231,416
Transfers out	(231,416)	-	-	-	-	-	(231,416)
Total other financing (uses) sources	(231,416)	55,680	-	7,124,466	-	175,736	7,124,466
Net Change in Fund Balances	242,225	35,371	22,273	6,582,515	2,999	(171,839)	6,713,544
Fund Balances - Beginning of year	5,164,933	359,510	349,422	-	536,965	786,426	7,197,256
Fund Balances - End of year	\$ 5,407,158	\$ 394,881	\$ 371,695	\$ 6,582,515	\$ 539,964	\$ 614,587	\$ 13,910,800

City of Grosse Pointe Woods, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 6,713,544
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,099,171
Contributed capital	972,980
Depreciation expense	(1,094,604)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	18,123
Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	37,850
Other postemployment benefit obligation expense is recognized in the statement of activities, but not in the governmental funds	(1,835,050)
Change in investment in a joint Grosse Pointes-Clinton Refuse Disposal Authority is not recorded in the funds	12,069
Change in net pension liability, deferred outflows, and deferred inflows related to pensions reported in the statement of activities does not require the use of current resources, and therefore, is not reported in the fund statements until it comes due for payment	(2,083,015)
Proceeds from debt issuance provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(7,124,466)
Interest expense is recorded when incurred in the statement of activities	(1,842)
Internal service funds are included as part of the governmental activities	<u>(122,268)</u>
Change in Net Position of Governmental Activities	<u>\$ (3,407,508)</u>

City of Grosse Pointe Woods, Michigan

Proprietary Funds Statement of Net Position June 30, 2015

	Enterprise Funds			Governmental Activities
	Major Enterprise Fund - Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 6,173,241	\$ 1,449,692	\$ 7,622,933	\$ 2,849,302
Receivables:				
Customers	1,306,554	-	1,306,554	-
Accrued interest receivable	7,971	313	8,284	6,666
Due from other governmental units	17,362	-	17,362	34,757
Due from other funds (Note 5)	978	-	978	182
Prepaid expenses and other assets	8,165	2,080	10,245	60,603
Total current assets	7,514,271	1,452,085	8,966,356	2,951,510
Noncurrent assets:				
Restricted assets (Note 1)	306,500	-	306,500	-
Capital assets (Note 4):				
Assets not subject to depreciation	2,915,009	-	2,915,009	-
Assets subject to depreciation	25,342,451	464,365	25,806,816	960,773
Total noncurrent assets	28,563,960	464,365	29,028,325	960,773
Total assets	36,078,231	1,916,450	37,994,681	3,912,283
Deferred Outflows of Resources -				
Deferred outflows related to pensions	483,045	84,296	567,341	226,089
Liabilities				
Current liabilities:				
Accounts payable	476,056	1,394	477,450	47,697
Due to other funds (Note 5)	-	12,183	12,183	-
Accrued liabilities and other	72,582	3,480	76,062	104,686
Compensated absences - Less than 1 year	36,005	6,681	42,686	31,775
Provision for claims - Less than one year	6,394	-	6,394	60,610
Current portion of long-term debt	725,000	-	725,000	65,510
Total current liabilities	1,316,037	23,738	1,339,775	310,278
Noncurrent liabilities:				
Compensated absences - Greater than 1 year	18,240	5,659	23,899	-
Pension liability (Note 7)	1,281,246	223,686	1,504,932	596,428
Other postemployment benefit obligation (Note 8)	1,444,421	361,137	1,805,558	543,456
Long-term debt (Note 6)	9,811,752	-	9,811,752	207,048
Total noncurrent liabilities	12,555,659	590,482	13,146,141	1,346,932
Total liabilities	13,871,696	614,220	14,485,916	1,657,210
Deferred Inflows of Resources -				
Deferred inflows related to pensions	39,689	7,087	46,776	13,114
Restricted - Debt Service				
Net investment in capital assets	17,720,708	464,365	18,185,073	688,215
Restricted-debt service	306,500	-	306,500	-
Unrestricted	4,622,683	915,074	5,537,757	1,779,833
Total net position	\$ 22,649,891	\$ 1,379,439	24,029,330	\$ 2,468,048
Net Position of Business-type Activities			<u>\$ 24,029,330</u>	

City of Grosse Pointe Woods, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities
	Major Enterprise Fund - Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenue				
Water sales and charges for services	\$ 6,044,034	\$ -	\$ 6,044,034	\$ -
Penalties	108,961	-	108,961	-
Fees and violations	-	453,411	453,411	-
Grants	-	-	-	151,121
Docking and launching fees	-	140,986	140,986	-
Commodity sales	-	33,075	33,075	-
Other revenue	60,085	1,122	61,207	9,127
Charges to other funds	-	-	-	917,926
Total operating revenue	6,213,080	628,594	6,841,674	1,078,174
Operating Expenses				
Cost of water and disposal	3,791,111	-	3,791,111	-
Insurance expenses and contractual services	-	-	-	154,325
Operation and maintenance	207,799	172,298	380,097	519,252
General and administrative	849,712	139,884	989,596	369,979
Charges from internal service funds	50,000	6,000	56,000	-
Depreciation	742,019	61,556	803,575	183,612
Total operating expenses	5,640,641	379,738	6,020,379	1,227,168
Operating Income (Loss)	572,439	248,856	821,295	(148,994)
Nonoperating Revenue (Expenses)				
Interest income	25,876	2,859	28,735	18,876
Revenue from joint venture	(5,404)	-	(5,404)	-
Interest expense	(273,270)	-	(273,270)	-
Gain on sale of assets	-	-	-	7,850
Amortization of debt premium	28,271	-	28,271	-
Total nonoperating (expenses) revenue	(224,527)	2,859	(221,668)	26,726
Change in Net Position	347,912	251,715	599,627	(122,268)
Net Position - Beginning of year - As restated (Note 14)	22,301,979	1,127,724	23,429,703	2,590,316
Net Position - End of year	<u>\$ 22,649,891</u>	<u>\$ 1,379,439</u>	<u>\$ 24,029,330</u>	<u>\$ 2,468,048</u>

City of Grosse Pointe Woods, Michigan

Proprietary Funds Statement of Cash Flows Year Ended June 30, 2015

	Enterprise Funds			Governmental
	Major Enterprise	Nonmajor	Total Enterprise	Activities
	Fund - Water and Sewer Fund			Enterprise Funds
Cash Flows from Operating Activities				
Receipts from customers	\$ 6,246,040	\$ 628,594	\$ 6,874,634	\$ -
Receipts (payments) for interfund services and reimbursements	(47,080)	-	(47,080)	1,017,758
Payments to suppliers	(3,415,622)	(1,065)	(3,416,687)	-
Payments to employees	(475,606)	(163,470)	(639,076)	(413,755)
Internal activity - Payments to other funds	-	(4,317)	(4,317)	-
Claims paid	(8,712)	-	(8,712)	(108,798)
Other receipts	-	-	-	160,248
Other payments	(483,045)	(84,296)	(567,341)	(260,846)
Net cash provided by operating activities	1,815,975	375,446	2,191,421	394,607
Cash Flows from Capital and Related Financing Activities				
Issuance of bonds	388,062	-	388,062	272,558
Proceeds from sales of capital assets	-	-	-	7,850
Purchase of capital assets	(428,025)	(11,246)	(439,271)	(642,943)
Principal and interest paid on capital debt	(1,006,475)	-	(1,006,475)	-
Debt service charge	28,271	-	28,271	-
Net cash used in capital and related financing activities	(1,018,167)	(11,246)	(1,029,413)	(362,535)
Cash Flows from Investing Activities				
Interest received on investments	24,120	4,748	28,868	17,050
Loss on investments	(5,404)	-	(5,404)	-
Net cash provided by investing activities	18,716	4,748	23,464	17,050
Net Increase in Cash and Cash Equivalents	816,524	368,948	1,185,472	49,122
Cash and Cash Equivalents - Beginning of year	5,663,217	1,080,744	6,743,961	2,800,180
Cash and Cash Equivalents - End of year	\$ 6,479,741	\$ 1,449,692	\$ 7,929,433	\$ 2,849,302
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 6,173,241	\$ 1,449,692	\$ 7,622,933	\$ 2,849,302
Restricted cash	306,500	-	306,500	-
Total cash and cash equivalents	\$ 6,479,741	\$ 1,449,692	\$ 7,929,433	\$ 2,849,302
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 572,439	\$ 248,856	\$ 821,295	\$ (148,994)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	742,019	61,556	803,575	183,612
Changes in assets and liabilities:				
Receivables	32,960	-	32,960	-
Due from others	2,920	-	2,920	99,832
Other assets	4,548	638	5,186	(1,381)
Accounts payable	370,941	(346)	370,595	(30,508)
Due to other funds	-	(4,317)	(4,317)	-
Estimated claims liability	(8,712)	-	(8,712)	52,958
Accrued and other liabilities	581,905	153,355	735,260	499,934
Other assets	(483,045)	(84,296)	(567,341)	(260,846)
Net cash provided by operating activities	\$ 1,815,975	\$ 375,446	\$ 2,191,421	\$ 394,607

Noncash Activity - There were no noncash transactions for the year ended June 30, 2015.

City of Grosse Pointe Woods, Michigan

Fiduciary Funds Statement of Fiduciary Net Position June 30, 2015

	Pension and Other Employee Benefits	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,207,128	\$ 30,143
Investments:		
Stocks	19,847,812	-
Corporate bonds	8,194,140	-
Pooled investments	11,600,033	-
Other	100,329	-
Receivables - Accrued interest receivable	254	-
Total assets	40,949,696	\$ 30,143
Liabilities		
Accounts payable	278,587	\$ -
Due to other governmental units	-	17,719
Court bonds payable	-	12,424
Total liabilities	278,587	\$ 30,143
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 40,671,109	

City of Grosse Pointe Woods, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended June 30, 2015

	<u>Pension and Other Employee Benefits</u>
Additions	
Investment income:	
Interest and dividends	\$ 927,273
Net increase (decrease) in fair market value	(865,045)
Investment-related expenses	(106,146)
Contributions:	
Employer	1,176,268
Employee	<u>331,126</u>
Total contributions	<u>1,507,394</u>
Total additions - Net	1,463,476
Deductions - Pension payments	<u>3,600,096</u>
Net Decrease	(2,136,620)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>42,807,729</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 40,671,109</u>

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Grosse Pointe Woods (the "City"):

Reporting Entity

The City was incorporated as a home rule village on January 4, 1927 and as a home rule city on December 11, 1950. The City has a population of 16,135 per the 2010 census and encompasses 3.2 square miles. The City is located approximately 10 miles north of downtown Detroit and is over 97 percent residential. There are no major industries or corporations located within the City limits.

The City is governed by an elected mayor and six-member council. The City's administration operates under the overall direction of the elected mayor. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in the City's reporting entity.

Accounting and Reporting Principles

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

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Basis of Accounting

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

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

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period.

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

Note I - Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Major Streets Fund accounts for the maintenance and replacement of all major streets within the City. Funding is provided by distribution of gas tax proceeds.
- The Solid Waste Fund is used to account for the collection, disposal, and recycling of all residential and commercial waste within the City. Financing is provided by a separate tax millage.
- The 2015 Road Bond Construction Fund is used to account for the proceeds and expenditures related to road repairs. Financing is provided through bonds issues by the City.
- The Grosse-Gratiot Drain Fund accounts for revenue received and used to pay principal and interest on the Grosse-Gratiot Drain long-term debt. Funding is provided by a specific property tax millage.

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees, and internal service funds, which provide goods or services to other funds of the City. The City reports the following fund as a "major" enterprise fund:

- The Water and Sewer Fund accounts for the activity of the water distribution system and sewage collection system. Funding is provided primarily through user charges.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

The City's internal service funds are used to allocate insurance costs and machinery and equipment purchases and maintenance to the various funds on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred. The City has two internal service funds:

- The Motor Vehicle Fund has been established to account for costs associated with vehicles purchased by the City and used by all departments within the City.
- The Workers' Compensation Fund is used to fund workers' compensation claims and purchase insurance that provides coverage for employees. The fund is financed primarily by charges to various departments of the City.

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

- The Pension and Other Employee Benefit Trust Funds account for the activities of employee benefit plans that accumulate resources for pension and other postemployment benefit payments to qualified employees and are reported as fiduciary funds.
- The Other Postemployment Benefit Trust Fund accounts for mandatory employee and voluntary employer contributions to a retiree healthcare trust account.
- The agency funds record primarily tax collections received and remitted to other units of government (the county, community college, school district, etc.), as well as building bonds and deposits, held for temporary periods. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement or results of operations.

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

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market prices.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets - The revenue bonds of the Water and Sewer Fund require amounts to be set aside for debt service. The balance of the restricted asset account for revenue bond restrictions for debt payments is \$306,500 at June 30, 2015. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, 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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Lives</u>
Infrastructure	10-50 years
Buildings	25 years
Vehicles	3-7 years
Equipment	5 years
Land improvement	10-40 years

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. The General Fund, Water and Sewer Fund, and debt service funds are generally used to liquidate long-term obligations.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows related to premiums on long-term debt and pensions.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The deferred inflows of resources are related to reimbursement for election expenses that were not received within 60 days of year end as well as pension-related items.

Net Position Flow Assumption

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

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumption

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

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed and become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note I - Summary of Significant Accounting Policies (Continued)

The City's 2014 tax is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended June 30, 2015 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the City totaled \$618 million, on which ad valorem taxes levied consisted of 14.0492 mills for operating purposes, 0.0800 mills for public relations, 2.0251 mills for solid waste disposal, and 2.7111 mills for the Grosse-Gratiot Drain. This resulted in \$8.6 million for operating, \$.05 million for public relations, \$1.25 million for solid waste disposal, and \$1.7 million for the Grosse-Gratiot Drain. These amounts are recognized in the respective General, special revenue, and debt service fund financial statements as tax revenue.

Pension - The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Compensated Absences (Vacation and Sick Leave) - It is the City's policy that employees earn vacation pay benefits on their anniversary date and sick benefits monthly. The government-wide and proprietary fund statements accrue all vacation and sick pay as it is used or vested (whichever is earlier). A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off, or employees terminate). The General Fund, Water and Sewer Fund, and each nonmajor proprietary fund are generally used to liquidate compensated absences.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Note 2 - Stewardship, Compliance, and Accountability

State Construction Code Act - The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2014	\$ (648,374)
Current year building permit revenue	441,823
Related expense - Direct costs	<u>409,715</u>
Current year surplus	<u>32,108</u>
Cumulative shortfall at June 30, 2015	<u>\$ (616,266)</u>

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments

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

The City's pension and other employee benefit trust funds are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated seven banks for the deposit of its funds. The investment policy adopted by the council (for nonpension assets) in accordance with Public Act 196 of 1997 has authorized investment in all of the state statutory authorities as listed above except for obligations of the State of Michigan or its political subdivisions. Also, the City's investment policy allows the City to invest not more than 50 percent of any one fund in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services. The City's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$2,433,121 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount \$750,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy restricts investment maturities to securities maturing three years or less from the date of purchase, unless matched to a specific cash flow requirement. However, repurchase agreements may be collateralized using longer-dated investments not to exceed 30 years to maturity. Additionally, no more than 40 percent of the City's total investment portfolio, as of June 30 of the preceding year, shall be placed in securities maturing in more than three years. At year end, the average maturities of investments are as follows:

Primary Government	Fair Value	0-5 Years	5-15 Years	15 Years and More
U.S. government agencies and securities:				
US Treasury notes	\$ 2,542,352	\$ 2,542,352	\$ -	\$ -
Negotiable certificates of deposit	3,058,388	3,058,388	-	-
Federal Home Loan Mortgage Corporation	485,420	485,420	-	-
Federal National Mortgage Association	1,249,149	1,249,149	-	-
Federal Home Loan Bank	1,887,748	1,887,748	-	-
Federal Farm Credit Bank	549,235	549,235	-	-
Total	\$ 9,772,292	\$ 9,772,292	\$ -	\$ -
Fiduciary Funds				
	Fair Value	0-5 Years	5-15 Years	15 Years and More
Driehaus Select Credit	\$ 4,081,382	\$ 4,081,382	\$ -	\$ -
Loomis Sayles Bond Fund	4,112,758	4,112,758	-	-
Total	\$ 8,194,140	\$ 8,194,140	\$ -	\$ -

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments (Continued)

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

Investment Type	Fair Value	Rating	Rating Organization
Primary government:			
Negotiable CDs	\$ 3,058,388	Not rated	N/A
Federal Home Loan Mortgage Corporation	485,420	AAA	Moody's
Bank investment pools	11,607,410	A/PI/FI	S&P
Bank investment pools	197,151	Not rated	N/A
Federal National Mortgage Association	650,031	AAA	Moody's
Federal National Mortgage Association Fixed Rate	599,118	AAA	Moody's
Federal Home Loan Bank Fixed Rate	1,887,748	AAA	Moody's
Federal Farm Credit Bank	549,235	AAA	Moody's
U.S. Treasury notes	2,542,352	AAA	Moody's
Fiduciary funds:			
Driehaus Select Credit Fund	4,081,382	Not rated	N/A
Loomis Sayles Bond Fund	4,112,758	Not rated	N/A

Concentration of Credit Risk - The City's investment policy places limits on the amount that the City may invest in any one issuer or security type, including no more than 50 percent of the total investment portfolio is to be invested in a single security type or 25 percent with a single financial institution. The City has more than 5 percent of its investments in the following:

Primary government:	
Federal Home Loan Bank	26.11 %
Federal National Mortgage Association	17.28 %
Federal Home Loan Mortgage Corporation	6.71 %
Federal Farm Credit Bank	7.60 %
Fiduciary Funds:	
iShares	24.95 %
DFA Emerging Markets	12.35 %
Boston Partners Long	11.19 %
American Fund Europacific	10.84 %
Loomis Sayles Bond	10.81 %
Driehaus Select Credit	10.73 %
Templeton Inst Foreign	5.76 %

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets

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

	Balance July 1, 2014	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,547,967	\$ -	\$ -	\$ -	\$ 1,547,967
Construction in progress	-	-	1,872,275	-	1,872,275
Subtotal	1,547,967	-	1,872,275	-	3,420,242
Capital assets being depreciated:					
Infrastructure	27,587,027	-	100,696	-	27,687,723
Buildings	9,120,831	-	40,066	-	9,160,897
Equipment and vehicles	6,937,074	-	730,466	95,816	7,571,724
Land improvements	263,120	-	19,720	-	282,840
Subtotal	43,908,052	-	890,948	95,816	44,703,184
Accumulated depreciation:					
Infrastructure	7,690,222	-	573,691	-	8,263,913
Buildings	4,404,737	-	304,731	-	4,709,468
Equipment and vehicles	6,876,450	-	377,940	92,536	7,161,854
Land improvements	180,675	-	18,575	-	199,250
Subtotal	19,152,084	-	1,274,937	92,536	20,334,485
Net capital assets being depreciated	24,755,968	-	(383,989)	3,280	24,368,699
Net governmental funds capital assets	\$ 26,303,935	\$ -	\$ 1,488,286	\$ 3,280	\$ 27,788,941
Business-type Activities					
Capital assets not being depreciated -					
Construction in progress	\$ 2,606,901	\$ (7,016)	\$ 315,124	\$ -	\$ 2,915,009
Capital assets being depreciated:					
Water and sewer lines	37,889,670	7,016	112,901	-	38,009,587
Land improvements	1,903,446	-	11,246	-	1,914,692
Subtotal	39,793,116	7,016	124,147	-	39,924,279
Accumulated depreciation:					
Water and sewer lines	11,925,117	-	742,019	-	12,667,136
Land improvements	1,388,771	-	61,556	-	1,450,327
Subtotal	13,313,888	-	803,575	-	14,117,463
Net capital assets being depreciated	26,479,228	7,016	(679,428)	-	25,806,816
Net business-type capital assets	\$ 29,086,129	\$ -	\$ (364,304)	\$ -	\$ 28,721,825

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 79,475
Public safety	67,922
Public works	635,318
Recreation and culture	308,610
Internal service funds	<u>183,612</u>
Total governmental activities	<u>\$ 1,274,937</u>
Business-type activities:	
Water and sewer	\$ 742,019
Parking utility	29,505
Boat dock	<u>32,051</u>
Total business-type activities	<u>\$ 803,575</u>

Construction Commitments - The City has active construction projects at year end. At year end, the City spent \$2,727,519 in connection with the active water and sewer construction projects and the City's commitment with contractors was \$3,046,401. The City also has spent \$410,393 in connection with active road construction projects and the City's commitment with contractors was \$5,631,395.

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances in the fund statements is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Nonmajor governmental funds	\$ 7,000
	Nonmajor enterprise funds	<u>12,183</u>
	Total General Fund	19,183
Solid Waste Disposal Fund	General Fund	359
Nonmajor governmental funds	General Fund	488
Water and Sewer Fund	General Fund	978
Internal service funds	General Fund	<u>182</u>
	Total	<u>\$ 21,190</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

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

Fund Transferred From	Fund Transferred To	Amount
General Fund	Major Streets Fund	\$ 55,680
	Nonmajor governmental funds	175,736
	Total General Fund	<u>\$ 231,416</u>

The transfers between funds represent transfers of unrestricted resources to finance operations of the various departments in accordance with budgetary authorizations.

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Other long-term obligations include compensated absences and risk liabilities for which the activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Installment loan - Comerica Vehicle Loan	2.6%	\$65,510- \$70,815	\$ -	\$ 272,558	\$ -	\$ 272,558	\$ 65,510
General obligation bonds - 2015 Road Construction bonds: Amount of issue - \$6,600,000 Maturing through 2025	2.000% - 4.000%	\$500,000 - \$1,000,000	-	6,600,000	-	6,600,000	-
Reoffering premium			-	524,469	-	524,469	52,447
Total debt			-	7,397,027	-	7,397,027	117,957
Long-term obligations:							
Employee compensated absences			776,354	559,626	565,072	770,908	552,214
Estimated liability for workers' compensation and health claims (Note 12)			306,430	1,299,702	1,368,795	237,337	137,337
Total governmental activities			<u>\$ 1,082,784</u>	<u>\$ 9,256,355</u>	<u>\$ 1,933,867</u>	<u>\$ 8,405,272</u>	<u>\$ 807,508</u>

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
Revenue bonds:							
2013 Revenue Refunding Bond:							
Amount of refunding - \$3,190,000	2.00% -	\$310,000 -					
Maturing through 2023	4.00%	\$415,000	\$ 3,190,000	\$ -	\$ 310,000	\$ 2,880,000	\$ 320,000
2010 Drinking Water Revolving Fund Bond-7301-01:							
Amount of issue - \$1,915,991		\$90,000 -					
Maturing through 2030	2.50%	\$135,000	1,735,606	-	90,000	1,645,606	95,000
2010 Drinking Water Revolving Fund - 7332-01:							
Amount of issue - \$60,497		\$165,000 -					
Maturing through 2029	2.50%	\$250,000	3,216,192	-	165,000	3,051,192	170,000
2012 State Revolving Fund Bond - 5365-01:							
Amount of issue - \$3,525,000		\$140,000 -					
Maturing through 2033	2.50%	\$220,000	2,485,726	388,062	140,000	2,733,788	140,000
Bond premium			254,436	-	28,270	226,166	-
Total revenue bonds			10,881,960	388,062	733,270	10,536,752	725,000
Other long-term obligations:							
Employee compensated absences			68,509	44,057	45,981	66,585	42,686
Estimated liability for workers' compensation and health claims (Note 12)			15,106	-	8,711	6,395	6,394
			-	-	-	-	-
Total business-type activities			\$ 10,965,575	\$ 432,119	\$ 787,962	\$ 10,609,732	\$ 774,080

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund related to employee salaries and fringes. Additionally, for the business-type activities, claims and judgments and compensated absences are generally liquidated by the Water and Sewer Fund for employee salaries and fringes. Net pension obligations and net OPEB obligations are typically paid from the funds from which the individual employee's salaries and wages are paid.

The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$3,322,000. During the current year, net revenue of the system was \$529,890 compared to the annual debt requirements of \$400,700.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 6 - Long-term Debt (Continued)

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

Years Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 65,510	\$ 214,273	\$ 279,783	\$ 725,000	\$ 296,862	\$ 1,021,862
2017	817,232	215,695	1,032,927	745,000	280,093	1,025,093
2018	819,001	183,927	1,002,928	760,000	263,010	1,023,010
2019	821,115	152,112	973,227	785,000	245,685	1,030,685
2020	500,000	125,250	625,250	810,000	224,248	1,034,248
2021-2025	3,849,700	286,625	4,136,325	3,610,000	205,899	3,815,899
2026-2030	-	-	-	2,635,606	110,530	2,746,136
2030-2033	-	-	-	239,980	2,407	242,387
Total	\$ 6,872,558	\$ 1,177,882	\$ 8,050,440	\$10,310,586	\$ 1,628,734	\$11,939,320

Note 7 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment healthcare plans:

	Pension Trust Fund	Supplementary Annuity Fund	OPEB Trust Fund	Total
Statement of Net Position				
Cash and cash equivalents	\$ 852,087	\$ 30,188	\$ 324,853	\$ 1,207,128
Investments:				
Bond index funds	11,600,033	-	-	11,600,033
Stocks	18,474,221	1,373,591	-	19,847,812
Corporate bonds	8,194,140	-	-	8,194,140
Real estate investment trust	100,329	-	-	100,329
Accrued interest receivable	254	-	-	254
Contributions receivable	-	-	-	-
Accounts payable	(256,447)	(22,140)	-	(278,587)
Net position held in trust for pension and other employee benefits	\$ 38,964,617	\$ 1,381,639	\$ 324,853	\$ 40,671,109

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 7 - Pension and Other Employee Benefit Trust Funds (Continued)

	Pension Trust Fund	Supplementary Annuity Fund	OPEB Trust Fund	Total
Statement of Changes in Net Position				
Additions				
Investment income (loss):				
Interest and dividends	\$ 927,273	\$ -	\$ -	\$ 927,273
Net increase in fair market value	(860,341)	(9,093)	4,389	(865,045)
Less investment expenses	(106,146)	-	-	(106,146)
Total investment income	(39,214)	(9,093)	4,389	(43,918)
Contributions:				
Employer	889,829	286,439	-	1,176,268
Employee	258,967	-	72,159	331,126
Total contributions	1,148,796	286,439	72,159	1,507,394
Deductions - Pension payments	3,330,798	269,298	-	3,600,096
Net increase (decrease) in Net Assets Held in Trust	(2,221,216)	8,048	76,548	(2,136,620)
Net position held in trust for pension and other employee benefits:				
Beginning of year	41,185,833	1,373,591	248,305	42,807,729
End of year	\$ 38,964,617	\$ 1,381,639	\$ 324,853	\$ 40,671,109

Note 8 - Other Postemployment Benefits

Plan Description - The City provides healthcare benefits to all full-time employees hired prior to August 2008 upon retirement or to individuals receiving system disability pensions, in accordance with various labor contracts. Currently, 184 individuals are eligible. This is a single-employer defined benefit plan administered by the City. The City includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. The plan does not issue separate financial statements. Net OPEB obligations are typically paid from the funds from which the individual employee's salaries and wages are paid.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the City's collective bargaining units. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). The costs of administering the plan are borne by the City. Currently, the retirees are not required to contribute.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 8 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended June 30, 2015, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2013. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 3,622,132
Interest on the prior year's net OPEB obligation	623,026
Less adjustment to the annual required contribution	<u>(550,788)</u>
Annual OPEB cost	3,694,370
Amounts contributed	<u>(1,618,057)</u>
Increase in net OPEB obligation	2,076,313
Net OPEB obligation - Beginning of year	<u>17,800,734</u>
Net OPEB obligation - End of year	<u>\$ 19,877,047</u>

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Costs	Employer Contributions Percentage OPEB Costs Contributed	Net OPEB Obligation
6/30/10	6/30/07	\$ 5,019,996	39.0 %	\$ 6,306,844
6/30/11	6/30/07	5,373,634	33.1	9,899,408
6/30/12	6/30/10	4,377,838	26.2	12,798,911
6/30/13	6/30/10	4,244,997	34.3	15,586,284
6/30/14	6/30/13	3,546,611	37.6	17,800,734
6/30/15	6/30/13	3,694,987	44.7	19,877,047

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/07	\$ -	\$ 60,894,963	\$ 60,894,963	-	\$ -	\$ -
6/30/10	-	57,033,150	57,033,150	-	5,454,568	1,045.6
6/30/13	-	52,414,605	52,414,605	-	5,003,250	1,047.6

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Note 8 - Other Postemployment Benefits (Continued)

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.5 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 8.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after eight years. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percent of active member payroll on an open basis over a period of 30 years. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

Note 9 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan is available to all full-time City employees, which permits them to defer a portion of their salary until future years and is administered by ICMA. Payment of the deferred compensation is not available to employees until retirement, death, or unforeseeable emergency. As of June 30, 2015, employees who had elected to participate in the Plan had contributed \$5,047,109.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the individual participants.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 10 - Pension Plan - Pension Trust Fund

Pension Plan Description

Plan Description - The Grosse Pointe Woods Employee Retirement System Board administers the City of Grosse Pointe Woods Pension Plan - a single-employer defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the City. Benefit terms have been established by negotiation with the City's competitive bargaining units and the Retirement System Ordinance.

The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the Pension Board, which consists of five members: the mayor, one member of City Council, a resident appointed by the City Council, and two employees - one general and one public safety. Ex-officio members include the City Attorney and City Treasurer.

Employees Covered by Benefit Terms - At June 30, 2015, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	101
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>76</u>
Total employees covered by the plan	<u>188</u>

Benefits Provided - The pension plan provides retirement, disability, and death benefits. Benefit terms are established by negotiation with the City's competitive bargaining units and the Retirement System Ordinance.

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the City ordinances and negotiation with the City's collective bargaining units. For the year ended June 30, 2015, the average active member contribution rate was 5 percent of annual pay for general employees and 6 percent for public safety employees, and the City's contribution rate was 16.1 percent for general employees and 18.1 percent for public safety of annual payroll.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 10 - Pension Plan - Pension Trust Fund (Continued)

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2015:

Asset Class	Target Allocation
U.S. Large Cap Equity	11 %
U.S. Mid Cap Equity	4 %
U.S. Small Cap Equity	6 %
International Developed Equity	10 %
International Developed Small Cap	5 %
International Emerging Markets	15 %
Hedged Equity	10 %
U.S. Core Bonds	10 %
Public Real Estate (REITS)	3 %
High Yield Bonds	10 %
Commodities	3 %
Energy/MLPs	3 %
Liquid Diversifying Strategies	10 %

Rate of Return - For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.09 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

Total pension liability	\$ 56,897,642
Plan fiduciary net position	<u>(38,964,617)</u>
City's net pension liability	<u>\$ 17,933,025</u>
Plan fiduciary net position as a percentage of the total pension liability	68.5 %

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 10 - Pension Plan - Pension Trust Fund (Continued)

The City has chosen to use June 30, 2015 as its measurement date for the net pension liability. The June 30, 2015 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of June 30, 2015. The June 30, 2015 total pension liability was determined by an actuarial valuation performed as of June 30, 2015, which used update procedures to roll forward the estimated liability to June 30, 2015.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 49,811,683	\$ 41,185,833	\$ 8,625,850
Service cost	692,961	-	692,961
Interest	3,521,128	-	3,521,128
Differences between expected and actual experience	501,262	-	501,262
Changes in assumptions	5,686,156	-	5,686,156
Contributions - Employer	-	889,829	(889,829)
Contributions - Employee	-	258,967	(258,967)
Net investment income	-	15,073	(15,073)
Benefit payments, including refunds	(3,315,548)	(3,315,548)	-
Administrative expenses	-	(69,537)	69,537
Net changes	7,085,959	(2,221,216)	9,307,175
Balance at June 30, 2015	\$ 56,897,642	\$ 38,964,617	\$ 17,933,025

Assumption Changes - Mortality rates were updated to be based on the RP 2014 Healthy Annuitant Mortality Table.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 10 - Pension Plan - Pension Trust Fund (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$3,308,746. At June 30, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 4,332,309
Changes in assumptions	381,914
Net difference between projected and actual earnings on pension plan investments	<u>2,174,034</u>
Total	<u>\$ 6,888,257</u>

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

<u>Years Ending June 30</u>	<u>Amount</u>
2016	\$ 2,016,703
2017	2,016,703
2018	2,016,703
2019	838,148

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.0 %
Salary increases	4-7.8 % Average, including inflation
Investment rate of return	8.0 % Net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Annuitant Mortality Table.

Discount Rate - The discount rate used to measure the total pension liability was 6.82 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 10 - Pension Plan - Pension Trust Fund (Continued)

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 3.73. The source of that bond rate was the Standard and Poor Municipal Bond 20-year high grade index as of June 30, 2015. The resulting Single Discount Rate is 6.82 percent. The long-term expected rate of return was applied to projected benefit payments from July 1, 2015 through July 1, 2112.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Large Cap Equity	5.00 %
U.S. Mid Cap Equity	5.50 %
Public Real Estate (REITS)	5.00 %
High Yield Bonds	5.50 %
Commodities	4.50 %
Energy/MLPs	10.00 %
Liquid Diversifying Strategies	4.00 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 6.82 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.82 percent) or 1 percentage point higher (7.82 percent) than the current rate:

	1% Decrease (5.82%)	Current Discount Rate (6.82%)	1% Increase (7.82%)
Net pension liability of the City	\$ 25,698,788	\$ 17,933,025	\$ 11,554,012

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 11 - Pension Plan - Supplemental Annuity Fund

Pension Plan Description

Plan Description - The Grosse Pointe Woods Employee Retirement System Pension Board administers the City of Grosse Pointe Woods Pension Plan - a single-employer defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the City. Benefit terms have been established by negotiation with the City's competitive bargaining units and the Retirement System Ordinance.

The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the Pension Board, which consists of five members - the Mayor, one member of City Council, a resident appointed by City Council, and two employees - one general and one public safety. Ex-officio members include the City Attorney and City Treasurer.

Employees Covered by Benefit Terms - At June 30, 2015, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	60
Active plan members	<u>47</u>
Total employees covered by the plan	<u>107</u>

Benefits Provided - The Pension Plan provides retirement, disability, and death benefits. Benefits terms are established as a negotiable item within various union contracts. Retirement benefits for plan members range from \$3,000 annually for 10 years of service to a maximum of \$4,800 annually for 25 years of service.

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the Pension Board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. The City pays 100 percent of the contribution made to the plan. The plan does not issue separate financial statements.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 11 - Pension Plan - Supplemental Annuity Fund (Continued)

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2015:

Asset Class	Target Allocation
Domestic equity	70.00 %
Fixed income	30.00 %

Rate of Return - For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.09 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2015 were as follows:

Total pension liability	\$ 3,485,286
Plan fiduciary net position	<u>(1,403,779)</u>
City's net pension liability	<u>\$ 2,081,507</u>
Plan fiduciary net position as a percentage of the total pension liability	40.3 %

The City has chosen to use June 30, 2015 as its measurement date for the net pension liability. The June 30, 2015 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of June 30, 2015. The June 30, 2015 total pension liability was determined by an actuarial valuation performed as of June 30, 2014, which used update procedures to roll forward the estimated liability to June 30, 2015.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 11 - Pension Plan - Supplemental Annuity Fund (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 3,037,948	\$ 1,373,591	\$ 1,664,357
Service cost	28,387	-	28,387
Interest	234,285	-	234,285
Differences between expected and actual experience	(399,452)	-	(399,452)
Changes in assumptions	831,276	-	831,276
Contributions - Employer	-	286,439	(286,439)
Net investment income	-	(9,093)	9,093
Benefit payments, including refunds	(247,158)	(247,158)	-
Net changes	447,338	30,188	417,150
Balance at June 30, 2015	\$ 3,485,286	\$ 1,403,779	\$ 2,081,507

Assumption Changes - Mortality rates were updated to be based on the RP 2014 Healthy Annuitant Mortality Table.

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

For the year ended June 30, 2015, the City recognized pension expense of \$286,439. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 304,344
Changes in assumptions	633,353	-
Net difference between projected and actual earnings on pension plan investments	96,442	-
Total	\$ 729,795	\$ 304,344

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 11 - Pension Plan - Supplemental Annuity Fund (Continued)

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

<u>Years Ending June 30</u>	<u>Amount</u>
2016	\$ 126,926
2017	126,926
2018	126,926
2019	44,673

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.0 %
Salary increases	- % Average, including inflation
Investment rate of return	8.0 % Net of pension plan investment expense, including inflation

Mortality rates were based on the RP 2014 Healthy Annuitant Mortality Table.

Discount Rate - The discount rate used to measure the total pension liability was 7.98 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 3.73. The source of that bond rate was the Standard & Poor's Municipal Bond 20-year high grade index as of June 30, 2015. The resulting Single Discount Rate is 7.98 percent. The long-term expected rate of return was applied to projected benefit payments from July 1, 2015 through July 1, 2108.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 11 - Pension Plan - Supplemental Annuity Fund (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Large Cap Equity	5.00 %
U.S. Mid Cap Equity	5.50 %
U.S. Small Cap Equity	6.00 %
International Developed Equity	6.50 %
International Small Cap	7.00 %
International Emerging Markets	9.00 %
Hedged Equity	5.00 %
U.S. Core Bonds	2.20 %
Public Real Estate (REITS)	5.00 %
High Yield Bonds	5.50 %
Commodities	4.50 %
Energy/MLPs	10.00 %
Liquid Diversifying Strategies	4.00 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.98 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.98 percent) or 1 percentage point higher (8.98 percent) than the current rate:

	1% Decrease (6.98%)	Current Discount Rate (7.98%)	1% Increase (8.98%)
Net pension liability of the City	\$ 2,439,057	\$ 2,081,507	\$ 1,778,444

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 12 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial general liability insurance for claims relating to property loss claims, torts, and errors and omissions. The City is self-insured for workers' compensation claims and participates in a self-funding program for medical claims with other communities. Under the workers' compensation program and medical program, the City is held liable for the first \$400,000 and \$25,000, respectively, of any occurrence. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Medical

The City is self-funding medical benefits up to a retention amount, at which time the City's reinsurance coverage begins. The self-funding program is done in conjunction with the cities of Grosse Pointe Park, Grosse Pointe Farms, City of Grosse Pointe, and the Village of Grosse Pointe Shores. The City of Grosse Pointe Woods serves as the administrative agent for the program; however, each municipality is responsible for its individual claims.

The City estimates the liability for medical benefits claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims.

The City estimates the liability for workers' compensation and medical benefits that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, which includes estimates of both future payments of losses and related claim adjustment expense, both allocated and unallocated. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. These estimates are recorded in the Workers' Compensation Internal Service Fund and within the governmental activities and business-type activities columns of the statement of net position for workers' compensation and in the modified accrual funds for medical claims.

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 12 - Risk Management (Continued)

Changes in the estimated liability for the past two fiscal years were as follows:

	Workers' Compensation		Medical Claims	
	2015	2014	2015	2014
Estimated liability - Beginning of year	\$ 112,565	\$ 108,323	\$ 208,971	\$ 75,267
Estimated claims incurred, including changes in estimates	148,944	133,684	1,150,758	1,375,984
Claim payments	(103,030)	(129,442)	(1,274,476)	(1,242,280)
Estimated liability - End of year	\$ 158,479	\$ 112,565	\$ 85,253	\$ 208,971

Note 13 - Joint Venture

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority joint venture (the "Authority"), which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Farms, Grosse Pointe Park, Grosse Pointe, Harper Woods, Mount Clemens, Grosse Pointe Woods, and the Township of Clinton. The City Council appoints one member to the Authority's governing board, which then approves its budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of the costs.

The City's interest in the net position of the Authority totaled \$58,939 at June 30, 2015 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

Note 14 - Reporting Change

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

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 14 - Reporting Change (Continued)

The financial statements for the year ended June 30, 2014 have been restated in order to adopt GASB Statement No. 68. The effect of this new accounting standard was a decrease in net position to record the net pension liability at June 30, 2014

The effect of this change is as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Fund	Nonmajor Enterprise Funds	Proprietary Internal Service Fund
Fund balance - June 30, 2014 - As previously reported	\$ 19,393,465	\$ 24,243,424	\$ 22,999,374	\$ 1,244,050	\$ 2,816,813
Adjustment for implementation of GASB Statement No. 68	<u>(9,476,486)</u>	<u>(813,721)</u>	<u>(697,395)</u>	<u>(116,326)</u>	<u>(226,497)</u>
Fund balance - June 30, 2014 - As restated	<u>\$ 9,916,979</u>	<u>\$ 23,429,703</u>	<u>\$ 22,301,979</u>	<u>\$ 1,127,724</u>	<u>\$ 2,590,316</u>

Note 15 - Upcoming Accounting Pronouncements

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

City of Grosse Pointe Woods, Michigan

Notes to Financial Statements June 30, 2015

Note 15 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The City is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB Statement No. 75 is effective one year later.

Required Supplemental Information

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City of Grosse Pointe Woods, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 9,133,336	\$ 9,133,336	\$ 9,165,203	\$ 31,867
Licenses and permits	568,550	568,550	762,903	194,353
State-shared revenue and grants	1,327,200	1,327,200	1,431,780	104,580
Charges for services:				
Charges to other funds	80,000	80,000	80,000	-
Charges for services to external parties	128,000	128,000	120,141	(7,859)
Fines and forfeitures	527,500	527,500	321,151	(206,349)
Investment income	35,000	35,000	19,559	(15,441)
Other revenue	630,058	877,408	269,188	(608,220)
Total revenue	12,429,644	12,676,994	12,169,925	(507,069)
Expenditures				
Current:				
General government:				
City council	68,430	68,430	59,432	8,998
City comptroller	356,478	359,178	343,271	15,907
Commission	19,024	19,024	10,731	8,293
Municipal court	419,063	421,763	334,861	86,902
City assessor	264,361	264,511	215,683	48,828
City clerk	349,527	358,027	352,607	5,420
Buildings inspection	422,024	422,024	405,819	16,205
City attorney	204,034	204,034	410,211	(206,177)
Administration	216,437	216,437	219,317	(2,880)
Fringe benefits	259,080	255,340	298,654	(43,314)
Other services and charges	218,107	188,107	180,579	7,528
Total general government	2,796,565	2,776,875	2,831,165	(54,290)
Public safety:				
Police service	3,177,733	3,201,033	3,106,277	94,756
Fire prevention and inspection	36,015	35,515	21,179	14,336
Fringe benefits	1,387,848	1,504,408	1,505,656	(1,248)
Support services	147,853	145,853	142,038	3,815
Administration	267,390	229,690	224,072	5,618
Other services and charges	374,966	374,966	327,125	47,841
Total public safety	5,391,805	5,491,465	5,326,347	165,118

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Expenditures (Continued)				
Current (Continued):				
Public works:				
Street maintenance	\$ 166,241	\$ 169,841	\$ 160,776	\$ 9,065
Management information system	319,259	330,895	337,523	(6,628)
Forestry services	113,297	113,297	81,012	32,285
Other services and charges	916,376	916,912	970,034	(53,122)
Supervision and engineering	76,037	76,037	64,757	11,280
Fringe benefits	203,251	228,188	204,577	23,611
City building and grounds	144,312	144,312	134,799	9,513
Total public works	1,938,773	1,979,482	1,953,478	26,004
Recreation and culture:				
Other services and charges	63,641	63,641	63,490	151
Supervision and engineering	14,204	14,204	10,464	3,740
Lake Front Park	1,147,388	1,200,007	947,398	252,609
Fringe benefits	142,687	141,727	93,583	48,144
Community center	256,461	256,461	184,895	71,566
City parks	38,339	38,339	38,829	(490)
Total parks and recreation	1,662,720	1,714,379	1,338,659	375,720
Transfers out	639,781	714,793	712,355	2,438
Total expenditures	12,429,644	12,676,994	12,162,004	514,990
Net Change in Fund Balance	-	-	7,921	7,921
Fund Balance - Beginning of year	4,690,758	4,690,758	4,690,758	-
Fund Balance - End of year	\$ 4,690,758	\$ 4,690,758	\$ 4,698,679	\$ 7,921

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Streets Fund Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 600,000	\$ 600,000	\$ 662,419	\$ 62,419
Other revenue	38,500	38,500	37,461	(1,039)
Transfers in	54,440	55,680	55,680	-
Total revenue	<u>692,940</u>	<u>694,180</u>	<u>755,560</u>	<u>61,380</u>
Expenditures				
Current - Public works:				
Street construction	79,500	79,500	48,774	30,726
Routine maintenance	311,045	311,045	305,473	5,572
Winter maintenance	20,400	20,400	9,270	11,130
Traffic services	17,600	17,600	7,588	10,012
Administration	146,569	146,569	146,886	(317)
Fringe benefits	197,826	199,066	202,198	(3,132)
Total expenditures	<u>772,940</u>	<u>774,180</u>	<u>720,189</u>	<u>53,991</u>
Net Change in Fund Balance	(80,000)	(80,000)	35,371	115,371
Fund Balance - Beginning of year	<u>359,510</u>	<u>359,510</u>	<u>359,510</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 279,510</u>	<u>\$ 279,510</u>	<u>\$ 394,881</u>	<u>\$ 115,371</u>

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Budgetary Comparison Schedule Solid Waste Disposal Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,252,322	\$ 1,252,322	\$ 1,241,954	\$ (10,368)
Investment income	2,000	2,000	3,087	1,087
Transfers	-	512	-	(512)
Other revenue	1,000	1,000	540	(460)
Total revenue	1,255,322	1,255,834	1,245,581	(10,253)
Expenditures - Current				
Public works:				
Solid waste	1,107,315	1,107,315	1,046,201	61,114
Fringe benefits	124,272	124,784	127,107	(2,323)
Total public works	1,231,587	1,232,099	1,173,308	58,791
Transfers out	50,000	50,000	50,000	-
Total expenditures	1,281,587	1,282,099	1,223,308	58,791
Net Change in Fund Balance	(26,265)	(26,265)	22,273	48,538
Fund Balance - Beginning of year	349,422	349,422	349,422	-
Fund Balance - End of year	\$ 323,157	\$ 323,157	\$ 371,695	\$ 48,538

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Budgetary Comparison Schedule 2015 Road Bond Construction Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Investment income	\$ -	\$ -	\$ 1,554	\$ 1,554
Expenditures - Current - Street - Construction	-	6,458,576	543,505	5,915,071
Excess of Expenditures Over Revenue	-	(6,458,576)	(541,951)	5,916,625
Other Financing Sources				
Face value of debt issue	-	6,458,576	6,599,997	141,421
Debt premium or discount	-	-	524,469	524,469
Total other financing sources	-	6,458,576	7,124,466	665,890
Net Change in Fund Balance	-	-	6,582,515	6,582,515
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,582,515</u>	<u>\$ 6,582,515</u>

City of Grosse Pointe Woods, Michigan

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 692,961	\$ 675,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,521,128	3,499,326	-	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	501,262	(579,977)	-	-	-	-	-	-	-	-
Changes in assumptions	5,686,156	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(3,315,548)	(3,092,014)	-	-	-	-	-	-	-	-
Net change in total pension liability	7,085,959	503,134	-	-	-	-	-	-	-	-
Total pension liability - Beginning of year	49,811,683	49,308,549	-	-	-	-	-	-	-	-
Total pension liability - End of year	<u>\$ 56,897,642</u>	<u>\$ 49,811,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 889,829	\$ 888,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	258,967	275,808	-	-	-	-	-	-	-	-
Net investment income	15,073	6,669,874	-	-	-	-	-	-	-	-
Administrative expenses	(69,537)	(44,753)	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(3,315,548)	(3,092,015)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(2,221,216)	4,697,610	-	-	-	-	-	-	-	-
Plan fiduciary net position - Beginning of year	41,185,833	36,488,223	-	-	-	-	-	-	-	-
Plan fiduciary net position - End of year	<u>\$ 38,964,617</u>	<u>\$ 41,185,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Net Pension Liability - Ending	<u>\$ 17,933,025</u>	<u>\$ 8,625,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.48 %	82.69 %	- %	- %	- %	- %	- %	- %	- %	- %
Covered Employee Payroll	\$ 4,651,563	\$ 4,411,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Net Pension Liability as a Percentage of Covered Employee Payroll	385.5 %	195.5 %	- %	- %	- %	- %	- %	- %	- %	- %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Pension Trust Fund Schedule of Investment Returns Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return, net of investment expense	0.1 %	8.0 %	- %	- %	- %	- %	- %	- %	- %	- %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Schedule of City Contributions - Pension Trust Fund Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 906,000	\$ 889,000	\$ 768,000	\$ 743,000	\$ 786,000	\$ 452,000	\$ 1,037,000	\$ 1,016,000	\$ 841,000	\$ 1,349,000
Contributions in relation to the actuarially determined contribution	906,000	889,000	768,000	743,000	786,000	452,000	1,037,000	1,016,000	841,000	1,349,000
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,652,000	\$ 5,210,000	\$ 5,249,000	\$ 5,546,000	\$ 6,214,000	\$ 5,739,000	\$ 5,740,000	\$ 5,452,000	\$ 5,436,000	\$ 5,050,000
Contributions as a percentage of covered employee payroll	19.1 %	17.1 %	14.6 %	13.4 %	12.6 %	7.9 %	18.1 %	18.6 %	15.5 %	26.7 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Covered employee payroll is as of June 30 of the fiscal year two years prior.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	4.0%
Salary increases	7.8 % - 4.0%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Mortality	RP 2014 Mortality Table effective with the June 30, 2015 actuarial valuation.

City of Grosse Pointe Woods, Michigan

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 28,387	\$ 33,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	234,285	236,533	-	-	-	-	-	-	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(399,452)	(42,908)	-	-	-	-	-	-	-	-
Changes in assumptions	831,276	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(247,158)	(257,888)	-	-	-	-	-	-	-	-
Net change in total pension liability	447,338	(31,051)	-	-	-	-	-	-	-	-
Total pension liability - Beginning of year	3,037,948	3,068,999	-	-	-	-	-	-	-	-
Total pension liability - End of year	<u>\$ 3,485,286</u>	<u>\$ 3,037,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 286,439	\$ 277,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Net investment income	(9,093)	230,643	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds	(247,158)	(257,889)	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	30,188	250,530	-	-	-	-	-	-	-	-
Plan fiduciary net position - Beginning of year	1,373,591	1,123,061	-	-	-	-	-	-	-	-
Plan fiduciary net position - End of year	<u>\$ 1,403,779</u>	<u>\$ 1,373,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Net Pension Liability	<u>\$ 2,081,507</u>	<u>\$ 1,664,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	40.28 %	54.78 %	- %	- %	- %	- %	- %	- %	- %	- %
Covered Employee Payroll	\$ 2,358,679	\$ 2,196,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Net Pension Liability as a Percentage of Covered Employee Payroll	88.25 %	75.70 %	- %	- %	- %	- %	- %	- %	- %	- %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Schedule of Investment Returns - Supplemental Annuity Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return, net of investment expense	0.1 %	8.0 %	- %	- %	- %	- %	- %	- %	- %	- %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation.

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Supplemental Annuity Schedule of City Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 318,665	\$ 277,776	\$ 245,862	\$ 238,579	\$ 227,345	\$ 213,202	\$ 246,823	\$ 248,038	\$ 248,556	\$ 236,845
Contributions in relation to the actuarially determined contribution	318,665	277,776	245,862	238,579	227,345	213,202	246,823	248,038	248,556	236,845
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,358,679	\$ 2,196,932	\$ 2,376,609	\$ 2,636,547	\$ 2,769,200	\$ 3,085,293	\$ 3,407,360	\$ 3,127,089	\$ 3,009,545	\$ -
Contributions as a percentage of covered employee payroll	13.5 %	12.6 %	10.3 %	9.0 %	8.2 %	6.9 %	7.2 %	7.9 %	N/A	N/A

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined dollar contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Covered payroll is as of June 30 of the fiscal year two years prior. Public safety members retiring after December 31, 1994 are not covered.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, open as of June 30, 2014
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	0.0%
Salary increases	0.0%
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Mortality	RP 2014 Mortality Table effective with the June 30, 2015 actuarial valuation

City of Grosse Pointe Woods, Michigan

Note to Required Supplemental Information Year Ended June 30, 2015

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, all special revenue funds, and debt service funds except for operating transfers which are budgeted as revenues and expenditures and not other financing sources and uses. All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first council meeting in April, the city treasurer/comptroller and the city administrator prepare a proposed operating budget for the fiscal year commencing July 1 and submit it to the Council. The budget must be adopted through a passage of a budget resolution no later than the third Monday in May.
2. Public hearings are conducted to obtain citizen comments.
3. The legislative budget is adopted by fund on a departmental basis. Line item detail is provided as a general guideline. Throughout the year, the City Council receives requests to amend the activity budget. All amendments must be approved by a vote of the City Council. Changes in line items within an activity may be made with the approval of the city comptroller.

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Net Change in Fund Balance</u>
<u>General Fund</u>			
Amounts per operating statement	\$ 12,555,307	\$ 12,081,666	\$ 473,641
Local Streets Fund budgeted separately from the General Fund	(383,697)	(632,017)	248,320
Cable franchise funds budgeted separately from the General Fund	(1,685)	-	(1,685)
Operating transfers budgeted as revenue and expenditures	-	712,355	(712,355)
Amounts per budget statement	<u>\$ 12,169,925</u>	<u>\$ 12,162,004</u>	<u>\$ 7,921</u>
	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Net Change in Fund Balance</u>
<u>Major Streets Fund</u>			
Amounts per operating statement	\$ 699,880	\$ 720,189	\$ (20,309)
Operating transfers budgeted as revenue and expenditures	55,680	-	55,680
Amounts per budget statement	<u>\$ 755,560</u>	<u>\$ 720,189</u>	<u>\$ 35,371</u>
	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Net Change in Fund Balance</u>
<u>Solid Waste Disposal</u>			
Amounts per operating statement	\$ 1,245,581	\$ 1,223,308	\$ 22,273
Amounts per budget statement	<u>\$ 1,245,581</u>	<u>\$ 1,223,308</u>	<u>\$ 22,273</u>

City of Grosse Pointe Woods, Michigan

Note to Required Supplemental Information (Continued)
Year Ended June 30, 2015

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the City of Grosse Pointe Woods incurred the following expenditures which were in excess of the amounts budgeted as a result of municipal street lighting costs:

	<u>Budget</u>	<u>Actual</u>
General Fund - General government	<u>\$ 2,776,875</u>	<u>\$ 2,831,165</u>

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Other Postemployment Benefits - Schedule of Funding Progress Year Ended June 30, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/07	\$ -	\$ 60,894,963	\$ 60,894,963	-	\$ -	N/A
6/30/10	-	57,033,150	57,033,150	-	5,545,568	1,028.4
6/30/13	-	52,414,605	52,414,605	-	5,003,250	1,047.6

Other Supplemental Information

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City of Grosse Pointe Woods, Michigan

Other Supplemental Information Major Debt Service Fund - Grosse-Gratiot Drain Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Property taxes	\$ 1,908,321	\$ 1,690,706	\$ 1,682,505	\$ (8,201)
Expenditures				
Current - Public works	1,463,747	1,458,674	1,452,632	6,042
Debt service	444,574	232,032	226,874	5,158
Total expenditures	<u>1,908,321</u>	<u>1,690,706</u>	<u>1,679,506</u>	<u>11,200</u>
Net Change in Fund Balance	-	-	2,999	2,999
Fund Balance - Beginning of year	<u>536,965</u>	<u>536,965</u>	<u>536,965</u>	-
Fund Balance - End of year	<u>\$ 536,965</u>	<u>\$ 536,965</u>	<u>\$ 539,964</u>	<u>\$ 2,999</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

Special Revenue Funds

These funds are used to account for specific revenue sources, which are legally restricted to expenditures for specific functions or activities. Restrictions may be imposed by state statute, the state constitution, the City board resolution of action, or the electorate through the approval of special dedicated millages.

Ambulance Fund - This fund accounts for the operations and maintenance of the City-owned ambulance. Financing is a portion of the general City millage.

Act 302 Training Fund - This fund accounts for the costs of training courses for the police department. Financing is provided by state grants.

Grants Fund - This fund is used to account for the activity of the Community Development Block Grant Program and other federal grants. Financing is provided by the Wayne County Economic Development Grant Program.

911 Emergency Service Fund - This fund accounts for monies expended to maintain and operate an emergency response system. Monies are received from the AT&T and WOW Phone companies, which levy a surcharge on all phone users within the community.

Drug Enforcement Fund - This fund is used to account for monies seized in arrests for illegal drug activities and from various grants issued to the police department. Functions and activities include drug enforcement and education, departmental training, and expenses associated with the grants received.

Parkway Beautification Fund - This fund was created to account for monies provided by donors to finance parkway beautification activities.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Revenue sources include General Fund transfers, grants from other units of government, private contributions, and bond proceeds.

Municipal Improvement Fund - This fund accounts for the acquisition and construction of various construction projects in the City.

Debt Service Funds

2015 Road Bond Debt Service Fund - This fund accounts for the debt service of the 2015 Road Bonds.

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions (Continued)

Budgetary Funds

These funds are funds that were merged into the General Fund as a result of GASB Statement No. 54 but are budgeted as separate funds by the City Council.

Local Streets Fund - This fund accounts for the maintenance and replacement of all local streets within the City. Funding is provided by distribution of gas tax proceeds.

Cable Franchise Fund - This fund accounts for the investment of proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements.

City of Grosse Pointe Woods, Michigan

	Special Revenue Funds					
	Ambulance Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service	Drug Enforcement	Parkway Beautification Fund
Assets						
Cash and investments	\$ 33,593	\$ 50,043	\$ 7,728	\$ 163,669	\$ 9,829	\$ 167,622
Accounts receivable and other assets	-	-	-	20,893	-	175
Due from other funds	-	-	-	-	-	488
Prepaid expenses and other assets	-	-	-	1,355	-	1,000
Total assets	\$ 33,593	\$ 50,043	\$ 7,728	\$ 185,917	\$ 9,829	\$ 169,285
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 448	\$ -	\$ -
Due to other funds	-	-	7,000	-	-	-
Accrued liabilities and other	-	-	-	1,805	-	-
Provision for claims	-	-	-	1,066	-	-
Total liabilities	-	-	7,000	3,319	-	-
Fund Balances						
Nonspendable - Prepays	-	-	-	1,355	-	1,000
Restricted:						
Public safety	33,593	50,043	-	-	9,829	-
Community development	-	-	728	-	-	-
Fireworks	-	-	-	-	-	78,298
Committed - Local Streets	-	-	-	-	-	-
Assigned:						
Public safety	-	-	-	181,243	-	-
Capital projects	-	-	-	-	-	-
Parkway beautification	-	-	-	-	-	89,987
Total fund balances	33,593	50,043	728	182,598	9,829	169,285
Total liabilities and fund balances	\$ 33,593	\$ 50,043	\$ 7,728	\$ 185,917	\$ 9,829	\$ 169,285

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

Capital Projects Funds	Debt Service Funds	Total
Municipal Improvement Fund	2015 Road Bond Debt Service Fund	Nonmajor Governmental Funds
\$ 232,032	\$ -	\$ 664,516
-	-	21,068
-	-	488
-	-	2,355
\$ 232,032	\$ -	\$ 688,427
\$ 63,521	\$ -	\$ 63,969
-	-	7,000
-	-	1,805
-	-	1,066
63,521	-	73,840
-	-	2,355
-	-	93,465
-	-	728
-	-	78,298
44,700	-	44,700
-	-	181,243
123,811	-	123,811
-	-	89,987
168,511	-	614,587
\$ 232,032	\$ -	\$ 688,427

City of Grosse Pointe Woods, Michigan

	Special Revenue Funds			
	Ambulance Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service Fund
Revenue				
Federal financial sources	\$ -	\$ -	\$ 7,693	\$ -
State and local sources	-	6,250	-	-
Investment income	-	-	-	-
Other revenue	11,014	342	-	122,190
Total revenue	11,014	6,592	7,693	122,190
Expenditures - Current				
General government	-	-	7,000	26,685
Public safety	-	4,211	-	66,129
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Total expenditures	-	4,211	7,000	92,814
Excess of Revenue Over (Under) Expenditures	11,014	2,381	693	29,376
Other Financing Sources - Transfers in	-	-	-	-
Net Change in Fund Balances	11,014	2,381	693	29,376
Fund Balances - Beginning of year	22,579	47,662	35	153,222
Fund Balances - End of year	\$ 33,593	\$ 50,043	\$ 728	\$ 182,598

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Drug Enforcement Fund</u>	<u>Parkway Beautification Fund</u>	<u>Municipal Improvement Fund</u>	<u>2015 Road Bond Debt Service Fund</u>	
\$ -	\$ -	\$ -	\$ -	\$ 7,693
-	-	17,469	-	23,719
-	329	-	-	329
<u>3,116</u>	<u>35,726</u>	<u>27,222</u>	<u>-</u>	<u>199,610</u>
3,116	36,055	44,691	-	231,351
-	-	-	-	33,685
<u>1,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,453</u>
-	-	438,856	-	438,856
-	<u>34,932</u>	<u>-</u>	<u>-</u>	<u>34,932</u>
<u>1,113</u>	<u>34,932</u>	<u>438,856</u>	<u>-</u>	<u>578,926</u>
2,003	1,123	(394,165)	-	(347,575)
<u>-</u>	<u>-</u>	<u>175,736</u>	<u>-</u>	<u>175,736</u>
2,003	1,123	(218,429)	-	(171,839)
<u>7,826</u>	<u>168,162</u>	<u>386,940</u>	<u>-</u>	<u>786,426</u>
<u>\$ 9,829</u>	<u>\$ 169,285</u>	<u>\$ 168,511</u>	<u>\$ -</u>	<u>\$ 614,587</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Ambulance Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Other revenue	\$ -	\$ -	\$ 11,014	\$ 11,014
Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	-	-	11,014	11,014
Fund Balance - Beginning of year	22,579	22,579	22,579	-
Fund Balance - End of year	<u>\$ 22,579</u>	<u>\$ 22,579</u>	<u>\$ 33,593</u>	<u>\$ 11,014</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Act 302 Training Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 7,500	\$ 7,500	\$ 6,250	\$ (1,250)
Other revenue	500	500	342	(158)
Total revenue	8,000	8,000	6,592	(1,408)
Expenditures - Current - Public safety	8,000	8,000	4,211	3,789
Net Change in Fund Balance	-	-	2,381	2,381
Fund Balance - Beginning of year	47,662	47,662	47,662	-
Fund Balance - End of year	\$ 47,662	\$ 47,662	\$ 50,043	\$ 2,381

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Grants Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Federal grants	\$ 7,000	\$ 7,000	\$ 7,693	\$ 693
Expenditures - Current - General government	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	693	693
Fund Balance - Beginning of year	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 728</u>	<u>\$ 693</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - 911 Emergency Service Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Other revenue	\$ 52,500	\$ 52,500	\$ 122,190	\$ 69,690
Expenditures - Current				
General government	30,151	30,301	26,685	3,616
Public safety	62,106	62,106	66,129	(4,023)
Total expenditures	<u>92,257</u>	<u>92,407</u>	<u>92,814</u>	<u>(407)</u>
Excess of Revenue (Under) Over Expenditures	(39,757)	(39,907)	29,376	69,283
Other Financing Sources -				
Transfers in	<u>-</u>	<u>150</u>	<u>-</u>	<u>(150)</u>
Net Change in Fund Balance	(39,757)	(39,757)	29,376	69,133
Fund Balance - Beginning of year	<u>153,222</u>	<u>153,222</u>	<u>153,222</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 113,465</u></u>	<u><u>\$ 113,465</u></u>	<u><u>\$ 182,598</u></u>	<u><u>\$ 69,133</u></u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Drug Enforcement Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Other revenue	\$ 1,000	\$ 1,000	\$ 3,116	\$ 2,116
Expenditures - Current - Public safety	1,000	1,000	1,113	(113)
Net Change in Fund Balance	-	-	2,003	2,003
Fund Balance - Beginning of year	7,826	7,826	7,826	-
Fund Balance - End of year	<u>\$ 7,826</u>	<u>\$ 7,826</u>	<u>\$ 9,829</u>	<u>\$ 2,003</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Parkway Beautification Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ 3,550	\$ 3,550	\$ 329	\$ (3,221)
Other revenue	63,800	63,800	35,726	(28,074)
Total revenue	67,350	67,350	36,055	(31,295)
Expenditures - Current - Recreation and culture	70,275	70,275	34,932	35,343
Net Change in Fund Balance	(2,925)	(2,925)	1,123	4,048
Fund Balance - Beginning of year	168,162	168,162	168,162	-
Fund Balance - End of year	<u>\$ 165,237</u>	<u>\$ 165,237</u>	<u>\$ 169,285</u>	<u>\$ 4,048</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Municipal Improvement Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ -	\$ -	\$ 17,469	\$ 17,469
Other revenue	23,500	23,500	27,222	3,722
Total revenue	23,500	23,500	44,691	21,191
Expenditures - Current - Community and economic development	129,242	446,736	438,856	7,880
Excess of Expenditures Over Revenue	(105,742)	(423,236)	(394,165)	29,071
Other Financing Sources - Transfers in	105,742	175,736	175,736	-
Net Change in Fund Balance	-	(247,500)	(218,429)	29,071
Fund Balance - Beginning of year	386,940	386,940	386,940	-
Fund Balance - End of year	\$ 386,940	\$ 139,440	\$ 168,511	\$ 29,071

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Local Streets Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 245,000	\$ 245,000	\$ 271,424	\$ 26,424
Investment income	100	100	-	(100)
Other revenue	35,000	35,000	112,273	77,273
Total revenue	280,100	280,100	383,697	103,597
Expenditures - Current				
Public works:				
Routine maintenance	232,493	235,013	195,581	39,432
Traffic services	24,000	24,000	12,646	11,354
Winter maintenance	38,600	38,600	27,674	10,926
Administration	179,550	179,550	171,271	8,279
Fringe Benefits	183,556	182,376	165,606	16,770
Municipal improvement	101,500	101,500	59,239	42,261
Total expenditures	759,699	761,039	632,017	129,022
Excess of Expenditures Over Revenue	(479,599)	(480,939)	(248,320)	232,619
Other Financing Sources -				
Transfers in	479,599	480,939	480,939	-
Net Change in Fund Balance	-	-	232,619	232,619
Fund Balance (Deficit) - Beginning of year	(58,639)	(58,639)	(58,639)	-
Fund Balance - End of year	\$ (58,639)	\$ (58,639)	\$ 173,980	\$ 232,619

Note - As a result of GASB Statement No. 54, the Local Streets Fund is now merged with the General Fund for reporting purposes but is budgeted as a separate fund.

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Cable Franchise Fund Budgetary Comparison Schedule Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Investment income	\$ -	\$ -	\$ 1,685	\$ 1,685
Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	-	-	1,685	1,685
Fund Balance - Beginning of year	532,814	532,814	532,814	-
Fund Balance - End of year	<u>\$ 532,814</u>	<u>\$ 532,814</u>	<u>\$ 534,499</u>	<u>\$ 1,685</u>

Note - As a result of GASB Statement No. 54, the Cable Franchise Fund is now merged with the General Fund for reporting purposes but is budgeted as a separate fund

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

Parking Meter Utility Fund - To account for the City's parking meters and costs associated with maintaining the meters. Funding is provided by parking meter fees and violation fees.

Boat Dock Rental Fund - To account for boat dock rental units that are available to the citizens of Grosse Pointe Woods on an annual basis. Boat launch ramps and other water craft maintenance services are available.

Commodity Sales Fund - To record the purchases and sale of rubbish bags and other miscellaneous items that the municipality holds for resale.

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds June 30, 2015

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
Assets				
Current assets:				
Cash and investments	\$ 978,341	\$ 331,781	\$ 139,570	\$ 1,449,692
Receivables	313	-	-	313
Prepaid expenses and other assets	2,080	-	-	2,080
Total current assets	980,734	331,781	139,570	1,452,085
Noncurrent assets - Depreciable capital assets - Capital assets	258,643	205,722	-	464,365
Total assets	1,239,377	537,503	139,570	1,916,450
Deferred Outflows of Resources -				
Deferred outflows related to pensions	84,296	-	-	84,296
Liabilities				
Current liabilities:				
Accounts payable	1,394	-	-	1,394
Due to other funds	-	12,183	-	12,183
Accrued liabilities and other	2,534	946	-	3,480
Compensated absences	6,681	-	-	6,681
Total current liabilities	10,609	13,129	-	23,738
Noncurrent liabilities:				
Compensated absences	5,659	-	-	5,659
Net pension liability	223,686	-	-	223,686
Other postemployment benefit obligations	361,137	-	-	361,137
Total noncurrent liabilities	590,482	-	-	590,482
Total liabilities	601,091	13,129	-	614,220
Deferred Inflows of Resources -				
Deferred inflows related to pensions	7,087	-	-	7,087
Net Position				
Net investment in capital assets	258,643	205,722	-	464,365
Unrestricted	456,852	318,652	139,570	915,074
Total net position	<u>\$ 715,495</u>	<u>\$ 524,374</u>	<u>\$ 139,570</u>	<u>\$ 1,379,439</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended June 30, 2015

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
Operating Revenue				
Fees and violations	\$ 453,411	\$ -	\$ -	\$ 453,411
Dockings and launching fees	-	140,986	-	140,986
Commodity sales	-	-	33,075	33,075
Other revenue	1,122	-	-	1,122
Total operating revenue	454,533	140,986	33,075	628,594
Operating Expenses				
Operation and maintenance	81,661	53,682	36,955	172,298
General and administrative	134,884	5,000	-	139,884
Charges from internal service funds	-	6,000	-	6,000
Depreciation	29,505	32,051	-	61,556
Total operating expenses	246,050	96,733	36,955	379,738
Operating Income (Loss)	208,483	44,253	(3,880)	248,856
Nonoperating Revenue	2,859	-	-	2,859
Change in Net Position	211,342	44,253	(3,880)	251,715
Net Position - Beginning of year	504,153	480,121	143,450	1,127,724
Net Position - End of year	<u>\$ 715,495</u>	<u>\$ 524,374</u>	<u>\$ 139,570</u>	<u>\$ 1,379,439</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended June 30, 2015

	Parking Meter Utility Fund	Boat Dock Rental Fund	Commodity Sales Fund	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 454,533	\$ 140,986	\$ 33,075	\$ 628,594
Payments to suppliers	-	(1,065)	-	(1,065)
Payments to employees	(62,373)	(64,142)	(36,955)	(163,470)
Internal activity - Payments to other funds	-	(4,317)	-	(4,317)
Other payments	(84,296)	-	-	(84,296)
Net cash provided by operating activities	307,864	71,462	(3,880)	375,446
Cash Flows from Capital and Related Financing Activities - Purchase of capital assets	(11,246)	-	-	(11,246)
Cash Flows from Investing Activities - Interest received on investments	4,748	-	-	4,748
Net Increase in Cash and Cash Equivalents	301,366	71,462	(3,880)	368,948
Cash and Cash Equivalents - Beginning of year	676,975	260,319	143,450	1,080,744
Cash and Cash Equivalents - End of year	\$ 978,341	\$ 331,781	\$ 139,570	\$ 1,449,692
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 208,483	\$ 44,253	\$ (3,880)	\$ 248,856
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	29,505	32,051	-	61,556
Changes in assets and liabilities:				
Prepaid and other assets	638	-	-	638
Accounts payable	719	(1,065)	-	(346)
Due to others	-	(4,317)	-	(4,317)
Accrued and other liabilities	152,815	540	-	153,355
Other	(84,296)	-	-	(84,296)
Net cash provided by operating activities	\$ 307,864	\$ 71,462	\$ (3,880)	\$ 375,446

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Internal Service Funds Fund Descriptions

Motor Vehicle Fund - This fund accounts for the costs of acquiring and maintaining City-operated vehicles used by various City departments. The actual cost of labor and materials is reimbursed to this fund by the user departments through fees.

Workers' Compensation Fund - This fund was created to identify all costs associated with operating a self-insured workers' compensation fund. Funds are accumulated via transfers from other governmental and proprietary fund types and interest made on surplus earnings.

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Net Position Internal Service Funds June 30, 2015

	<u>Motor Vehicle Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 2,306,953	\$ 542,349	\$ 2,849,302
Accrued interest receivable:			
Accrued interest receivable	6,500	166	6,666
Due from other governmental units	34,757	-	34,757
Due from other funds	59	123	182
Prepaid expenses and other assets	5,900	54,703	60,603
Total current assets	2,354,169	597,341	2,951,510
Noncurrent assets - Depreciable capital assets	960,773	-	960,773
Total assets	3,314,942	597,341	3,912,283
Deferred Outflows of Resources -			
Deferred outflows related to pensions	226,089	-	226,089
Liabilities			
Current liabilities:			
Accounts payable	39,230	8,467	47,697
Accrued liabilities and other	4,686	100,000	104,686
Compensated absences	31,775	-	31,775
Provision for claims	2,131	58,479	60,610
Current portion of long-term debt	65,510	-	65,510
Total current liabilities	143,332	166,946	310,278
Noncurrent liabilities:			
Net pension liability	596,428	-	596,428
Other postemployment benefit obligations	543,456	-	543,456
Long-term debt	207,048	-	207,048
Total noncurrent liabilities	1,346,932	-	1,346,932
Total liabilities	1,490,264	166,946	1,657,210
Deferred Inflows of Resources -			
Deferred inflows related to pensions	13,114	-	13,114
Net Position			
Net investment in capital assets	688,215	-	688,215
Unrestricted	1,349,438	430,395	1,779,833
Total net position	<u>\$ 2,037,653</u>	<u>\$ 430,395</u>	<u>\$ 2,468,048</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2015

	Motor Vehicle Fund	Workers' Compensation Fund	Total
Operating Revenue			
Grants	\$ 151,121	\$ -	\$ 151,121
Other revenue	9,127	-	9,127
Charges to other funds	917,926	-	917,926
Total operating revenue	1,078,174	-	1,078,174
Operating Expenses			
Cost of insurance claims	5,381	148,944	154,325
Vehicle operation and maintenance	478,998	40,254	519,252
General and administrative	369,979	-	369,979
Depreciation	183,612	-	183,612
Total operating expenses	1,037,970	189,198	1,227,168
Operating Income (Loss)	40,204	(189,198)	(148,994)
Nonoperating Revenue			
Investment income	14,652	4,224	18,876
Gain on sale of assets	7,850	-	7,850
Total nonoperating revenue	22,502	4,224	26,726
Change in Net Position	62,706	(184,974)	(122,268)
Net Position - Beginning of year	1,974,947	615,369	2,590,316
Net Position - End of year	<u>\$ 2,037,653</u>	<u>\$ 430,395</u>	<u>\$ 2,468,048</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2015

	Motor Vehicle Fund	Workers' Compensation Fund	Total
Cash Flows from Operating Activities			
Receipts from interfund services and reimbursements	\$ 1,017,758	\$ -	\$ 1,017,758
Payments to employees	(375,571)	(38,184)	(413,755)
Claims incurred but not paid	(5,768)	(103,030)	(108,798)
Other receipts	160,248	-	160,248
Other payments	(260,846)	-	(260,846)
Net cash provided by (used in) operating activities	535,821	(141,214)	394,607
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	272,558	-	272,558
Proceeds from sales of capital assets	7,850	-	7,850
Purchase of capital assets	(642,943)	-	(642,943)
Net cash used in capital and related financing activities	(362,535)	-	(362,535)
Cash Flows from Investing Activities - Interest received on investments	11,828	5,222	17,050
Net Increase (Decrease) in Cash and Cash Equivalents	185,114	(135,992)	49,122
Cash and Cash Equivalents - Beginning of year	2,121,839	678,341	2,800,180
Cash and Cash Equivalents - End of year	<u>\$ 2,306,953</u>	<u>\$ 542,349</u>	<u>\$ 2,849,302</u>
Balance Sheet Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 2,306,953</u>	<u>\$ 542,349</u>	<u>\$ 2,849,302</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ 40,204	\$ (189,198)	\$ (148,994)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	183,612	-	183,612
Changes in assets and liabilities:			
Due from others	99,832	-	99,832
Prepaid and other assets	(1,381)	-	(1,381)
Accounts payable	(23,077)	(7,431)	(30,508)
Estimated claims liability	(387)	53,345	52,958
Accrued and other liabilities	497,864	2,070	499,934
Other	(260,846)	-	(260,846)
Net cash provided by (used in) operating activities	<u>535,821</u>	<u>(141,214)</u>	<u>394,607</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Fiduciary Funds Fund Descriptions

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for the assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds - These funds account for the deposit of monies held by the City government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Pension and Other Employee Benefit Trust Funds - The City operates one retirement system, one supplementary annuity fund, and one retiree healthcare account, which are accounted for in three separate funds. These funds cover all full-time employees of the City.

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Statement of Net Position Fiduciary Funds June 30, 2015

	Pension Trust Funds			Total Pension Trust Funds
	Pension Fund	Supplementary Annuity Fund	Other Postemployment Benefit Trust Fund	
Assets				
Cash and cash equivalents	\$ 852,087	\$ 30,188	\$ 324,853	\$ 1,207,128
Investments:				
Stocks	18,474,221	1,373,591	-	19,847,812
Corporate bonds	8,194,140	-	-	8,194,140
Bond Index Funds	11,600,033	-	-	11,600,033
Real Estate Investment Trust	100,329	-	-	100,329
Receivables - Accrued interest receivable	254	-	-	254
Total assets	39,221,064	1,403,779	324,853	40,949,696
Liabilities - Accounts payable	256,447	22,140	-	278,587
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 38,964,617	\$ 1,381,639	\$ 324,853	\$ 40,671,109

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended June 30, 2015

	Pension Fund	Supplementary Annuity Fund	Other Postemployment Benefit Trust Fund	Total
Additions				
Investment income:				
Interest and dividends	\$ 927,273	\$ -	\$ -	\$ 927,273
Net (decrease) increase in fair market value	(860,341)	(9,093)	4,389	(865,045)
Less investment-related expenses	(106,146)	-	-	(106,146)
Net investment income	(39,214)	(9,093)	4,389	(43,918)
Contributions:				
Employer	889,829	286,439	-	1,176,268
Employee	258,967	-	72,159	331,126
Net contributions	1,148,796	286,439	72,159	1,507,394
Total additions	1,109,582	277,346	76,548	1,463,476
Deductions - Administrative expenses	3,330,798	269,298	-	3,600,096
Net (Decrease) Increase in Net Assets Held in Trust	(2,221,216)	8,048	76,548	(2,136,620)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	41,185,833	1,373,591	248,305	42,807,729
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 38,964,617	\$ 1,381,639	\$ 324,853	\$ 40,671,109

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Combining Statement of Assets and Liabilities Agency Funds June 30, 2015

	Wayne County Tax Fund	Cash Bond Escrow Fund	Total
Assets - Cash and cash equivalents	\$ 17,719	\$ 12,424	\$ 30,143
Liabilities			
Due to other governmental units	\$ 17,719	\$ -	\$ 17,719
Court bonds payable	-	12,424	12,424
Total liabilities	\$ 17,719	\$ 12,424	\$ 30,143

City of Grosse Pointe Woods, Michigan

Other Supplemental Information Schedule of Changes in Assets and Liabilities Agency Funds Year Ended June 30, 2015

	Balance at July 1, 2014`	Additions	Reductions	Balance at June 30, 2015
<u>Wayne County Tax Fund</u>				
Assets - Cash and investments	\$ 17,719	\$ 46,797,358	\$ (46,797,358)	\$ 17,719
Liabilities - Due to other governmental units	\$ 17,719	\$ -	\$ -	\$ 17,719
<u>Cash Bond Escrow Fund</u>				
Assets - Cash and investments	\$ 1,338	\$ 68,133	\$ (57,047)	\$ 12,424
Liabilities - Court bonds payable	\$ 1,338	\$ 68,133	\$ (57,047)	\$ 12,424
<u>Agency Funds</u>				
Cash and cash equivalents	\$ 19,057	\$ 46,865,491	\$ (46,854,405)	\$ 30,143
Liabilities				
Due to other governmental units	17,719	46,797,358	(46,797,358)	17,719
Court bonds payable	1,338	68,133	(57,047)	12,424
Total liabilities	\$ 19,057	\$ 46,865,491	\$ (46,854,405)	\$ 30,143

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Statistical Section

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City of Grosse Pointe Woods, Michigan

Statistical and Continuing Disclosure Contents

Statistical Information

Statistical information contained herein relates to the physical, economic, social, and political characteristics of the City. It is designed to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the financial section.

1. Financial Trend Information

These schedules contain certain trend information to help the reader understand how the City's financial position and performance have changed over time.

Net Position by Component	107
Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position	108-109
Fund Balances of Governmental Funds	110-111*
Changes in Fund Balances of Governmental Funds	112-113

2. Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its main income source - property taxes.

General Governmental Revenue History	114
Property Tax Levies and Collections	115*
Assessed Value and Actual Value of Taxable Property	116*
Direct and Overlapping Property Tax Rates	117-118*
Principal Property Taxpayers (Major Taxpayers)	119*

3. Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	120-121
Pledged-revenue Coverage	122
Ratios of General Bonded Debt Outstanding	123*
Direct and Overlapping Debt	124
Legal Debt Margin	125-126

4. Demographic and Economic Information

These schedules present various demographic and economic indicators for the reader to understand the environment within the City that affect the City's financial statements.

Demographic and Economic Statistics	127
Principal Employers	128*

City of Grosse Pointe Woods, Michigan

Statistical and Continuing Disclosure Contents (Continued)

5. Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent Government Employees by Function	129
Operating Indicators by Function	130-131
Capital Asset Statistics by Function	132

Continuing Disclosure

Continuing disclosure information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market. Municipal bonds issued after July 3, 1995 are subject to this mandatory requirement.

Continuing disclosure requires certain annual financial information and operating data, including audited financial statements for the preceding fiscal year. This information is generally consistent with the information contained or cross-referenced in the official statement relating to the bonds.

State-shared Revenue	133
Gas and Weight Taxes	134
Labor Agreements	135
Water and Sewer Customers and Consumption	136
Historical Net Earnings, Cash Flow, and Debt Service Coverage	137
Water Usage and Revenue of the Ten Largest Customers	138
Metered Water Rates	139

* Indicates schedules included in statistical information that fulfill continuing disclosure requirements

City of Grosse Pointe Woods, Michigan

Financial Trend Information Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in capital assets - Net of related debt	\$ 16,543,166	\$ 19,660,463	\$ 24,238,535	\$ 25,835,044	\$ 26,744,399	\$ 26,918,168	\$ 26,908,007	\$ 27,096,926	\$26,303,935	\$27,569,120
Restricted	4,540,093	1,935,523	2,018,840	782,422	727,050	772,268	923,644	924,572	835,294	7,500,582
Unrestricted	4,804,341	5,897,053	4,549,297	1,596,786	64,083	(2,595,090)	(4,608,002)	(6,341,023)	(7,745,764)	(28,560,231)
Total net assets	<u>\$ 25,887,600</u>	<u>\$ 27,493,039</u>	<u>\$ 30,806,672</u>	<u>\$ 28,214,252</u>	<u>\$ 27,535,532</u>	<u>\$ 25,095,346</u>	<u>\$ 23,223,649</u>	<u>\$ 21,680,475</u>	<u>\$ 19,393,465</u>	<u>\$ 6,509,471</u>
Business-type Activities										
Invested in capital assets - Net of related debt	\$ 17,634,292	\$ 17,640,281	\$ 18,626,103	\$ 18,921,503	\$ 18,573,221	\$ 18,345,231	\$ 18,585,076	\$ 18,451,087	18,458,605	18,185,073
Restricted	-	453,789	453,789	453,789	453,789	425,500	397,500	349,500	319,000	306,500
Unrestricted	1,434,870	1,524,686	1,484,347	1,191,484	1,802,604	2,461,914	3,213,270	4,232,956	5,465,819	5,537,757
Total net assets	<u>\$ 19,069,162</u>	<u>\$ 19,618,756</u>	<u>\$ 20,564,239</u>	<u>\$ 20,566,776</u>	<u>\$ 20,829,614</u>	<u>\$ 21,232,645</u>	<u>\$ 22,195,846</u>	<u>\$ 23,033,543</u>	<u>\$ 24,243,424</u>	<u>\$ 24,029,330</u>
Primary Government in Total										
Invested in capital assets - Net of related debt	\$ 34,177,458	\$ 37,300,744	\$ 42,864,638	\$ 44,756,547	\$ 45,317,620	\$ 45,263,399	\$ 45,493,083	\$ 45,548,013	\$ 44,762,540	\$ 45,754,193
Restricted	4,540,093	2,389,312	2,472,629	1,236,211	1,180,839	1,197,768	1,321,144	1,274,072	1,154,294	7,807,082
Unrestricted	6,239,211	7,421,739	6,033,644	2,788,270	1,866,687	(133,176)	(1,394,732)	(2,108,067)	(2,279,945)	(23,023,474)
Total net assets	<u>\$ 44,956,762</u>	<u>\$ 47,111,795</u>	<u>\$ 51,370,911</u>	<u>\$ 48,781,028</u>	<u>\$ 48,365,146</u>	<u>\$ 46,327,991</u>	<u>\$ 45,419,495</u>	<u>\$ 44,714,018</u>	<u>\$ 43,636,889</u>	<u>\$ 30,538,801</u>

Source: City annual financial statements

City of Grosse Pointe Woods, Michigan

Financial Trend Information Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 2,252,445	\$ 2,330,401	\$ 2,924,641	\$ 4,609,178	\$ 3,042,077	\$ 3,422,593	\$ 3,092,280	\$ 3,207,643	\$ 3,130,925	\$ 2,494,362
Public safety	5,426,841	6,506,973	5,990,280	7,525,431	7,899,396	7,912,560	7,153,532	6,869,020	6,553,852	7,777,514
Public works	4,777,246	4,346,770	4,128,878	5,027,700	5,215,575	5,655,876	6,016,942	5,841,495	6,091,819	6,126,373
Solid waste	1,352,824	1,390,686	1,473,425	1,366,272	1,315,293	1,087,987	1,121,417	1,152,236	1,150,743	1,193,308
Municipal improvement	30,127	196,696	270,819	386,989	59,724	130,849	191,180	63,982	307,290	554,163
Recreation and culture	2,014,389	2,386,985	2,040,528	2,370,954	2,181,206	1,967,708	1,717,327	1,827,426	1,554,898	1,773,961
Interest on long-term debt	271,234	207,182	238,813	153,736	113,653	72,814	40,214	17,369	830,255	-
Total governmental activities expenses	16,125,106	17,365,693	17,067,384	21,440,260	19,826,924	20,250,387	19,332,892	18,979,171	19,619,782	19,919,681
Business-type activities:										
Water/Sewer	4,848,148	5,096,980	5,230,033	5,239,746	4,853,312	5,044,337	5,059,715	5,432,429	5,420,387	5,919,315
Parking	331,892	325,058	293,746	316,991	241,562	198,866	237,150	207,597	195,791	246,050
Boat dock	277,276	144,289	146,403	121,541	85,257	73,870	74,172	69,894	97,519	96,733
Commodity sales	186,296	52,789	46,518	45,185	68,571	30,689	26,018	40,085	-	36,955
Total business-type activities expenses	5,643,612	5,619,116	5,716,700	5,723,463	5,248,702	5,347,762	5,397,055	5,750,005	5,713,697	6,299,053
Total primary government expenses	21,768,718	22,984,809	22,784,084	27,163,723	25,075,626	25,598,149	24,729,947	24,729,176	25,333,479	26,218,734
Program Revenue										
Governmental activities:										
Charges for services:										
Municipal court	876,197	768,596	805,958	831,454	894,768	774,390	909,241	667,782	593,962	455,417
Building inspections and related	276,150	-	-	-	-	-	-	-	-	-
Recreation and culture	150,630	158,763	-	-	69,507	102,037	120,304	119,399	107,161	111,904
Other activities	1,326,003	509,323	872,235	675,914	826,085	435,796	541,545	639,214	614,984	321,151
Total charges for services	2,628,980	1,436,682	1,678,193	1,507,368	1,790,360	1,312,223	1,571,090	1,426,395	1,316,107	888,472
Operating grants and contributions	41,464	1,011,171	943,139	908,512	873,343	886,569	907,211	912,762	943,540	1,091,214
Total governmental activities program revenue	2,670,444	2,447,853	2,621,332	2,415,880	2,663,703	2,198,792	2,478,301	2,339,157	2,259,647	1,979,686
Business-type Activities										
Charges for services:										
Water/Sewer	4,558,523	4,696,657	4,594,730	4,878,913	4,856,083	5,405,036	5,976,950	6,144,410	6,339,551	6,241,351
Parking	336,895	266,067	293,453	242,765	221,657	201,166	193,812	301,696	292,825	454,533
Boat dock	173,153	164,601	162,468	146,872	141,338	132,715	130,778	129,805	126,052	140,986
Commodity sales	-	-	-	48,410	45,560	40,225	40,918	37,922	34,214	33,075
Capital grants and contributions	-	125,373	731,943	146,962	-	-	-	-	-	-
Total business-type program revenue	5,068,571	5,252,698	5,782,594	5,463,922	5,264,638	5,779,142	6,342,458	6,613,833	6,792,642	6,869,945
Total primary government program revenue	7,739,015	7,700,551	8,403,926	7,879,802	7,928,341	7,977,934	8,820,759	8,952,990	9,052,289	8,849,631
Net (Expense) Revenue										
Governmental activities	(13,454,662)	(14,917,840)	(14,446,052)	(19,024,380)	(17,163,221)	(18,051,595)	(16,854,591)	(16,640,014)	(17,360,135)	(17,939,995)
Business-type activities	(575,041)	(366,418)	65,894	(259,541)	15,936	431,380	945,403	863,828	1,078,945	570,892
Total primary government net expense	\$ (14,029,703)	\$ (15,284,258)	\$ (14,380,158)	\$ (19,283,921)	\$ (17,147,285)	\$ (17,620,215)	\$ (15,909,188)	\$ (15,776,186)	\$ (16,281,190)	\$ (17,369,103)

Source: City annual financial statements

City of Grosse Pointe Woods, Michigan

Financial Trend Information Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position Last Ten Fiscal Years (Continued) (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenue										
Governmental activities:										
Property taxes	\$ 14,083,603	\$ 15,181,945	\$ 15,551,944	\$ 14,468,721	\$ 15,002,660	\$ 13,536,960	\$ 12,817,647	\$ 12,869,618	\$ 12,971,861	\$ 12,089,662
State-shared revenue	2,608,124	1,682,742	1,667,431	1,645,722	1,391,898	1,420,431	1,482,102	1,500,662	1,521,267	1,568,207
Investment earnings	246,448	238,139	733,693	153,512	44,655	63,272	63,694	27,817	46,301	43,238
Donations	97,251	-	-	-	-	-	-	-	-	-
Franchise fees	-	230,453	238,054	271,953	295,688	320,426	262,837	380,964	340,268	315,723
Other	-	-	-	-	-	234,820	368,060	287,779	301,260	507,807
Gain on sale of fixed assets	-	-	-	-	-	-	-	-	-	7,850
Transfers	(754,500)	(810,000)	(802,000)	(218,060)	(250,400)	35,500	(11,446)	30,000	(107,832)	-
Total governmental activities	16,280,926	16,523,279	17,389,122	16,321,848	16,484,501	15,611,409	14,982,894	15,096,840	15,073,125	14,532,487
Business-type activities:										
Unrestricted investment earnings	42,555	106,012	79,589	21,534	11,960	7,151	6,352	3,869	21,104	28,735
Other	-	-	-	-	-	-	-	-	2,000	-
Transfers	754,500	810,000	802,000	218,060	250,400	(35,500)	11,446	(30,000)	107,832	-
Total business-type activities	797,055	916,012	881,589	239,594	262,360	(28,349)	17,798	(26,131)	130,936	28,735
Total primary government	17,077,981	17,439,291	18,270,711	16,561,442	16,746,861	15,583,060	15,000,692	15,070,709	15,204,061	14,561,222
Change in Net Assets										
Governmental activities	2,826,264	1,605,439	2,943,070	(2,702,532)	(678,720)	(2,440,186)	(1,871,697)	(1,543,174)	(2,287,010)	(3,407,508)
Business-type activities	222,014	549,594	947,463	(19,947)	278,296	403,031	963,201	837,697	1,209,881	599,627
Total primary government	\$ 3,048,278	\$ 2,155,033	\$ 3,890,533	\$ (2,722,479)	\$ (400,424)	\$ (2,037,155)	\$ (908,496)	\$ (705,477)	\$ (1,077,129)	\$ (2,807,881)

Source: City annual financial statements

City of Grosse Pointe Woods, Michigan

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 37,750	\$ 99,767
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved:					
Designated	-	500,000	673,600	-	-
Undesignated	4,674,366	2,862,514	2,367,734	2,311,090	3,205,975
Total General Fund	4,674,366	3,362,514	3,041,334	2,348,840	3,305,742
All Other Governmental Funds					
Designated:					
Special Revenue Funds	-	317,247	77,609	247,647	320,417
Capital Project Funds	-	35,000	19,060	63,850	-
Nonspendable					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Committed	-	-	-	-	-
Reserved	4,040,089	-	-	-	-
Unreserved, reported in:					
Special Revenue Funds	674,931	3,395,765	2,390,161	1,223,726	1,124,603
Capital Project Funds	-	50,033	210,272	167,083	116,162
Debt Service Funds	-	970,061	1,176,240	1,180,314	763,214
Total General Fund and all other governmental funds	\$ 9,389,386	\$ 8,130,620	\$ 6,914,676	\$ 5,231,460	\$ 5,630,138

Source: City annual financial statements

* Fund balance classifications were changed as a result of implementation of GASB Statement No. 54.

Financial Trend Information
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

		Fiscal Year							
		2011*	2012*	2013*	2014*	2015*			
\$	6,111	\$	4,325	\$	121,380	\$	138,757	\$	104,203
	125,329		143,811		207,961		317,432		558,479
	949,395		1,198,046		1,751,490		953,821		1,027,515
	3,896,333		3,853,739		3,435,761		3,754,923		3,716,961
	-		-		-		-		-
	-		-		-		-		-
	4,977,168		5,199,921		5,516,592		5,164,933		5,407,158
	-		-		-		-		-
	-		-		-		-		-
	765,921		19,390		-		17,002		13,365
	447,234		905,950		924,572		829,037		7,488,572
	-		313,424		375,123		1,152,784		935,005
	-		14,850		17,750		33,500		66,700
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
\$	6,190,323	\$	6,453,535	\$	6,834,037	\$	7,197,256	\$	13,910,800

City of Grosse Pointe Woods, Michigan

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Revenue				
Property taxes	\$ 14,083,603	\$ 14,727,101	\$ 15,082,641	\$ 14,093,330
State and local sources	2,608,124	2,565,900	2,481,832	2,382,912
Intergovernmental taxes	-	-	-	-
Delinquent interest and collection fee income	325,632	350,413	395,910	293,797
Federal financial assistance	41,464	20,564	-	31,646
Other revenue	2,303,348	1,929,902	2,193,987	1,986,433
Investment income	246,448	238,678	731,478	143,074
Donations	97,251	-	-	-
Total revenue	19,705,870	19,832,558	20,885,848	18,931,192
Expenditures				
Current:				
General government	2,342,482	3,013,153	3,749,368	3,764,577
Public safety	5,408,713	5,042,765	4,717,501	4,866,702
Public works	875,237	906,530	964,247	887,819
Recreation and culture	1,750,909	2,936,496	1,686,488	1,784,052
Miscellaneous	7,526,139	7,800,076	7,197,683	5,467,476
Capital outlay	393,476	196,696	270,819	1,526,933
Debt administration:				
Principal	1,406,272	1,458,497	2,823,747	1,552,022
Interest	271,234	252,109	260,502	157,014
Total expenditures	19,974,462	21,606,322	21,670,355	20,006,595
Excess of Revenue Over (Under) Expenditures	(268,592)	(1,773,764)	(784,507)	(1,075,403)
Other Financing Sources (Uses)				
Debt issuance / proceeds from sale of cap assets	-	1,325,000	-	-
Transfers in	4,102,869	5,091,500	3,170,034	2,325,500
Transfers out	(4,902,869)	(5,901,500)	(3,972,034)	(3,031,190)
Total other financing (uses) sources	(800,000)	515,000	(802,000)	(705,690)
Net Change in Fund Balances	(1,068,592)	(1,258,764)	(1,586,507)	(1,781,093)
Fund Balances - Beginning of year (as restated)	10,457,976	9,389,384	8,501,183 *	7,024,788
Fund Balances - End of year	\$ 9,389,384	\$ 8,130,620	\$ 6,914,676	\$ 5,243,695
Debt service as a percentage of noncapital expenditures	8.57%	7.99%	14.41%	9.25%

* Beginning fund balance for fiscal years 2008 and 2009 was restated. See Note 1 for details.

Source: City annual financial statements

Financial Trend Information
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	14,471,027	\$	13,525,921	\$	12,816,628	\$	12,868,677	\$	12,971,026	\$	12,089,662
	2,197,887		2,209,151		2,220,847		2,263,244		2,328,022		2,389,342
	-		-		-		-		-		-
	511,840		-		-		-		-		-
	11,090		8,083		7,621		6,800		6,483		7,693
	2,153,729		1,968,095		2,363,851		2,166,176		2,088,772		1,903,267
	43,829		54,524		54,762		21,988		34,791		26,214
	-		-		-		-		-		-
	<u>19,389,402</u>		<u>17,765,774</u>		<u>17,463,709</u>		<u>17,326,885</u>		<u>17,429,094</u>		<u>16,416,178</u>
	2,580,898		2,728,228		2,726,596		2,884,058		2,773,796		2,864,850
	5,640,372		6,067,173		5,723,312		5,453,295		5,480,645		5,397,800
	950,521		5,618,581		5,824,444		5,905,623		6,202,883		6,465,890
	1,682,472		1,581,537		1,353,885		1,421,895		1,337,255		1,373,591
	5,529,332		-		-		-		-		-
	677,778		247,983		209,044		124,082		334,617		498,095
	1,539,247		1,152,522		1,185,797		1,173,754		828,847		226,874
	117,379		72,597		43,949		14,676		-		-
	<u>18,717,999</u>		<u>17,468,621</u>		<u>17,067,027</u>		<u>16,977,383</u>		<u>16,958,043</u>		<u>16,827,100</u>
	671,403		297,153		396,682		349,502		471,051		(410,922)
	-		-		500		1,000		-		7,124,466
	1,753,164		1,525,287		1,012,880		385,501		660,919		231,416
	(2,038,124)		(1,384,779)		(1,024,326)		(355,501)		(768,751)		(231,416)
	<u>(284,960)</u>		<u>140,508</u>		<u>(10,946)</u>		<u>31,000</u>		<u>(107,832)</u>		<u>7,124,466</u>
	386,443		437,661		385,736		380,502		363,219		6,713,544
	5,243,695		5,630,138		6,067,799		6,453,535		6,834,037		7,197,256
\$	5,630,138	\$	6,067,799	\$	6,453,535	\$	6,834,037	\$	7,197,256	\$	13,910,800
	9.18%		7.54%		7.76%		7.53%		5.14%		1.37%

City of Grosse Pointe Woods, Michigan

Revenue Capacity Information General Governmental Revenue History Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Property Taxes	Inter-governmental Revenue	Licenses and Permits	Federal Financial Assistance	Charges for Services	Interest and Miscellaneous	Total Revenue
2006	\$ 14,083,603	\$ 2,608,124	\$ 325,632	\$ 41,464	\$ 2,303,348	\$ 343,699	\$ 19,705,870
2007	14,727,101	2,565,900	350,413	20,564	1,929,902	238,678	19,832,558
2008	15,082,641	2,481,832	395,910	-	2,193,987	731,478	20,885,848
2009	14,093,330	2,382,912	293,797	31,646	1,986,433	143,074	18,931,192
2010	14,471,027	2,197,887	511,840	11,090	2,153,729	43,829	19,389,402
2011	13,525,921	2,217,234	609,115	-	108,795	1,304,709	17,765,774
2012	12,816,628	2,220,847	647,537	7,621	124,203	1,646,873	17,463,709
2013	12,868,677	2,263,244	875,743	6,800	121,379	1,191,042	17,326,885
2014	12,971,026	2,328,022	847,839	6,483	114,559	1,161,165	17,429,094
2015	12,089,662	2,389,342	762,903	7,693	200,141	966,437	16,416,178

Source: City annual financial statements

City of Grosse Pointe Woods, Michigan

Revenue Capacity Information Property Tax Levies and Collections Ten-year Comparison (Unaudited)

Fiscal Year Ended June 30	Property Tax Levy	Current Tax Collections (1)	Percent Collected Current	Delinquent Tax Collections by Levy Year (2)	Total Tax Collections	Percent of Total Collections to Levy
2006	\$ 14,033,157	\$ 13,660,396	97.34	\$ 323,441	\$ 13,983,837	99.65
2007	14,443,049	13,923,377	96.40	316,822	14,240,199	98.60
2008	14,931,695	14,474,262	96.94	446,046	14,920,308	99.92
2009	14,249,802	13,789,085	96.77	460,717	14,249,802	100.00
2010	14,465,586	13,993,400	96.74	472,187	14,465,587	100.00
2011	12,964,347	12,565,830	96.93	398,518	12,964,347	100.00
2012	12,178,436	11,860,159	97.39	318,277	12,178,436	100.00
2013	11,994,577	11,722,371	97.73	272,206	11,994,577	100.00
2014	12,364,679	12,083,808	97.73	280,870	12,364,679	100.00
2015	11,986,716	11,460,228	95.61	526,489	11,986,716	100.00

(1) Figure includes delinquent taxes turned over to Wayne County for collections on March 1 of each year.

(2) Prior to 2004, the amount reported is adjusted for delinquent taxes collected for that year during subsequent years.

Source: Comptroller's office

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City of Grosse Pointe Woods, Michigan

Revenue Capacity Information Assessed Value and Actual Value of Taxable Property Last Ten Years

Taxable Value by Property Type (1)								
Real Property								
Tax Year	Residential	Commercial	Industrial	Personal	Total Value	Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percent of Total
2006	\$ 767,561,190	\$ 55,621,330	\$ 89,670	\$ 15,270,200	\$ 838,542,390	17.2368	\$ 2,045,984,860	40.98%
2007	791,370,826	59,280,398	92,987	16,723,700	867,467,911	17.2368	2,054,582,340	42.22%
2008	772,678,570	61,718,263	95,125	14,187,800	848,679,758	16.7917	1,851,127,312	45.85%
2009	703,687,882	63,418,163	99,310	13,775,117	780,980,472	18.5417	1,561,960,944	50.00%
2010	622,799,835	61,345,908	99,012	15,022,091	699,266,846	18.5417	1,398,533,692	50.00%
2011	539,673,504	63,125,634	100,695	14,263,900	617,163,733	19.7082	1,234,327,466	50.00%
2012	523,811,319	64,481,399	103,413	15,534,000	603,930,131	20.4542	1,207,860,262	50.00%
2013	523,323,200	62,355,800	105,800	15,577,600	601,362,400	20.6834	1,202,724,800	50.00%
2014	534,100,330	71,785,000	107,400	12,500,000	618,492,730	18.8883	1,236,985,460	50.00%
2015	552,991,973	72,042,025	109,177	12,808,700	637,951,875	20.6091	1,275,903,750	50.00%

(1) Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue in the subsequent fiscal year.

Source: Comptroller's office

City of Grosse Pointe Woods, Michigan

Tax Year	Millage Rates - Direct City Taxes (1)							Overlapping Taxes	
	General Operating	Voted EMS	Voted Park Bond	Voted Road Bond	Statutory Solid Waste	Ch 20/21 Milk River Drain	Total Direct Taxes	County	H.C.M.A.
2006	10.1847	0.3578	0.5665	-	1.8807	4.2471	17.2368	8.4120	0.2146
2007	10.1847	0.3578	0.5665	-	1.8807	4.2471	17.2958	8.4120	0.2146
2008	10.1847	0.3578	0.5665	-	1.8807	3.9986	17.0473	8.5120	0.2146
2009	11.2957	0.3578	0.5665	-	1.8807	2.6320	16.7917	8.5120	0.2146
2010	12.5012	0.3578	0.5665	-	1.8807	3.8050	19.1702	8.5120	0.2146
2011	13.0012	0.3578	-	-	1.8807	4.4685	19.7082	8.5120	0.2146
2012	13.5432	0.3578	-	-	2.0251	4.5281	20.4542	8.7120	0.2146
2013	13.5212	0.5280	-	-	2.0251	4.5281	20.6024	8.7120	0.2146
2014	14.1063	-	-	-	2.0251	2.7340	18.8654	9.1220	0.2146
2015	14.1051	-	-	0.3280	2.0251	4.1509	20.6091	9.1220	0.2146

(1) Includes general operating, public safety, recreation, and culture

(2) Previously termed homestead and nonhomestead

(3) 2010 Wayne County millage estimate at 2009 numbers, since no new information available

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents as follows:

2006	15.0469	0.4476	0.6100	2.6859	n/a
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Source: Comptroller's office

* 2015 Wayne County millage estimate at 2014 numbers, since no new information available on 10/9/15--WC rates available in November

**Revenue Capacity Information
Direct and Overlapping Property Tax Rates
Last Ten Years**

Community College	Overlapping Taxes				Total Tax Rate (2)	
	Grosse Pointe Library	Intermediate School District	School District Principal	School District Nonprincipal	Principal	Non- principal
2.4769	1.5413	3.4643	14.5498	26.2851	47.8957	59.6310
2.4769	1.5412	3.4643	14.5498	26.2851	47.9546	59.6899
2.4769	1.5412	3.4643	14.0165	26.2499	47.2728	59.5062
2.4769	1.5412	3.4643	14.2900	26.3496	47.2907	59.3503
2.4769	1.5412	3.4643	14.2900	26.3496	49.6692	61.7288
2.2408	1.5412	3.4643	15.5790	26.6750	51.2601	62.3561
2.2408	2.0012	3.4643	16.0882	26.7587	53.1753	63.8458
3.2408	2.0412	3.4643	16.0890	26.7852	54.3643	65.0605
3.2408	2.0512	3.4643	15.9166	26.7550	52.8749	63.7133
3.2408	2.0712	3.4643	15.9166	26.7550	54.6386	65.4770

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City of Grosse Pointe Woods, Michigan

Revenue Capacity Information Principal Property Taxpayers (Major Taxpayers) Current Year and Nine Years Ago

Taxpayer	Type of Business	2015 Taxable Value	Percentage of Total City Value	2005 Taxable Value	Percentage of Total
1 Rivers GP Development LLC	Assisted Living	\$ 18,690,400	0.029	n/a	0.0000
2 Health Care Reit Inc	Assisted Living	7,117,000	0.011	\$ 4,367,620	0.0054
3 Pointe Plaza	Office Bldg	4,805,172	0.008	4,074,520	0.0050
4 Detroit Edison	Utility	4,139,918	0.006	5,525,200	0.0068
5 Michigan Cons. Gas Co.	Utility	2,612,800	0.004	3,486,500	0.0043
6 Lochmoor Club	Private Club	1,747,300	0.003	4,849,180	0.0031
7 GP Hunt Club	Private Club	1,409,300	0.002	1,361,050	0.0060
8 A H Peters Funeral Home	Mortuary	1,383,200	0.002	1,269,770	0.0016
9 Comerica	Bank	1,326,700	0.002	2,921,640	0.0017
10 Kroger Co. of Mich.	Grocery	1,194,500	0.002	3,056,750	0.0038
Total		\$ 44,426,290	0.070	\$ 30,912,230	0.0375
Total City Taxable Value		\$ 637,951,875		\$ 813,187,352	

Source: City of Grosse Pointe Woods Assessing Department records

City of Grosse Pointe Woods, Michigan

	2006	2007	2008	2009	2010
Governmental Activities					
General obligation bonds (GOB)	\$ 1,750,000	\$ 1,320,000	\$ 880,000	\$ 420,000	\$ -
GOB installment note	-	1,325,000	-	-	-
GOB contract - Wayne County Drain	7,858,927	6,830,430	5,771,683	4,679,661	3,560,414
2015 Road Bonds	-	-	-	-	-
Installment loans - Vehicles	-	-	-	-	-
Total	9,608,927	9,475,430	6,651,683	5,099,661	3,560,414
Business-type Activities					
Installment purchase agreements	-	-	-	-	-
2010 DWRF Bonds	-	-	-	-	1,976,488
2012 SRF Bonds	-	-	-	-	-
Revenue bonds	5,510,000	5,300,000	5,050,000	4,795,000	4,530,000
Total	5,510,000	5,300,000	5,050,000	4,795,000	6,506,488
Total debt of the government	\$ 15,118,927	\$ 14,775,430	\$ 11,701,683	\$ 9,894,661	\$ 10,066,902
Total taxable value (1)	\$ 838,542,390	\$ 867,467,911	\$ 847,756,558	\$ 780,980,472	\$ 699,266,846
Ratio of total debt to taxable value	1.80%	1.70%	1.38%	1.27%	1.44%
Total population	17,080	17,080	17,080	17,080	17,080
Total debt per capita	\$ 885	\$ 865	\$ 685	\$ 579	\$ 589

(1) Personal income is not available

Source: City annual financial statements; population data reported from demographics schedule

**Debt Capacity Information
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
2,407,892	1,222,095	-	-	-
-	-	-	-	\$ 272,558
-	-	-	-	7,124,469
<u>2,407,892</u>	<u>1,222,095</u>	<u>-</u>	<u>-</u>	<u>7,397,027</u>
-	-	-	-	-
2,723,141	4,195,364	5,170,410	4,951,798	4,696,798
-	-	667,763	2,485,726	2,733,788
<u>4,255,000</u>	<u>3,975,000</u>	<u>3,975,000</u>	<u>3,190,000</u>	<u>2,880,000</u>
<u>6,978,141</u>	<u>8,170,364</u>	<u>9,813,173</u>	<u>10,627,524</u>	<u>10,310,586</u>
<u>\$ 9,386,033</u>	<u>\$ 9,392,459</u>	<u>\$ 9,813,173</u>	<u>\$ 10,627,524</u>	<u>\$ 17,707,613</u>
\$ 617,163,733	\$ 603,930,131	\$ 601,362,400	\$ 618,492,730	\$ 637,951,875
1.52%	1.56%	1.63%	1.72%	2.78%
16,135	16,135	16,135	16,135	16,135
\$ 582	\$ 582	\$ 608	\$ 659	\$ 1,097

City of Grosse Pointe Woods, Michigan

Debt Capacity Information Pledged-revenue Coverage Last Ten Fiscal Years

Fiscal Years Ended June 30	Gross Revenue (1)	Applicable Expenses (2)	Net Revenue	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2006	\$ 4,558,523	\$ 4,255,169	\$ 303,354	\$ 195,000	\$ 186,296	\$ 381,296	0.80 (4)
2007	4,696,657	4,310,669	385,988	210,000	172,524	382,524	1.01
2008	4,594,730	4,430,308	164,422	-	170,079	170,079	0.97 (4)
2009	4,878,913	4,414,039	464,874	-	164,167	164,167	2.83
2010	4,856,083	4,031,251	824,832	265,000	160,115	425,115	1.94
2011	5,405,036	4,164,564	1,240,472	275,000	151,741	426,741	2.91
2012	5,976,950	4,116,499	1,860,451	370,000	223,209	593,209	3.14
2013	6,144,410	5,168,865	975,545	290,000	135,279	425,279	2.29
2014	6,311,280	5,029,027	1,282,253	305,000	92,188	397,188	3.23
2015	6,213,080	5,640,641	572,439	310,000	87,850	397,850	1.44

Notes

- (1) Exclusive of nonoperating revenue
- (2) Exclusive of depreciation charges and nonoperating expenditures
- (3) Includes principal and interest of revenue bonds only
- (4) The Water/Sewer Fund had operating transfers in from other funds in an amount which would cover the debt service requirement.

Source: CAFR, stmt of ref, exp & chgs in net position, Prop Funds

City of Grosse Pointe Woods, Michigan

Debt Capacity Information Ratios of General Bonded Debt Outstanding Last Ten Years

Fiscal Years Ended June 30	Population Per Federal Census	Adjusted Taxable Equalized Valuation	General Obligation Bonds Outstanding	Percent Debt to Assessed Value	Debt Per Capita
2006	17,080	\$ 838,542,390	\$ 9,608,927	1.15%	563
2007	17,080	867,467,911	9,475,430	1.09%	555
2008	17,080	847,756,558	6,651,683	0.78%	389
2009	17,080	780,980,472	5,099,661	0.65%	299
2010	17,080	699,266,846	3,560,414	0.51%	208
2011	16,135 (2)	617,163,733	2,407,892	0.39%	149
2012	16,135	603,930,131	1,222,095	0.20%	76
2013	16,135	601,362,400	-	0.00%	-
2014	16,135	618,492,730	-	0.00%	-
2015	16,135 (3)	637,951,875	6,600,000	1.03%	409

Source: Comptroller's office

(2) Based upon 2010 federal census

(3) Road Bonds approved by voters Nov 2014

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City of Grosse Pointe Woods, Michigan

Debt Capacity Information Direct and Overlapping Debt June 30, 2015

	Debt Outstanding	Percent Applicable to City	Estimated Share of Overlapping Debt
Direct debt, general obligation debt	\$ 10,627,524	100.00	\$ 10,627,524
Overlapping debt:			
Grosse Pointe Public Library	12,705,000	24.65	3,131,783
Grosse Pointe Public Schools	40,635,000	24.65	10,016,528
County of Wayne Building Authority and Debt Fund	315,956,111	1.62	5,118,489
Wayne County Community College	-	2.68	-
Total overlapping debt	<u>369,296,111</u>		<u>18,266,799</u>
Total direct and overlapping debt	<u>\$ 379,923,635</u>		<u>\$ 28,894,323</u>

Source: Municipal Advisory Council of Michigan

City of Grosse Pointe Woods, Michigan

	2006	2007	2008	2009
Calculation of Debt Limit (1)				
Taxable valuation	\$ 813,304,250	\$ 867,467,911	\$ 847,756,558	\$ 780,980,472
Debt limit (10% of equalized value)	81,330,425	86,746,791	84,775,656	78,098,047
Calculation of Debt Subject to Limit				
Total debt	15,118,927	14,775,430	11,701,684	9,894,661
Less Debt Not Subject to Charter Limitations				
Michigan Transportation Fund Bonds	-	-	-	-
Water and Sewer Revenue Bonds 1993	210,000	-	-	-
Grosse-Gratiot Drain/Milk River Debt	7,858,927	6,830,430	5,771,684	4,679,661
Water/Sewer Installment Note	-	-	-	-
2010 DWRF Bonds	-	-	-	-
2012 SRF Bonds	-	-	-	-
Water/Sewer Revenue Bonds 2003	<u>5,300,000</u>	<u>5,300,000</u>	<u>5,050,000</u>	<u>4,795,000</u>
Total debt not subject to Charter limitations	<u>13,368,927</u>	<u>12,130,430</u>	<u>10,821,684</u>	<u>9,474,661</u>
Total net debt (2)	<u>1,750,000</u>	<u>2,645,000</u>	<u>880,000</u>	<u>420,000</u>
Legal debt margin	<u>\$ 79,580,425</u>	<u>\$ 84,101,791</u>	<u>\$ 83,895,656</u>	<u>\$ 77,678,047</u>
Net debt subject to limit as percentage of debt limit	2.20%	3.14%	1.05%	0.54%

(1) The legal debt limit continues to be derived from state equalized value (SEV), not Taxable Value (TV).

(2) Amount does not include water and sewer and County contractual obligations.

Source: Comptroller's office

**Debt Capacity Information
Legal Debt Margin
Last Ten Fiscal Years**

2010	2011	2012	2013	2014	2015
\$ 699,266,846	\$ 617,163,733	\$ 603,930,131	\$ 601,362,400	\$ 618,492,730	\$ 637,951,875
69,926,685	61,716,373	61,716,373	62,331,330	62,331,330	74,231,187
10,280,414	9,386,033	9,392,459	9,333,173	10,627,524	10,627,524
-	-	-	-	-	-
3,560,414	2,407,892	1,222,097	-	-	-
1,976,488	2,723,141	4,195,364	5,170,410	4,951,798	4,696,798
4,530,000	4,255,000	3,975,000	667,763 3,495,000	2,485,726 3,190,000	2,733,788 2,880,000
<u>10,066,902</u>	<u>9,386,033</u>	<u>9,392,461</u>	<u>9,333,173</u>	<u>10,627,524</u>	<u>10,310,586</u>
<u>213,512</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>316,938</u>
<u>\$ 69,713,173</u>	<u>\$ 61,716,373</u>	<u>\$ 61,716,375</u>	<u>\$ 62,331,330</u>	<u>\$ 62,331,330</u>	<u>\$ 73,914,249</u>
0.31%	0.00%	0.00%	0.00%	0.00%	0.43%

City of Grosse Pointe Woods, Michigan

Demographic and Economic Information Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population		Personal Income (in thousands)	Estimated Number of Households	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment	
2006	17,080	(1)	(5)	(4)	\$ 46,151	(4)	3.26%	8,912	
2007	17,080	(1)	(5)	6,420	(5)	(5)	4.60%	8,873	
2008	17,080	(1)	(5)	(5)	(5)	(5)	9.30%	8,900	(3)
2009	17,080	(1)	(5)	(5)	(5)	(5)	14.10%	8,900	(3)
2010	17,080	(1)	(5)	(5)	(5)	(5)	14.10%	8,900	(3)
2011	16,135	(2)	(5)	6,396	(5)	(5)	12.70%	8,900	(3)
2012	16,135	(2)	(5)	6,416	(5)	(5)	11.40%	8,900	(3)
2013	16,135	(2)	(5)	6,819	(5)	(5)	11.40%	8,900	(3)
2014	16,135	(2)	(5)	6,819	(5)	(5)	11.40%	8,900	(3)
2015	16,135	(2)	(5)	6,819	(5)	(5)	11.40%	8,900	(3)

(1) 2000 population from U.S. Census

(2) 2010 population from U.S. Census

(3) Estimate

(4) 2005 Census Department - American Community Survey Data Profile Review

(5) Information not available

City of Grosse Pointe Woods, Michigan

Demographic and Economic Information Principal Employers

Taxpayer	Enterprise	2010 Employees	Percentage of Total Employment	2000 Employees	2004 Rank
1 GP Public School	School	384	10.71%	(1)	(1)
2 Van Elslander Center	Medical	250	6.98%	(1)	(1)
3 Kroger	Grocery	159	4.44%	(1)	(1)
4 Sunrise Assisted Living	Medical	140	3.91%	(1)	(1)
5 University of Liggett	School	128	3.57%	(1)	(1)
6 Great Lakes Cancer Mgt Specialist	Medical	103	2.87%	(1)	(1)
7 Lochmoor Club	Country Club	100	2.79%	(1)	(1)
8 St. John I.T. & Desktop Support	Medical Business	100	2.79%	(1)	(1)
9 Grosse Pointe Hunt Club	Private Club	80	2.23%	(1)	(1)
10 City of Grosse Pointe Woods	Municipal	80	2.23%	(1)	(1)

Total People Employed in City 2015 3,584

(1) Data from 2004 is not readily available

Source: City Business License Registry

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City of Grosse Pointe Woods, Michigan

Operating Information Full-time Equivalent Government Employees by Function (1) Last Ten Fiscal Years

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Percent of Total for 2015
Supervisor/Administrator	3	3	2	2	2	2	2	2	2	2	0.02
Assessing	2	2	2	2	1	1	1	1	1	-	0.01
Clerk's Office	3	3	3	3	3	3	3	3	3	3	0.04
Treasurer's Office	6	5	5	4	5	4	4	4	4	4	0.05
Municipal Court	3	3	3	3	3	3	3	3	3	3	0.04
Information Systems	2	2	2	2	2	2	2	2	2	2	0.02
Building	3	3	3	3	3	3	3	3	3	4	0.04
Parks and Recreation	4	4	4	3	2	2	2	2	2	2	0.02
Public Safety	52	54	54	52	50	44	43	42	39	35	0.48
Public Works	27	25	25	25	28	26	23	22	22	23	0.27
Total	<u>105</u>	<u>104</u>	<u>103</u>	<u>99</u>	<u>99</u>	<u>90</u>	<u>86</u>	<u>84</u>	<u>81</u>	<u>78</u>	<u>1</u>

(1) Full-time employees reported only; data is not available for equivalent part-time positions. (4)

(2) Data not available

(3) PS includes EMTs since they were on payroll through 6-30-14

(4) 2015 shows the loss of EMTs.

Source: City personnel records

City of Grosse Pointe Woods, Michigan

Function/Program	2006	2007	2008	2009
Public safety (calendar year Jan 1 - Dec 31):		(3)		
Police physical arrests	478	805	676	727
Police traffic violations	2,887	4,181	4,635	5,106
Fire runs	39	55	71	53
Fire actual fires	4	4	14	12
Fire basic ambulance runs	466	424	368	474
Fire Advance Life Support ambulance runs	169	328	356	328
Fire inspections	66	215	180	183
Parks and recreation (estimated):				
Recreation programs - Lake Front Park	428	406	426	415
Community center programs	24	24	40	41
Water:				
New connections (calendar year Jan 1 - Dec 31)	3	5	1	-
Water main breaks	(1)	(1)	36	19
Total consumption (billed to customers - HCF)- FY	1,006,841	874,908	932,395	804,221

(1) Information not available

(2) Information not applicable, as function reports operating indicators on a calendar year

(3) Information is reported on calendar year.

Source: City Departmental Operational Reports

Operating Information
Operating Indicators by Function
Last Ten Fiscal Years

2010	2011	2012	2013	2014	2015
			(3)	(3)	(3)
486	507	357	374	337	(2)
3,146	3,182	1,986	1,883	1,306	(2)
56	62	139	242	213	(2)
17	12	15	14	10	(2)
543	753	715	523	458	(2)
359	403	362	361	560	(2)
77	144	78	104	8	(2)
392	362	359	267	261	260
41	53	42	67	57	55
0	0	0	1	16	5
20	22	28	35	34	23
750,096	791,987	746,113	813,574	724,717	724,717

City of Grosse Pointe Woods, Michigan

Operating Information Capital Asset Statistics by Function

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	8
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Acreage	92	92	92	92	92	92	92	92	92	92
Playgrounds	5	5	5	5	5	5	5	5	5	5
Soccer fields	2	2	2	2	2	2	2	2	2	2
Baseball/Softball diamonds	5	5	5	5	5	5	5	5	5	5
Water:										
Mains (miles)	60	63	63	63	63	63	63	63	63	63
Fire hydrants	603	606	603	603	603	603	603	603	608	608
Sewer - Miles of sanitary sewers	75	78	78	78	78	78	78	78	78	78

Source: Departmental annual reports

City of Grosse Pointe Woods, Michigan

Continuing Disclosure State-shared Revenue Last Ten Fiscal Years

<u>Fiscal Years Ended June 30</u>	<u>Modified Accrual and Accrual Basis of Accounting</u>
2006	\$ 1,682,170
2007	1,570,567
2008	1,584,047
2009	1,514,040
2010	1,339,744
2011	1,452,878
2012	1,352,529
2013	1,363,026
2014	1,413,776
2015	1,431,780

Source: Comptroller's office

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Gas and Weight Taxes Last Ten Fiscal Years

Fiscal Years Ended June 30	Type of Street		Total Gas and Weight Tax (Act 51) Receipts
	Major	Local	
2006	\$ 656,119	\$ 269,835	\$ 925,954
2007	700,767	288,920	989,687
2008	636,344	261,441	897,785
2009	612,785	251,769	864,554
2010	602,084	247,497	849,581
2011	610,993	251,206	862,199
2012	624,586	255,891	880,477
2013	629,291	257,655	886,946
2014	648,809	265,806	914,615
2015	662,419	271,424	933,843

Source: Comptroller's office

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Labor Agreements June 30, 2015

Bargaining Unit	Expiration Date	6/30/2015 Number of Employees
Police Officers Association of Michigan Represents police officers	6/30/2014	21
Command Officers Association of Michigan Represents police corporals, sergeants, and lieutenants	6/30/2016	8
Police Officers Labor Council Represents all dispatchers	6/30/2016	2
Technical, Professional, and Office Workers Assn of MI TPOAM Represents clerical, public works employees, building, and ordinance officers	6/30/2016	27
Nonunion Employees (Full-time)		
City Administrator	N/A	1
Confidential Secretary to City Administrator	N/A	1
City Assessor	N/A	0
Treasurer/Comptroller	N/A	1
Deputy Comptroller	N/A	1
Utility Billing Manager	N/A	1
City Clerk	N/A	1
Deputy City Clerk	N/A	1
Public Safety Director	N/A	1
Court Clerk	N/A	1
Deputy Court Clerk	N/A	1
Information Technology Manager	N/A	1
Information Systems Technician	N/A	1
Building Official	N/A	1
Director of Public Works	N/A	1
Assistant Director of PW	N/A	1
Foreman	N/A	1
Recreation Supervisor	N/A	1
Confidential Administrative Assistant	N/A	3
		<u>20</u>

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Water and Sewer Customers and Consumption June 30, 2015

<u>User Type</u>	<u>Number of Meters</u>	<u>Water Consumption Volume (100 cubic feet)</u>	<u>Percentage of Consumption</u>
Residential	6,558	5,659	87.75%
Commercial	287	568	8.80%
Churches, schools, and government	22	222	3.45%
Total	6,867	6,450	100%

Source: Comptroller's office

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Historical Net Earnings, Cash Flow, and Debt Service Coverage June 30, 2015

Fiscal Years Ended June 30	Operating Expense	Operating Expenses Exclusive of Depreciation	Net Operating Income (Loss)	Other Nonoperating Income (1)	Annual Income Available for Debt Service	Annual Revenue Debt Service Requirements	Annual Coverage
2006	\$ 4,558,523	\$ 4,255,169	\$ 303,354	\$ 504,551	\$ 807,905	\$ 381,296	2.12
2007	4,696,657	4,310,669	385,988	52,093	438,081	262,789	1.67
2008	4,594,730	4,430,308	164,422	26,241	190,663	420,079	0.45
2009	4,878,913	4,414,039	464,874	19,799	484,673	164,167	2.95
2010	4,856,083	4,031,251	824,832	10,393	835,225	425,115	1.96
2011	4,837,093	4,164,564	672,529	6,192	678,721	426,741	1.59
2012	4,827,454	4,116,499	711,046	5,335	716,381	593,209	1.21
2013	5,168,865	4,447,042	721,823	3,718	725,541	425,279	1.71
2014	5,029,027	4,248,572	780,455	16,430	796,885	397,188	2.01
2015	5,640,641	4,898,622	742,019	25,876	767,895	397,850	1.93

(1) Nonoperating income except connection fees net of nonoperating expenses other than interest expense

Source: CAFR - proprietary funds stmt rev, exp & chgs in net position

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Water Usage and Revenue of the Ten Largest Customers June 30, 2015

Customer	Usage in Dollars	Volume of Water Used (in 100 cubic feet)
Grosse Pointe Board of Education	\$ 82,855	7,938
Lochmoor Club	38,266	4,302
Shorepointe Condos	31,761	5,082
St John Hospital	25,682	3,583
Sunrise Development	24,949	4,056
Berkshire Condo Association	23,438	3,512
Kroger	22,617	3,878
The Rivers Condo Assn	18,578	3,105
Original Pancake House	16,574	3,318
ANK Enterprises	14,695	2,643

Source: City of Grosse Pointe Woods financial reports

City of Grosse Pointe Woods, Michigan

Continuing Disclosure Metered Water Rates June 30, 2015

only change is in yellow area Meter Size	Fiscal Year 2014-2015	
	Residential	Commercial*
5/8"	\$ 44.00	\$ 9.04
3/4"	44.00	13.56
1"	61.60	22.60
1 1/2"	79.20	49.72
2"	127.60	72.32
3"	484.00	131.08
4"	616.00	180.80
6"	924.00	271.20
8"	1,276.00	n/a
10"	2,565.20	632.80
Billing Charge	2.00	2.00
Water Rate per 100 cubic feet used	2.17	2.17
Sewer Rate per 100 cubic feet used	2.35	2.35

*Commercial rate includes churches, schools, and government

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