

Charter Township of West Bloomfield

**Financial Report
with Supplemental Information
December 31, 2011**

Charter Township of West Bloomfield

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Independent Auditor's Report

To the Township Board
Charter Township of West Bloomfield

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of West Bloomfield (the "Township") as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of West Bloomfield's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of West Bloomfield as of December 31, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, retirement system schedules of funding progress, and the budgetary comparison schedules, as identified on pages 3-9, 52, and 48-50, respectively, 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.

To the Township Board
Charter Township of West Bloomfield

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of West Bloomfield's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2012 on our consideration of the Charter Township of West Bloomfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

During the year, the Township implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, as discussed in Note 15. In addition, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB No. 54.

Plante & Moran, PLLC

June 5, 2012

Charter Township of West Bloomfield

Management's Discussion and Analysis

The management's discussion and analysis of the Charter Township of West Bloomfield's (the "Township") financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2011. Please read this in conjunction with the Township's financial statements.

Using this Annual Report

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

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

Governmental Activities

The governmental activities represent all activities of the Township other than its Water and Sewer Fund (reported as business-type activities) and its fiduciary activities (funds held for the benefit of others, such as pension assets and retiree healthcare assets held for the payment of future employee benefits). The following table shows, in a condensed format, the net assets of the governmental activities as of December 31, 2011, and changes in net assets, compared to the prior two years:

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

				Current Year	
	2009	2010	2011	Change	Percent
Assets					
Capital assets	\$ 33,156,774	\$ 33,605,418	\$ 32,727,120	\$ (878,298)	(2.6)
Other assets	62,800,530	57,731,340	59,855,654	2,124,314	3.7
Total assets	95,957,304	91,336,758	92,582,774	1,246,016	1.4
Liabilities					
Long-term liabilities	22,626,318	21,768,172	20,053,061	(1,715,111)	(7.9)
Unearned revenue	26,586,649	23,039,130	30,543,350	7,504,220	32.6
Other liabilities	3,134,309	2,245,906	2,822,497	576,591	25.7
Total liabilities	52,347,276	47,053,208	53,418,908	6,365,700	13.5
Net Assets					
Invested in capital assets - Net of related debt	23,624,386	22,495,839	21,701,181	(794,658)	(3.5)
Restricted	12,404,078	13,287,099	9,732,887	(3,554,212)	(26.7)
Unrestricted	7,581,564	8,500,612	7,729,798	(770,814)	(9.1)
Total net assets	\$ 43,610,028	\$ 44,283,550	\$ 39,163,866	\$ (5,119,684)	(11.6)
Change in Net Assets					
Revenue:					
Program revenue:					
Charges for services	\$ 6,055,297	\$ 5,909,689	\$ 5,877,900	\$ (31,789)	(0.5)
Operating grants and contributions	1,016,188	466,142	828,819	362,677	77.8
Capital grants and contributions	896,929	1,309,858	130,568	(1,179,290)	(90.0)
General revenue:					
Property taxes	27,904,288	26,368,584	22,344,042	(4,024,542)	(15.3)
State-shared revenue	4,137,761	4,164,386	4,558,569	394,183	9.5
Investment earnings	288,298	349,978	370,847	20,869	6.0
Franchise fees	1,577,592	1,675,393	1,742,810	67,417	4.0
Other miscellaneous income	609,409	616,209	479,588	(136,621)	(22.2)
(Loss) gain on sale of capital assets	(10,302)	(70,973)	8,035	79,008	(111.3)
Total revenue	42,475,460	40,789,266	36,341,178	(4,448,088)	(10.9)
Program expenses:					
General government	6,174,431	5,270,664	5,570,936	300,272	5.7
District Court	1,612,057	1,604,400	1,329,310	(275,090)	(17.1)
Public safety	30,364,311	29,664,188	29,672,799	8,611	0.0
Public works	442,131	631,824	2,506,249	1,874,425	296.7
Community and economic development	1,520,297	1,446,432	1,176,187	(270,245)	(18.7)
Recreation and culture	728,734	692,399	527,203	(165,196)	(23.9)
Interest on long-term debt	880,840	797,937	707,854	(90,083)	(11.3)
Total program expenses	41,722,801	40,107,844	41,490,538	1,382,694	3.4
Excess of Revenue Over (Under) Expenses	752,659	681,422	(5,149,360)	(5,830,782)	(855.7)
Transfers	-	(7,900)	29,676	37,576	
Change in Net Assets	\$ 752,659	\$ 673,522	\$ (5,119,684)	\$ (5,793,206)	(860.1)

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The Township's governmental net assets decreased approximately \$5,120,000 from a year ago - from \$44.3 million to \$39.2 million. Of this amount, \$1.2 million had been restricted for public safety. Unrestricted net assets remain essentially unchanged (the part of net assets that can be used to finance day-to-day operations). As discussed below, this is attributable primarily to the efforts for successfully reducing costs.

The current level of unrestricted net assets for our governmental activities stands at approximately \$7.7 million, or approximately 26 percent of general revenue (excluding any extraordinary items).

As a result of the declining housing market and the subsequent reductions in taxable values, the Township property tax revenue decreased by more than \$4 million for fiscal year 2011. This is the primary reason for the overall decrease in revenue of 10.5 percent.

To address the decline of nearly 30 percent of taxable value since 2008, the Township board approved two referendum items on the November 8, 2011 ballot to renew the expiring 10-year public safety millage with a 10-year renewal (through 2021) and to seek a public safety millage increase of 2.85 mills for 11 years (through 2021). Although public safety union concessions have been achieved in 2009 and 2010, the costs for providing these critical services have continued to be greater than the tax revenue generated. Using the Township's financial projection model, a millage rate was calculated for the dedicated public safety millage increase. This model provided a financial projection through 2022. The residents supported the public safety millage renewal and increase.

Fund Balance

The total fund balance for 2011 declined by \$3.7 million. The change in fund balance for the General Fund increased by \$1.2 million; the change in fund balance for the Public Safety Fund decreased by \$4.3 million and the nonmajor funds decreased by \$600,000. In 2011, the Township board approved reviewing budgetary variance reports considering the combination of the General Fund and Public Safety Fund balances. The General Fund contributed more than \$10 million to the cost of funding public safety in 2011.

Cost Containment Efforts

The Township has reduced cost through union and non-union concessions, attrition, and improvements in operating efficiency. The Township ratified contracts with all seven unions through 2013. Changes in state legislation gave way to additional healthcare concessions in 2011. All active Township employees are now in the same healthcare plan with higher deductibles.

The elected and appointed officials, department heads, general township union employees, water and sewer union employees, and dispatch union employees shared in the sacrifice of reductions in employee compensation packages. These concessions were made through ratified board action.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The Township successfully eliminated these positions through the evaluation of critical services, combining tasks, and achieving increased efficiency as a result of significant enhancements in automation. The software program (BS&A) was implemented through modules in the human resources department, building department, finance department, and in conjunction with the supervisor's budgeting activities. The treasurer's department and assessing department have been utilizing BS&A software for several years and the department databases were integrated through a .net conversion in 2011.

Standard & Poor's Bond Rating Evaluation

A Standard & Poor's bond rating conference call was conducted in the third quarter of 2011. This call resulted in an AA+ rating. This highly coveted rating ensures that West Bloomfield will be viewed favorably by financial institutions. This high bond rating was achieved through cost-cutting measures, and by reducing the total number of employees through attrition due to efficiencies gained through restructuring, streamlining, and automation efforts since the last S&P evaluation in the first quarter of 2009.

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund. The following table shows, in a condensed format, the net assets of the business-type activities as of December 31, 2011 and changes in net assets compared to the prior two years:

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

	2009	2010	2011	Current Year	
				Change	Percent
Assets					
Capital assets	\$ 111,268,200	\$ 114,921,416	\$ 115,065,684	\$ 144,268	0.1
Other assets	20,324,645	23,436,178	25,051,658	1,615,480	6.9
Total assets	131,592,845	138,357,594	140,117,342	1,759,748	1.3
Liabilities					
Long-term liabilities	8,746,290	11,089,032	12,568,117	1,479,085	13.3
Other liabilities	3,613,089	3,639,022	3,879,122	240,100	6.6
Total liabilities	12,359,379	14,728,054	16,447,239	1,719,185	11.7
Net Assets					
Invested in capital assets - Net of related debt	102,069,998	104,007,159	102,661,734	(1,345,425)	(1.3)
Restricted	6,015,308	5,151,580	5,676,016	524,436	10.2
Unrestricted	11,148,160	14,470,801	15,332,353	861,552	6.0
Total net assets	\$ 119,233,466	\$ 123,629,540	\$ 123,670,103	\$ 40,563	0.0
Changes in Net Assets					
Charges for services	\$ 19,447,818	\$ 21,013,659	\$ 20,971,521	\$ (42,138)	(0.2)
Operating expenses exclusive of depreciation	17,150,057	17,753,503	19,030,172	1,276,669	7.2
Depreciation	2,265,875	2,366,689	2,396,222	29,533	1.2
Operating Income (Loss)	31,886	893,467	(454,873)	(1,348,340)	(150.9)
Nonoperating Expense	(400,254)	(46,718)	(57,533)	(10,815)	23.1
Capital Contributions	891,222	3,541,425	582,645	(2,958,780)	(83.5)
Transfers	-	7,900	(29,676)	(37,576)	(475.6)
Change in Net Assets	\$ 522,854	\$ 4,396,074	\$ 40,563	\$ (4,355,511)	(99.1)

Business-type net assets (the Water and Sewer Fund) increased \$40,000 from the prior year. The actual water and sewer rates are addressed in the section titled *Other Economic Factors and Future Rates*.

The Township continues to invest in needed improvements to the long-term infrastructure of the water and sewer department. This department recently completed a \$7.5 million Clean Water State Revolving Fund project in the Evergreen-Farmington district by rehabilitating 1,700 manholes, as well as cleaning, televising, grouting, and lining 22.5 miles of sanitary mains in this district. The Township was under an administrative consent order (ACO) through the Attorney General's office since 1988. The Township chose to undertake the project to alleviate our ACO in 2010, due to \$3.1 million of American Reinvestment and Recovery stimulus funds becoming available for the project. The Township will be notified after one year of metering, approximately the summer of 2013, whether the Township is fully compliant with the short-term corrective action plan to eliminate the ACO. The Attorney General's office requires that the Township be fully compliant with the ACO by 2016.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Township Funds

The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2011 include the General Fund and the Public Safety Fund.

The General Fund pays for most of the Township's governmental services. The most significant are general government and the District Court. In previous years, the activity of the police and fire departments was recorded between both the General Fund and the Public Safety Fund. In an effort to more accurately depict the activity for public safety, all activity is now recorded exclusively in the Public Safety Fund.

The General Fund is supported by state-shared revenue and general property tax revenue. The Public Safety Fund is supported by a combination of the special-voted millage for police and fire services as well as the Township's general operating millage.

General Fund Budgetary Highlights

The unexpected loss of the Township's budget/finance director of 29 years resulted in board action to replace the vacancy with a full-time finance director and a part-time budget director.

The budget director was responsible for the preparation of 67 fund budgets approved by the board or 57 additional special revenue funds. During this time, the finance director recommended and implemented account reassignments until a motion was made and approved by the board to delay additional account changes until after the budget process.

The human resources department dedicated the first three quarters of 2011 to reconcile data for a transition to the BS&A human resources module and .net migration. This transition enabled the Township to more accurately measure employee cost by department through a position budgeting feature of the HR module. The budget director utilized BS&A position budgeting for the first time to produce the 2012 budgets.

Capital Asset and Debt Administration

At the end of 2011, the Township had approximately \$150 million invested in a broad range of capital assets, including buildings, bike paths, police and fire equipment, and water and sewer lines. During the current year, the Township continued several significant projects, including the construction of safety paths and the replacement, improvement, and maintenance of the water and sewer infrastructure.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Other Economic Factors and Future Rates

The Township's 2012 fiscal year budget calls for a continued general hiring freeze, requiring board approval for new hires. The 2011 approved budget contained nine unpaid furlough days and higher medical benefit deductibles which resulted in lower insurance premiums paid by the Township. The 2012 budget eliminates furlough days; however, healthcare concessions will be greater.

Each year, water and sewer rate increases are established by the Detroit Water and Sewer Department (DWSD) and the Oakland County Water Resources Commission (OCWRC). In 2011, only a portion of the water and sewer increases was passed down to Township residents and other consumers. The water and sewer director works with the Township's accounting firm to determine what portion of the rate increase from DWSD and OCWRC will be passed on to the consumer.

The board of trustees approved a 5.97 percent increase in water and a 5.47 percent increase in sewer rates to Township customers (this represents a 5.76 percent blended rate increase for water and sewer customers). The increase in rates is attributable directly to wholesale increases from DWSD, OCWRC, and debt service payments related to the loan from the Drinking Water Revolving Fund. Improvements continue to be made to reduce water loss from the system which reduces costs to the overall operation of the system within the Township.

Grounds and Maintenance Projects and Energy Efficiency

Grounds and maintenance improvement projects were made possible by using federal stimulus funds. More specifically, the Township utilized \$571,000 of energy efficiency block grant dollars to implement high-efficiency boiler systems, electronic control systems, furnace replacements, radiant heat fixtures, fluorescent lighting systems, occupancy sensors, window tinting, caulking, and weather stripping. In 2012, the Township will be using energy efficiency rebates from the 2011 projects for retrofitting streetlights on the Township campus with high-efficiency fluorescent lighting. Significantly noticeable reductions in utility bills can be evidenced by the use of overhead radiant heater units at the water and sewer department's garage facility. The consumer power natural gas bill for the water and sewer garage facility dropped by 44.3 percent in November 2011 and by 49.2 percent in December 2011.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to demonstrate accountability for the money it receives. Feel free to direct any questions about this report to the Township supervisor, Michele Economou Ureste, at 248-451-4813.

Charter Township of West Bloomfield

Statement of Net Assets December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 32,935,396	\$ 14,103,143	\$ 47,038,539
Receivables:			
Property taxes receivable	16,080,027	-	16,080,027
Customer receivables	-	4,716,247	4,716,247
Other receivables	1,366,000	12,274	1,378,274
Due from other governmental units	956,377	178,687	1,135,064
Lease receivable	5,605,000	-	5,605,000
Special assessments receivable	882,231	-	882,231
Internal balances	(163,401)	163,401	-
Prepaid expenses and other assets	396,665	32,800	429,465
Restricted assets (Note 8)	587,971	5,647,886	6,235,857
Capital assets:			
Assets not subject to depreciation (Note 5)	2,470,297	7,616,177	10,086,474
Assets subject to depreciation (Note 5)	30,256,823	107,449,507	137,706,330
Inventory	-	183,289	183,289
Net pension asset	1,209,388	13,931	1,223,319
Total assets	92,582,774	140,117,342	232,700,116
Liabilities			
Accounts payable	880,856	3,722,224	4,603,080
Accrued liabilities and other	1,941,641	150,762	2,092,403
Deferred revenue (Note 4)	30,543,350	-	30,543,350
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 7)	157,138	10,893	168,031
Current portion of long-term debt (Note 7)	2,200,866	617,832	2,818,698
Due in more than one year:			
Compensated absences (Note 7)	1,540,662	153,274	1,693,936
Provision for claims	1,058,569	-	1,058,569
Net OPEB obligation (Note 12)	201,728	6,136	207,864
Long-term debt (Note 7)	14,894,098	11,786,118	26,680,216
Total liabilities	53,418,908	16,447,239	69,866,147
Net Assets			
Invested in capital assets - Net of related debt	21,701,181	102,661,734	124,362,915
Restricted for:			
Public safety	1,167,235	-	1,167,235
Drug enforcement	1,227,528	-	1,227,528
Drains at large	64,578	-	64,578
Special assessments	692,612	-	692,612
Safety path	4,228,949	-	4,228,949
Benevolent uses	-	13,567	13,567
Debt service and capital improvement (Note 7)	-	5,648,518	5,648,518
Cable	1,132,804	-	1,132,804
Building authority	9,793	-	9,793
Pension	1,209,388	13,931	1,223,319
Unrestricted	7,729,798	15,332,353	23,062,151
Total net assets	\$ 39,163,866	\$ 123,670,103	\$ 162,833,969

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

Charter Township of West Bloomfield

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,570,936	\$ 355,916	\$ 745,955	\$ -
District court	1,329,310	1,468,352	-	-
Public safety	29,672,799	3,583,421	78,900	130,568
Public works	2,506,249	309,646	-	-
Community and economic development	1,176,187	160,565	3,964	-
Recreation and culture	527,203	-	-	-
Interest on long-term debt	707,854	-	-	-
Total governmental activities	41,490,538	5,877,900	828,819	130,568
Water and Sewer Fund	21,687,010	20,971,521	-	582,645
Total primary government	<u>\$ 63,177,548</u>	<u>\$ 26,849,421</u>	<u>\$ 828,819</u>	<u>\$ 713,213</u>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of fixed assets				
Total general revenue				
Transfers				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2011

Net (Expense) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (4,469,065)	\$ -	\$ (4,469,065)
139,042	-	139,042
(25,879,910)	-	(25,879,910)
(2,196,603)	-	(2,196,603)
(1,011,658)	-	(1,011,658)
(527,203)	-	(527,203)
(707,854)	-	(707,854)
(34,653,251)	-	(34,653,251)
-	(132,844)	(132,844)
(34,653,251)	(132,844)	(34,786,095)
22,344,042	-	22,344,042
4,558,569	-	4,558,569
370,847	203,083	573,930
1,742,810	-	1,742,810
479,588	-	479,588
8,035	-	8,035
29,503,891	203,083	29,706,974
29,676	(29,676)	-
(5,119,684)	40,563	(5,079,121)
44,283,550	123,629,540	167,913,090
\$ 39,163,866	\$ 123,670,103	\$ 162,833,969

Charter Township of West Bloomfield

Governmental Funds Balance Sheet December 31, 2011

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Assets				
Cash and investments (Note 3)	\$ 12,330,462	\$ 10,759,533	\$ 9,845,401	\$ 32,935,396
Receivables:				
Property taxes receivable	5,498,199	9,982,398	599,430	16,080,027
Special assessments receivable	-	-	882,231	882,231
Other receivables	852,565	252,011	225,200	1,329,776
Due from other governmental units	854,036	17,522	84,819	956,377
Due from other funds (Note 6)	630,116	-	-	630,116
Prepaid expenses and other assets	175,572	219,740	1,353	396,665
Restricted assets	-	-	464,025	464,025
	<u>\$20,340,950</u>	<u>\$21,231,204</u>	<u>\$12,102,459</u>	<u>\$53,674,613</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 145,517	\$ 342,207	\$ 393,132	\$ 880,856
Due to other funds	-	448,179	145,338	593,517
Advances from other funds	200,000	-	-	200,000
Accrued liabilities and other	487,988	1,269,610	19,275	1,776,873
Deferred revenue	11,421,719	18,951,468	2,004,500	32,377,687
	<u>12,255,224</u>	<u>21,011,464</u>	<u>2,562,245</u>	<u>35,828,933</u>
Fund Balances				
Nonspendable - Prepays	175,572	219,740	1,353	396,665
Restricted:				
Public safety	-	-	947,495	947,495
Debt service	-	-	384,774	384,774
Capital projects	-	-	31,246	31,246
PEG channel	-	-	1,132,451	1,132,451
Safety path	-	-	4,692,974	4,692,974
Drug enforcement	-	-	1,226,528	1,226,528
Special assessment	-	-	2,031	2,031
Assigned - Capital projects	-	-	1,121,362	1,121,362
Unassigned	7,910,154	-	-	7,910,154
	<u>8,085,726</u>	<u>219,740</u>	<u>9,540,214</u>	<u>17,845,680</u>
Total liabilities and fund balances	<u>\$20,340,950</u>	<u>\$21,231,204</u>	<u>\$12,102,459</u>	<u>\$53,674,613</u>

Charter Township of West Bloomfield

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets December 31, 2011

Fund Balance Reported in Governmental Funds	\$ 17,845,680
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	32,727,120
Assets held by other governments are not financial resources and are not reported in the funds	124,770
Leases receivable are expected to be collected over several years and are not available to pay for current year expenditures	5,605,000
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	797,802
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	1,036,535
The net pension assets are not a financial resource and are recorded only at the government-wide level	1,209,388
The other postemployment benefit liability is not due and payable in the current period and is not reported in the funds	(201,728)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(17,094,964)
Accrued interest is not due and payable in the current period and is not reported in the funds	(129,368)
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	(1,697,800)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	<u>(1,058,569)</u>
Net Assets of Governmental Activities	<u>\$ 39,163,866</u>

Charter Township of West Bloomfield

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2011

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Revenue				
Property taxes	\$ 10,999,741	\$ 10,406,537	\$ 937,764	\$ 22,344,042
Licenses and permits	1,343,436	33,007	-	1,376,443
Federal grants	44,800	35,765	764,023	844,588
State-shared revenue and grants	4,577,751	-	130,568	4,708,319
Charges for services	490,160	2,273,433	-	2,763,593
Fines and forfeitures	1,786,040	8,735	-	1,794,775
Investment income	156,072	120,129	94,646	370,847
Rental income	280,111	-	-	280,111
Other revenue	1,331,639	130,502	2,296,861	3,759,002
Total revenue	21,009,750	13,008,108	4,223,862	38,241,720
Expenditures				
Current:				
General government	4,314,459	-	-	4,314,459
District court	1,327,340	-	-	1,327,340
Public safety	1,091,624	25,160,070	307,397	26,559,091
Public works	199,010	-	1,945,851	2,144,861
Health and welfare	697,344	2,443,002	-	3,140,346
Community and economic development	1,007,825	-	-	1,007,825
Recreation and culture	-	-	685,297	685,297
Debt service	-	255,425	2,631,863	2,887,288
Total expenditures	8,637,602	27,858,497	5,570,408	42,066,507
Excess of Revenue Over (Under) Expenditures	12,372,148	(14,850,389)	(1,346,546)	(3,824,787)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	36,705	8,961	45,666
Transfers in	137,133	10,993,973	884,270	12,015,376
Transfers out	(11,303,037)	(487,500)	(195,163)	(11,985,700)
Total other financing (uses) sources	(11,165,904)	10,543,178	698,068	75,342
Net Change in Fund Balances	1,206,244	(4,307,211)	(648,478)	(3,749,445)
Fund Balances - Beginning of year	6,879,482	4,526,951	10,188,692	21,595,125
Fund Balances - End of year	\$ 8,085,726	\$ 219,740	\$ 9,540,214	\$ 17,845,680

Charter Township of West Bloomfield

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ (3,749,445)
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/loss on disposal	1,047,753
Depreciation expense	(2,040,256)
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	(366,059)
Special assessment revenue is recorded in the statement of activities when the assessment is set; it is not reported in the funds until collected or collectible within 45 days of year end	(414,192)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	2,160,578
Change in accrued interest payable and other	15,460
Employee sick and vacation pay is recorded in the statement of activities when earned, rather than when used	(1,525)
Collection of building authority lease receivable is considered a revenue of the governmental funds, but not at the government-wide level	(1,195,000)
Change in general liability claims	(242,214)
Change in net pension and other postemployment benefit assets/liabilities	(334,784)
Change in Net Assets of Governmental Activities	<u>\$ (5,119,684)</u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Net Assets December 31, 2011

	Enterprise Fund - Water and Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 14,103,143
Receivables	4,907,208
Prepaid expenses and other assets	32,800
Total current assets	19,043,151
Noncurrent assets:	
Restricted assets (Note 8)	5,647,886
Advances to other funds	200,000
Capital assets	115,065,684
Inventory	183,289
Net pension asset	13,931
Total noncurrent assets	121,110,790
Total assets	140,153,941
Liabilities	
Current liabilities:	
Accounts payable	3,722,224
Due to other funds	36,599
Accrued liabilities and other	150,762
Compensated absences (Note 7)	10,893
Net OPEB obligation	6,136
Current portion of long-term debt	617,832
Total current liabilities	4,544,446
Noncurrent liabilities:	
Compensated absences (Note 7)	153,274
Long-term debt (Note 7)	11,786,118
Total noncurrent liabilities	11,939,392
Total liabilities	16,483,838
Net Assets	
Invested in capital assets - Net of related debt	102,661,734
Restricted - Debt service and capital improvements (Note 8)	5,647,886
Restricted - Benevolent uses	13,567
Unrestricted	15,346,916
Total net assets	<u>\$ 123,670,103</u>

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

Charter Township of West Bloomfield

Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2011

	Enterprise Fund - Water and Sewer Fund
Operating Revenue	
Sale of water	\$ 11,273,810
Sewage disposal charges	9,131,860
Interest and penalty charges	461,920
Installation fees	45,174
Other charges for services	58,757
Total operating revenue	20,971,521
Operating Expenses	
Cost of water	7,933,992
Cost of sewage treatment	5,829,984
Distribution and collection	4,061,689
Billing and administrative costs	466,867
Municipal service charges	737,640
Depreciation	2,396,222
Total operating expenses	21,426,394
Operating Loss	(454,873)
Nonoperating Revenue (Expenses)	
Investment income	203,083
Interest expense	(248,342)
Other nonoperating expenses	(12,274)
Total nonoperating expenses	(57,533)
Loss - Before contributions	(512,406)
Capital Contributions	
Capital grants	2,654
Special assessments	350,470
Donated by developers	229,521
Total capital contributions	582,645
Transfers In	9,064
Transfers Out	(38,740)
Change in Net Assets	40,563
Net Assets - Beginning of year	123,629,540
Net Assets - End of year	<u>\$ 123,670,103</u>

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

Charter Township of West Bloomfield

Proprietary Fund Statement of Cash Flows Year Ended December 31, 2011

	Enterprise Fund - Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 20,962,029
Receipts from interfund services and reimbursements	289,205
Payments to suppliers	(16,433,578)
Payments to employees	(2,366,411)
Other receipts	(63,605)
	<hr/>
Net cash provided by operating activities	2,387,640
Cash Flows from Noncapital Financing Activities	
Transfers from other funds	6,923
Loans made to other funds	(200,000)
	<hr/>
Net cash used in noncapital financing activities	(193,077)
Cash Flows from Capital and Related Financing Activities	
Receipt of capital grants	2,654
Special assessment collections	350,470
Benefit fees	47,382
Proceeds from sales of capital assets	59,027
Purchase of capital assets	(2,382,270)
Principal and interest paid on capital debt	(824,416)
Proceeds from debt	2,068,188
	<hr/>
Net cash used in capital and related financing activities	(678,965)
Cash Flows from Investing Activities - Interest received on investments	<hr/> 204,988
Net Increase in Cash and Cash Equivalents	1,720,586
Cash and Cash Equivalents - Beginning of year	<hr/> 17,549,138
Cash and Cash Equivalents - End of year	<hr/>\$ 19,269,724
Balance Sheet Classification of Cash and Cash Equivalents	
Cash and investments	\$ 14,103,143
Restricted cash	5,166,581
	<hr/>
Total cash and cash equivalents	<hr/>\$ 19,269,724

Charter Township of West Bloomfield

Proprietary Fund Statement of Cash Flows (Continued) Year Ended December 31, 2011

	Enterprise Fund - Water and Sewer Fund
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (454,873)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	2,396,222
Changes in assets and liabilities:	
Receivables	(73,097)
Due from others	289,205
Inventories	(20,484)
Prepaid and other assets	17,928
Accounts payable	205,732
Accrued and other liabilities	27,007
	<u>2,387,640</u>
Net cash provided by operating activities	<u>\$ 2,387,640</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2011, the Water and Sewer Fund received \$229,521 of meters and water and sewer lines donated by developers.

Charter Township of West Bloomfield

Fiduciary Funds Statement of Fiduciary Net Assets December 31, 2011

	Pension and Other Employee Benefits Trust Fund	<u>Agency Funds</u>
Assets		
Cash and investments:		
Cash equivalents	\$ 1,571,024	\$ 6,730,845
Fixed income	29,823,762	-
Mutual funds	59,514,690	-
Real estate	3,583,420	-
Other investments	14,764,454	-
Receivables	14,310	-
Prepaid expenses and other assets	121,739	-
	<hr/>	<hr/>
Total assets	109,393,399	<u><u>\$ 6,730,845</u></u>
Liabilities		
Accounts payable	113,018	\$ -
Due to other governmental units	-	5,380,987
Due to primary government	20,682	-
Refundable deposits, bonds, etc.	-	1,297,102
Accrued liabilities and other	117,800	52,756
	<hr/>	<hr/>
Total liabilities	251,500	<u><u>\$ 6,730,845</u></u>
Net Assets Held in Trust for Pension and Other Employee Benefits		<u><u>\$ 109,141,899</u></u>

Charter Township of West Bloomfield

Fiduciary Funds Statement of Changes in Fiduciary Net Assets - Pension and Other Postretirement Healthcare Funds Year Ended December 31, 2011

	Pension and Other Employee Benefits Trust Fund
Additions	
Investment income (loss):	
Interest and dividends	\$ 2,829,828
Net decrease in fair value of investments	(1,298,816)
Investment-related expenses	(435,886)
Contributions:	
Employer	8,396,243
Employee	415,283
Total contributions	<u>8,811,526</u>
Total additions	9,906,652
Deductions	
Benefit payments	6,149,980
Administrative expenses	128,786
Total deductions	<u>6,278,766</u>
Net Increase in Net Assets Held in Trust	3,627,886
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>105,514,013</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 109,141,899</u></u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note I - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of West Bloomfield (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of West Bloomfield:

Reporting Entity

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

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

Jointly Governed Organization - The Township is a participant with Bloomfield Township, the City of Birmingham, and the City of Bloomfield Hills in the operations of the 48th District Court. The Township advances its allocated share of District Court expenditures and receives a share of the District Court revenue based on relative case load levels. The Township's share of District Court expenditures totaled \$1,327,340 for the year ended December 31, 2011, and its share of revenue totaled \$1,715,672. The Township is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete audited financial statements for the District Court can be obtained from the District Court's administrative offices at 4280 Telegraph Road in Bloomfield Township.

Government-wide and Fund Financial Statements

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note I - Summary of Significant Accounting Policies (Continued)

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 who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if it is collected within 45 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township reports the following major governmental funds:

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note I - Summary of Significant Accounting Policies (Continued)

Public Safety Fund - The Public Safety Fund accounts for police and fire activities, including the special millage.

The Township reports the following major proprietary fund:

Water and Sewer Fund - The Township reports a single enterprise fund, the Water and Sewer Fund. This fund accounts for the purchase of water from Detroit and its distribution to Township water users; it also accounts for the collection of sanitary sewage and its transportation to the Detroit treatment plant.

Additionally, the Township reports the following fund types:

Pension and Other Employee Benefits Trust Fund - The Pension and Other Employee Benefits Trust Fund accounts for the activities of the employees' retirement system, which accumulates resources for pension benefit payments to qualified police, fire, and general office employees and the Postretirement Health Care Plan, which accumulates resources to fund the Township's obligation to provide healthcare benefits to retirees.

Agency Funds - The agency funds account for assets held by the Township in a trustee capacity. This includes primarily tax collections on behalf of the other governmental taxing units (county, schools, etc.), developer bonds and deposits, and amounts held for the Parks and Recreation Commission. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

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

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

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

The Township's 2011 tax is levied and collectible on December 1, 2010 and is recognized as revenue in the year ended December 31, 2011, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2010 taxable valuation of the Township totaled \$3.4 billion, on which taxes levied consisted of 3.3056 mills for operating purposes, 3.1378 mills for police and fire services, 0.0840 mills for drains, and .1982 mills for the safety path. This resulted in \$11.0 million for operating, \$10.4 million for police and fire services, \$281,000 for drains, and \$657,000 for the safety path. These amounts are recognized in the respective General Fund and Special Revenue Fund financial statements as tax revenue.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note I - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Bank Deposits 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. Investment income from pooled investments is generally allocated to each fund using a weighted average method.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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

Restricted Assets - Customer assessments (connection fees, transmission, and capital charges) collected by the Water and Sewer Fund have been restricted for future debt service payments and capital costs, in accordance with Township ordinance. In addition, assets held at Oakland County are legally restricted for payment of debt and additional capital projects.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$4,000 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:

Water and sewer distribution systems	25 to 75 years
Buildings and building improvements	40 to 50 years
Land improvements	20 to 25 years
Bike path	20 to 25 years
Vehicles	3 to 5 years
Office furnishings	20 to 25 years
Other tools and equipment	5 to 7 years

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability is calculated for a portion of the unused sick and vacation balances, not to exceed specific policy limits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

Fund Equity - In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned. The Township implemented GASB Statement No. 54 during the year.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

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

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the Township board of trustees for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- **Assigned:** Intention to spend resources on specific purposes expressed by the Township board through its budgeting process, or other actions
- **Unassigned:** Amounts remaining after all funds have been allocated to the appropriate fund balance components noted above

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

Construction Code Fees - The Township 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 Township 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, 2011 is as follows:

Cumulative shortfall at January 1, 2011		\$	(3,952,080)
Current year permit revenue			1,341,981
Related expenses:			
Direct costs	\$	820,338	
Estimated indirect costs		606,127	1,426,465
			<u> </u>
Current year shortfall			<u>(84,484)</u>
Cumulative shortfall at December 31, 2011		\$	<u><u>(4,036,564)</u></u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

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 Pension Trust Fund and Retiree Health Care Fund 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, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs. The Township's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$253,903 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

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 Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The Township will minimize the risk that the market value of securities in the portfolio will fall due to the changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools
- Ensuring that no more than 10 percent of the portfolio may be invested beyond 12 months, except for monies in debt retirement not needed for current debt payments, and the weighted average maturity of the portfolio shall never exceed one year. Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures, as well as considering sizeable blocks of anticipated revenue.

At year end, the Township had \$650,751 invested in U.S. governmental or agency bonds or notes with a weighted average maturity of approximately 281 days.

Weighted averages of pension and retiree healthcare investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Pension - Investment pools	\$ 20,927,344	7.39 years
RHC - Investment pools	8,896,418	5.98 years
Township - Investment pools	38,914,986	407 days

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

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 Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Investment pools	\$ 49,526,619	NR	NR
U.S. agency obligations	132,597	AAA	Moody's
	207,393	AA+	S&P
	310,401	NR	NR
Municipal bonds	89,245	AA+	S&P
	205,244	AA-	S&P
	25,200	A	S&P
	206,934	A-	S&P
	556,099	AA	S&P
Pension - Investment pools	1,406,116	A1	Moody's
	11,927,062	A-B	S&P
	625,481	A-2/P-2	Moody's
Pension - Corporate bond pools	5,104,644	AAA-BBB	S&P
	3,270,156	AaaBaa3	Moody's
Retiree health care - Investment pools	2,913,406	NR	NR
	1,499,432	AAAm	S&P
	77,935	A1/PI/FI	Moody's
Retiree health care - Corporate bonds	2,822,687	AAA-/BBB	S&P
	3,160,324	A1/PI/FI	Moody's

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issuer. Approximately \$38,900,000 of the Township's investments are in Oakland County, Michigan's Local Government Investment Pool. These investments are 75.92 percent of the Township's total investments. The Township treasurer monitors the holdings of the pool regularly to ensure compliance with the township investment policy (which in addition to PA 20 of 1943, requires no more than 10 percent of the non-debt portfolio to be invested beyond one year; the weighted average maturity to be one year or less; no more than 10 percent of the portfolio in a single issuer (other than U.S. Treasury); no more than 20 percent in commercial paper, bankers' acceptances, CDARS, or non-U.S. Treasury debt obligations; and no more than 50 percent of total investments to be specified instruments at any one time).

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 4 - Receivables and Deferred Revenue

Receivables as of year end for the Township's individual major funds and the nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Receivables:				
Property taxes receivable	\$ 5,498,199	\$ 9,982,398	\$ 599,430	\$ 16,080,027
Special assessments receivable	-	-	882,231	882,231
Other receivables	852,565	252,011	225,200	1,329,776
Due from other governmental units	854,036	17,522	84,819	956,377
Net receivables	<u>\$ 7,204,800</u>	<u>\$ 10,251,931</u>	<u>\$ 1,791,680</u>	<u>\$ 19,248,411</u>

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

	Governmental Funds	
	Unavailable	Unearned
Property taxes levied for 2012 budget	\$ -	\$ 30,413,203
District court	164,816	-
Cell phone tower lease	-	56,182
Ambulance transport fees	88,562	-
State-shared revenue	783,157	-
Special assessments	797,802	38,879
Grants	-	35,086
Total	<u>\$ 1,834,337</u>	<u>\$ 30,543,350</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 5 - Capital Assets

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

	Balance January 1, 2011	Reclassifications	Additions	Disposals	Balance December 31, 2011
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,945,329	\$ -	\$ -	\$ -	\$ 1,945,329
Construction in progress	1,110,535	(627,165)	41,598	-	524,968
Subtotal	3,055,864	(627,165)	41,598	-	2,470,297
Capital assets being depreciated:					
Bike paths	16,073,665	569,089	177,094	-	16,819,848
Investment in county roads and drains	6,885,005	58,076	784,289	1,086,017	6,641,353
Buildings and improvements	13,816,758	-	860,576	372,082	14,305,252
Machinery and equipment	13,770,297	-	514,955	297,828	13,987,424
Land improvements	2,820,783	-	-	-	2,820,783
Subtotal	53,366,508	627,165	2,336,914	1,755,927	54,574,660
Accumulated depreciation:					
Bike paths	7,998,251	-	454,186	-	8,452,437
Investment in county roads and drains	529,918	-	254,637	105,425	679,130
Buildings and improvements	4,667,395	-	271,242	169,496	4,769,141
Machinery and equipment	8,332,112	-	958,031	264,452	9,025,691
Land improvements	1,289,278	-	102,160	-	1,391,438
Subtotal	22,816,954	-	2,040,256	539,373	24,317,837
Net capital assets being depreciated	30,549,554	627,165	296,658	1,216,554	30,256,823
Net capital assets	\$ 33,605,418	\$ -	\$ 338,256	\$ 1,216,554	\$ 32,727,120

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Reclassifications	Additions	Disposals	Balance
	January 1, 2011				December 31, 2011
Capital assets not being depreciated:					
Land	\$ 624,406	\$ -	\$ -	\$ -	\$ 624,406
Construction in progress	6,047,216	(1,015,580)	1,960,135	-	6,991,771
Subtotal	6,671,622	(1,015,580)	1,960,135	-	7,616,177
Capital assets being depreciated:					
Water and sewer distribution systems	150,420,834	1,015,580	433,163	64,478	151,805,099
Buildings and improvements	1,669,569	-	46,917	-	1,716,486
Other tools and equipment	2,846,436	-	128,063	127,332	2,847,167
Other improvements	140,289	-	-	-	140,289
Subtotal	155,077,128	1,015,580	608,143	191,810	156,509,041
Accumulated depreciation:					
Water and sewer distribution systems	44,123,795	-	2,217,873	37,333	46,304,335
Buildings and improvements	846,046	-	42,063	-	888,109
Other tools and equipment	1,765,371	-	131,611	126,689	1,770,293
Other improvements	92,122	-	4,675	-	96,797
Subtotal	46,827,334	-	2,396,222	164,022	49,059,534
Net capital assets being depreciated	108,249,794	1,015,580	(1,788,079)	27,788	107,449,507
Net capital assets	\$ 114,921,416	\$ -	\$ 172,056	\$ 27,788	\$ 115,065,684

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

Governmental activities:

General government	\$ 423,129
Public safety	977,349
Public works	579,929
Community and economic development	1,882
Recreation and culture	57,967
Total governmental activities	<u>\$ 2,040,256</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Public Safety Fund	\$ 448,179
	Water and Sewer Fund	36,599
	Nonmajor governmental funds	145,338
	Total General Fund	<u>\$ 630,116</u>

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
General Fund	Enterprise Fund - Water and Sewer Fund	<u>\$ 200,000</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.

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Public Safety Fund (1)	\$ 10,993,973
	Other nonmajor governmental funds (2)	300,000
	Water and Sewer Fund (2)	9,064
	Total General Fund	11,303,037
Other nonmajor governmental funds	General Fund (3)	137,133
	Other nonmajor governmental funds (3)	58,030
	Total other nonmajor governmental funds	195,163
Public Safety Fund	Other nonmajor governmental funds (1)	487,500
Water and Sewer Fund	Other nonmajor governmental funds (4)	38,740
	Total	<u>\$ 12,024,440</u>

- (1) Transfer to subsidize public safety expenditures
- (2) Transfers were for capital improvements and operating expenditures.
- (3) Transfers were for capital improvements, reimbursed expenditures, and drug forfeiture monies.
- (4) Transfers were for debt service.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 7 - Long-term Debt

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

Description	Amount
Governmental Activities:	
<u>General Obligations:</u>	
2010 Building Authority Refunding Bond for library improvements, with interest of 1.2%, maturing in 2012	\$ 810,000
2008 Bike Path Improvement Bonds, with interest ranging from 3.25% to 4.0%, maturing in 2020	6,700,000
2008 Building Authority Bond for parks and recreation capital improvements with interest ranging from 3.5% to 5.0%, maturing in 2021	4,795,000
Subtotal	12,305,000
<u>Special Assessment Bonds:</u>	
2001 Special Assessment bonds for SAD # 129, with interest of 5.1%, maturing in 2015	180,000
2008 Special Assessment Bonds for SAD # 139 with interest ranging from 5.0% to 5.75%, maturing in 2017	415,000
Subtotal	595,000
<u>Jacobs Drain Bonds</u>	
2005 Jacobs Drain Bonds, series 2005A - General obligation limited tax bonds, with interest ranging from 3.75% to 4.40%, maturing in 2025	1,747,711
<u>Tenhill and Walbrook Drain Bonds</u>	
2006 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 3.65% to 4.5%, maturing in 2026	504,540
2008 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 6.0% to 7.0%, maturing in 2028	486,898
Subtotal	991,438
<u>Donahue Drain Bonds</u>	
2010 Donahue Drain Drainage District Bonds, with interest ranging from 2.0% to 4.4%, maturing in 2030	803,520
<u>Installment Purchase Agreements</u>	
2008 Master Lease Purchase Agreement, with interest ranging from 4.53% to 5.46%, maturing in 2015	652,295
Total governmental activity debt	<u>\$ 17,094,964</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 7 - Long-term Debt (Continued)

Description	Amount
Business-type Activities:	
<u>General Obligations:</u>	
2007 Segment I Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.125%	\$ 721,670
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7218-I	7,014,958
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7254-I	673,224
2010 Water Supply Sewage Disposal State Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 5409-I	3,427,911
Subtotal	<u>11,837,763</u>
<u>County Contractual Obligations:</u>	
Oakland-Macomb Interceptor Drain Bonds 2010A, State Revolving Fund, interest at 2.5% - Project #5358-01, maturing in 2031	446,417
Oakland-Macomb Interceptor Drain Bonds 2010B, Economic Development Bonds, interest ranging from 1.45% to 5.90%, maturing in 2030	119,770
Subtotal	<u>566,187</u>
Total business-type activity debt	<u>\$ 12,403,950</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Building Authority bonds	\$ 6,800,000	\$ -	\$ 1,195,000	\$ 5,605,000	\$ 1,190,000
Bike paths	7,175,000	-	475,000	6,700,000	500,000
Special Assessment bonds	705,000	-	110,000	595,000	115,000
Drain District bonds	3,714,117	-	171,448	3,542,669	175,912
Installment purchase agreement	861,425	-	209,130	652,295	219,954
Total governmental activities	<u>19,255,542</u>	<u>-</u>	<u>2,160,578</u>	<u>17,094,964</u>	<u>2,200,866</u>
Accumulated compensated absences	1,696,275	64,434	62,909	1,697,800	157,138
Estimated self-insurance claims	816,355	999,004	756,790	1,058,569	-
Total governmental activities	<u>\$ 21,768,172</u>	<u>\$ 1,063,438</u>	<u>\$ 2,980,277</u>	<u>\$ 19,851,333</u>	<u>\$ 2,358,004</u>
Business-type Activities					
State of Michigan Drinking Water Revolving Fund Loan	\$ 8,804,852	\$ -	\$ 395,000	\$ 8,409,852	\$ 410,000
State of Michigan State Revolving Fund Loan	1,887,009	1,720,902	180,000	3,427,911	185,000
County contractual obligations	222,397	347,286	3,496	566,187	22,832
Total bonds payable	<u>10,914,258</u>	<u>2,068,188</u>	<u>578,496</u>	<u>12,403,950</u>	<u>617,832</u>
Accumulated compensated absences	174,775	-	10,608	164,167	10,893
Total business-type activities	<u>\$ 11,089,033</u>	<u>\$ 2,068,188</u>	<u>\$ 589,104</u>	<u>\$ 12,568,117</u>	<u>\$ 628,725</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 7 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$974,700. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 2,200,866	\$ 667,542	\$ 2,868,408	\$ 617,832	\$ 306,080	\$ 923,912
2013	1,370,817	608,388	1,979,205	638,457	285,544	924,001
2014	1,456,941	554,036	2,010,977	654,101	269,607	923,708
2015	1,539,960	494,482	2,034,442	659,745	253,313	913,058
2016	1,445,961	429,320	1,875,281	680,481	236,783	917,264
2017-2021	7,576,268	1,145,516	8,721,784	3,678,813	917,997	4,596,810
2022-2026	1,203,330	208,267	1,411,597	4,166,442	431,087	4,597,529
2027-2031	300,821	25,275	326,096	1,308,079	34,822	1,342,901
Total	<u>\$ 17,094,964</u>	<u>\$ 4,132,826</u>	<u>\$ 21,227,790</u>	<u>\$ 12,403,950</u>	<u>\$ 2,735,233</u>	<u>\$ 15,139,183</u>

Note 8 - Restricted Assets

The Township's water and sewer ordinances require the proceeds from certain revenues to be segregated and used for specific purposes. Restricted assets are composed of the following:

	Business-type Activities
Cash and investments	\$ 5,166,581
Customer assessments receivable	443,809
Due from other governmental units	21,208
Assets held by Oakland County	16,288
Total restricted assets	<u>\$ 5,647,886</u>

These assets are restricted for the following purposes:

	Business-type Activities
Bond interest and redemption for capital improvements	\$ 5,631,598
Assets held at Oakland County	16,288
Total restricted assets	<u>\$ 5,647,886</u>

In addition, Oakland County, Michigan is holding \$141,058 on behalf of the Township to be used for drain improvements. The Township also has approximately \$464,000 remaining from the 2008 Bike Path Improvement Bond.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 9 - Risk Management

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

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

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Township.

The Township estimates the liability for general claims 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. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2011</u>	<u>2010</u>
Unpaid claims - Beginning of year	\$ 816,355	\$ 381,343
Incurred claims, including claims incurred but not reported, and changes in estimates	999,004	1,068,759
Claim payments	<u>(756,790)</u>	<u>(633,747)</u>
Unpaid claims - End of year	<u>\$ 1,058,569</u>	<u>\$ 816,355</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 10 - Defined Benefit Pension Plan

Plan Description - The Township contributes to a single-employer defined benefit pension plan that covers police, fire, the general office, water and sewer, and parks and recreation department employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan was closed to new employees, except for police and fire, hired after October 2003. At December 31, 2010, the date of the most recent actuarial valuation, membership consisted of 213 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 250 current active employees.

Contributions - Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Please refer to Note 1 for further significant accounting policies.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's collective bargaining units and requires a contribution from police and fire employees of 2 percent to 5 percent, from dispatch employees of 5 percent to 6 percent, and from all other employees of 1 percent. The funding policy provides for periodic employer contributions at actuarially determined rates.

Annual Pension Cost and Net Pension Asset

Annual required contribution	\$ 4,956,805
Interest on net pension obligation (asset)	(92,873)
Adjustment to annual required contribution	<u>107,865</u>
Annual pension cost (APC)	4,971,797
Contributions made	<u>4,956,805</u>
Decrease in net pension asset	(14,992)
Net pension asset - Beginning of year	<u>1,238,311</u>
Net pension asset - End of year	<u>\$ 1,223,319</u>

Annual Pension Cost - For the year ended December 31, 2011, the Township's annual pension cost of \$4,971,797 for the plan was equal to 100 percent of the Township's required and actual contribution.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 10 - Defined Benefit Pension Plan (Continued)

Funding Status and Funding Progress - As of December 31, 2010, the most recent actuarial valuation date, the plan was 73.8 percent funded. The actuarial accrued liability for benefits was \$113,525,700 and the actuarial value of assets was \$83,744,184, resulting in an unfunded actuarial accrued liability of \$29,781,516. The covered payroll (annual payroll for active employees covered by the plan) was \$17,791,586 and the ratio for the unfunded actuarial accrued liability to the covered payroll was 167.4 percent.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at December 31, 2009, using the individual entry age actuarial cost method. Significant actuarial assumptions used include (a) a 7.5 percent investment rate of return, (b) projected salary increases of 4.0 percent to 7.5 percent per year, and (c) 3 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 20 years.

Note 11 - Defined Contribution Pension Plan

The Township provides additional pension benefits to most employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Township board resolution and collective bargaining, for general office, general office supervisory, water and sewer employees, department heads, deputies, and elected officials hired after October 10, 2003, the Township contributes 8 percent to 12 percent of employees' gross earnings for those employees not eligible for the defined benefit plan, and 0 percent for those employees (all union and nonunion) hired prior to October 10, 2003 covered under the defined benefit plan. Employees contribute up to 10 percent of their gross earnings to the plan. In accordance with these provisions, the Township contributed \$857,119 and employees contributed \$189,093 for the year ended December 31, 2011.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 12 - Other Postemployment Benefits

Plan Description - The Township provides retiree healthcare benefits to full-time employees upon retirement, in accordance with labor contracts. As of April 2010, the plan has been closed to general office new hires. The Township includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. Currently, 95 retirees are eligible for postemployment health benefits. The benefits are paid annually from the Postretirement Health Care Fund. The funding policy provides for periodic discretionary employer contributions to the Postretirement Health Care Fund. The Township obtains healthcare coverage through private insurers. This is a single employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Funding Policy - Retiree healthcare costs are recognized when paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment; however, the Township has been making pre-funding contributions since 2000. In the current year, the Township contributed \$3,534,929 into the prefunded Postretirement Health Care Fund, which is reported in these financial statements as a pension and other employee benefit trust fund type. The fund paid postemployment healthcare premiums of \$1,805,807.

Funding Progress - For the year ended December 31, 2011, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2009. 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)	\$ 3,837,852
Interest on the prior year's net OPEB obligation (asset)	(7,810)
Less adjustment to the annual required contribution	<u>6,780</u>
Annual OPEB cost	3,836,822
Amounts contributed:	
Advance funding	(3,534,929)
Other adjustments	<u>10,103</u>
Decrease in net OPEB obligation	(311,996)
OPEB asset - Beginning of year	<u>104,132</u>
OPEB asset (obligation) - End of year	<u>\$ (207,864)</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 12 - Other Postemployment Benefits (Continued)

Employer contributions and annual OPEB cost data for the current and two preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage of ARC Contributed	Net OPEB Asset
12/31/09	12/31/07	\$ 3,390,407	100.1 %	\$ 87,990
12/31/10	12/31/07	3,542,974	100.0 %	104,132
12/31/11	12/31/09	3,837,852	92.1 %	(207,866)

* The required contribution is expressed to the Township as a percentage of payroll.

The funding progress of the plan 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
12/31/07	\$ 18,224,229	\$ 49,743,527	\$ 31,519,298	36.6	\$ 20,734,660	152.0
12/31/09	22,200,060	54,464,291	32,264,231	40.8	18,040,464	178.8

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

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 12 - Other Postemployment Benefits (Continued)

In the December 31, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 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 9 percent initially for medical and prescription drugs for 2011, reduced by decrements to an ultimate rate of 4 percent after 10 years. The UAAL is being amortized as a level percentage of projected payroll over 24 years.

Note 13 - 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	Postretirement Health Care Fund	Total
Statement of Net Assets			
Cash and investments	\$ 80,256,671	\$ 29,014,989	\$ 109,271,660
Other assets	8,444	113,295	121,739
Liabilities	(68,468)	(183,032)	(251,500)
Net assets	<u>\$ 80,196,647</u>	<u>\$ 28,945,252</u>	<u>\$ 109,141,899</u>
Statement of Changes in Net Assets			
Investment income	\$ 886,224	\$ 208,902	\$ 1,095,126
Contributions	5,276,597	3,534,929	8,811,526
Benefit payments	(4,310,014)	(1,839,966)	(6,149,980)
Other deductions	(87,310)	(41,476)	(128,786)
Net change in net assets	<u>\$ 1,765,497</u>	<u>\$ 1,862,389</u>	<u>\$ 3,627,886</u>

Note 14 - Upcoming Accounting Pronouncements

In December 2010, the GASB issue Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB statements and interpretations, APB opinions, and accounting research bulletins of the AICPA Committee on Accounting Procedure. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2012 fiscal year.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2011

Note 14 - Upcoming Accounting Pronouncements (Continued)

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement will be effective for the Township's 2012 calendar year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level.

Note 15 - Accounting and Reporting Change

During the year, the Township adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. In order to conform the classifications of the funds to the appropriate fund types under these new definitions, beginning fund balance was restated as follows:

	Special Assessment Districts (Debt Service Funds)	Special Assessment District (Capital Projects Funds)
Fund balance - December 31, 2010 - As previously reported	\$ 400	\$ 498,422
Reclassifications under GASB No. 54	<u>363,500</u>	<u>(363,500)</u>
Fund balance - December 31, 2010 - As restated	<u>\$ 363,900</u>	<u>\$ 134,922</u>

Required Supplemental Information

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 11,340,000	\$ 11,216,259	\$ 10,999,741	\$ (216,518)
Licenses and permits	1,252,000	1,185,833	1,343,436	157,603
Federal grants	20,000	21,104	44,800	23,696
State-shared revenue and grants	4,145,000	4,315,604	4,577,751	262,147
Charges for services:				
Charges to other funds	833,000	95,500	54,917	(40,583)
Charges for services to external parties	412,500	412,575	435,243	22,668
Fines and forfeitures - District Court fines and fees	1,735,800	1,785,209	1,786,040	831
Investment income	120,000	142,089	156,072	13,983
Rental income	270,600	270,600	280,111	9,511
Other revenue:				
Cable franchise fees	1,100,000	1,100,000	1,174,289	74,289
Other miscellaneous income	82,400	103,896	157,350	53,454
Total revenue	21,311,300	20,648,669	21,009,750	361,081
Expenditures - Current:				
General government:				
Township board	55,990	47,767	33,701	14,066
Supervisor	243,851	312,398	284,119	28,279
Finance	615,735	497,209	434,629	62,580
Information technology	783,680	633,232	508,643	124,589
Treasurer	695,558	554,120	538,323	15,797
Assessing	961,829	1,013,314	986,855	26,459
Clerk	740,581	707,563	697,404	10,159
Elections	180,200	184,274	58,322	125,952
Buildings and grounds	126,400	128,054	104,950	23,104
Personnel	293,411	286,389	272,368	14,021
Pension board	2,742	2,782	2,030	752
General services	490,495	504,427	393,115	111,312
Total general government	5,190,472	4,871,529	4,314,459	557,070
District court	1,618,060	1,777,283	1,327,340	449,943
Public safety:				
Building inspections	768,189	737,749	732,237	5,512
Code enforcement	455,624	403,027	359,387	43,640
Total public safety	1,223,813	1,140,776	1,091,624	49,152

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures - Current (Continued):				
Public works:				
Street construction	\$ 45,250	\$ 56,950	\$ 56,630	\$ 320
Bike paths/safety paths	96,000	89,100	84,879	4,221
Street lighting	58,100	52,600	57,501	(4,901)
Total public works	199,350	198,650	199,010	(360)
Retiree health contribution	488,179	697,383	697,344	39
Community development:				
Engineering	296,137	128,479	109,401	19,078
Planning and zoning	142,891	154,889	144,889	10,000
Economic development opportunities	179,725	188,555	161,466	27,089
Development services	727,284	636,933	592,069	44,864
Total community development	1,346,037	1,108,856	1,007,825	101,031
Recreation and culture	-	6,927	-	6,927
Total expenditures	10,065,911	9,801,404	8,637,602	1,163,802
Excess of Revenue Over Expenditures	11,245,389	10,847,265	12,372,148	1,524,883
Other Financing Sources (Uses)				
Transfers in	45,000	137,133	137,133	-
Transfers out	(11,845,000)	(11,735,418)	(11,303,037)	432,381
Total other financing uses	(11,800,000)	(11,598,285)	(11,165,904)	432,381
Net Change in Fund Balance	(554,611)	(751,020)	1,206,244	1,957,264
Fund Balance - Beginning of year	6,879,482	6,879,482	6,879,482	-
Fund Balance - End of year	\$ 6,324,871	\$ 6,128,462	\$ 8,085,726	\$ 1,957,264

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Public Safety Fund Year Ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 10,731,000	\$ 10,665,839	\$ 10,406,537	\$ (259,302)
Licenses and permits	30,000	33,007	33,007	-
Federal grants	45,981	44,085	35,765	(8,320)
Charges for services	2,178,964	2,179,020	2,273,433	94,413
Fines and forfeitures	45,000	18,500	8,735	(9,765)
Investment income	50,000	123,958	120,129	(3,829)
Other revenue	66,800	137,486	130,502	(6,984)
Total revenue	13,147,745	13,201,895	13,008,108	(193,787)
Expenditures				
Current - Public safety:				
Police	12,268,801	12,393,632	12,018,807	374,825
Fire	12,884,080	13,001,605	12,869,545	132,060
Police equipment	163,000	98,000	77,307	20,693
Fire equipment	133,620	163,709	156,757	6,952
Police and fire facilities	9,350	27,882	37,654	(9,772)
Total public safety	25,458,851	25,684,828	25,160,070	524,758
Retiree health contribution	2,716,535	2,442,968	2,443,002	(34)
Debt service	255,420	255,425	255,425	-
Total expenditures	28,430,806	28,383,221	27,858,497	524,724
Excess of Expenditures Over Revenue	(15,283,061)	(15,181,326)	(14,850,389)	330,937
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	10,000	10,000	36,705	26,705
Transfers in	11,762,921	11,426,605	10,993,973	(432,632)
Transfers out	(50,000)	(487,500)	(487,500)	-
Total other financing sources	11,722,921	10,949,105	10,543,178	(405,927)
Net Change in Fund Balance	(3,560,140)	(4,232,221)	(4,307,211)	(74,990)
Fund Balance - Beginning of year	4,526,951	4,526,951	4,526,951	-
Fund Balance - End of year	<u>\$ 966,811</u>	<u>\$ 294,730</u>	<u>\$ 219,740</u>	<u>\$ (74,990)</u>

Charter Township of West Bloomfield

Note to Required Supplemental Information Year Ended December 31, 2011

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers are recorded as operating transfers rather than expenditures.

The budget is prepared by the budget director under the direction of the Township supervisor, and submitted to the Township board for review and approval. The Township board adopts the budget prior to December 31 of each year. All annual appropriations lapse at year end.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds - The Township had significant expenditure budget variances as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Street lighting	\$ 52,600	\$ 57,501	\$ (4,901)
Public Safety Fund - Police and fire facilities	27,882	37,654	(9,772)

Charter Township of West Bloomfield

Required Supplemental Information Pension System Schedule Year Ended December 31, 2011

The schedule of funding progress is as follows:

Actuarial Valuation as of	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
12/31/05	\$ 59,493,069	\$ 79,692,787	\$ 20,199,718	74.7	\$ 18,681,528	108.1
12/31/06	66,642,760	86,516,666	19,873,906	77.0	18,850,496	105.4
12/31/07	74,516,861	92,361,656	17,844,795	80.7	19,301,675	92.5
12/31/08	77,007,503	97,703,617	20,696,114	78.8	19,110,184	108.3
12/31/09	80,067,630	106,612,340	26,544,710	75.1	19,022,414	139.5
12/31/10	83,744,184	113,525,700	29,781,516	73.8	17,791,586	167.4

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Pension Cost	Percentage Contributed
12/31/06	12/31/05	\$ 4,567,741	100.0
12/31/07	12/31/06	4,285,116	100.0
12/31/08	12/31/07	4,384,521	100.0
12/31/09	12/31/08	4,206,237	100.0
12/31/10	12/31/09	4,518,113	100.0
12/31/11	12/31/10	4,971,798	100.0

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2010, the latest actuarial valuation date, follows:

Amortization period (closed)	20 years
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	4.0% - 17.0%
*Includes inflation at	4.0%
Cost of living adjustment	3%

Other Supplemental Information

Charter Township of West Bloomfield

	Special Revenue Funds				
	Safety Paths	Grant Fund	Drug Enforcement	Special Assessment Districts	Cable
Assets					
Cash and investments	\$ 4,564,466	\$ 35,086	\$ 1,233,210	\$ 24,901	\$ 1,023,914
Receivables:					
Property taxes receivable	330,235	-	-	-	-
Special assessments receivable	-	-	-	-	-
Other receivables	527	-	7,266	18,817	147,017
Due from other governmental units	-	84,819	-	-	-
Prepaid expenses and other assets	-	-	1,000	-	353
Restricted assets	464,025	-	-	-	-
Total assets	\$5,359,253	\$ 119,905	\$1,241,476	\$ 43,718	\$1,171,284
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 27,132	\$ -	\$ 13,948	\$ 2,808	\$ 30,665
Due to other funds	-	84,819	-	-	7,815
Accrued liabilities and other	14,522	-	-	-	-
Deferred revenue	624,625	35,086	-	38,879	-
Total liabilities	666,279	119,905	13,948	41,687	38,480
Fund Balances					
Nonspendable - Prepays	-	-	1,000	-	353
Restricted:					
Police	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
PEG channel	-	-	-	-	1,132,451
Safety path	4,692,974	-	-	-	-
Drug enforcement	-	-	1,226,528	-	-
Special assessment	-	-	-	2,031	-
Assigned	-	-	-	-	-
Total fund balances	4,692,974	-	1,227,528	2,031	1,132,804
Total liabilities and fund balances	\$5,359,253	\$ 119,905	\$1,241,476	\$ 43,718	\$1,171,284

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

Debt Service Funds			Capital Projects Funds			Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Funds	Nonmajor Governmental Funds
\$ 9,802	\$ 308,162	\$ 240,179	\$ 155,505	\$ 2,135,553	\$ 114,623	\$ 9,845,401
-	269,195	-	-	-	-	599,430
-	-	422,594	22,384	-	437,253	882,231
-	-	-	11,675	39,898	-	225,200
-	-	-	-	-	-	84,819
-	-	-	-	-	-	1,353
-	-	-	-	-	-	464,025
\$ 9,802	\$ 577,357	\$ 662,773	\$ 189,564	\$ 2,175,451	\$ 551,876	\$ 12,102,459
\$ -	\$ 120	\$ -	\$ 120,343	\$ 177,070	\$ 21,046	\$ 393,132
9	-	11,071	15,591	-	26,033	145,338
-	4,753	-	-	-	-	19,275
-	508,108	341,097	22,384	-	434,321	2,004,500
9	512,981	352,168	158,318	177,070	481,400	2,562,245
-	-	-	-	-	-	1,353
-	-	-	-	947,495	-	947,495
9,793	64,376	310,605	-	-	-	384,774
-	-	-	31,246	-	-	31,246
-	-	-	-	-	-	1,132,451
-	-	-	-	-	-	4,692,974
-	-	-	-	-	-	1,226,528
-	-	-	-	-	-	2,031
-	-	-	-	1,050,886	70,476	1,121,362
9,793	64,376	310,605	31,246	1,998,381	70,476	9,540,214
\$ 9,802	\$ 577,357	\$ 662,773	\$ 189,564	\$ 2,175,451	\$ 551,876	\$ 12,102,459

Charter Township of West Bloomfield

	Special Revenue Funds				
	Safety Paths	Grant Fund	Drug Enforcement	Special Assessment Districts	Cable
Revenue					
Property taxes	\$ 657,224	\$ -	\$ -	\$ -	\$ -
Federal grants	-	697,606	66,417	-	-
State-shared revenue and grants	-	-	130,568	-	-
Investment income	47,271	-	8,688	-	6,011
Other revenue:					
Special assessments	-	-	-	-	-
Cable franchise fees	-	-	-	-	568,521
Other miscellaneous income	-	-	-	-	-
Total revenue	704,495	697,606	205,673	-	574,532
Expenditures					
Current:					
Public safety	-	375	307,022	-	-
Public works	-	649,787	-	44,816	-
Recreation and culture	207,271	-	-	-	478,026
Debt service	734,300	-	-	-	-
Total expenditures	941,571	650,162	307,022	44,816	478,026
Excess of Revenue (Under) Over Expenditures	(237,076)	47,444	(101,349)	(44,816)	96,506
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	8,961	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(71,133)	-	-	-
Total other financing (uses) sources	-	(71,133)	8,961	-	-
Net Change in Fund Balances	(237,076)	(23,689)	(92,388)	(44,816)	96,506
Fund Balances - Beginning of year, as restated	4,930,050	23,689	1,319,916	46,847	1,036,298
Fund Balances - End of year	\$4,692,974	\$ -	\$1,227,528	\$ 2,031	\$1,132,804

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2011

Debt Service Funds			Capital Projects Funds			Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Funds	Nonmajor Governmental Funds
\$ -	\$ 280,540	\$ -	\$ -	\$ -	\$ -	\$ 937,764
-	-	-	-	-	-	764,023
-	-	-	-	-	-	130,568
65	7,682	113	88	24,728	-	94,646
-	-	113,550	13,210	-	161,233	287,993
-	-	-	-	-	-	568,521
<u>1,425,041</u>	<u>-</u>	<u>-</u>	<u>12,554</u>	<u>2,752</u>	<u>-</u>	<u>1,440,347</u>
1,425,106	288,222	113,663	25,852	27,480	161,233	4,223,862
-	-	-	-	-	-	307,397
-	9,525	21,825	153,081	545,076	521,741	1,945,851
-	-	-	-	-	-	685,297
<u>1,422,061</u>	<u>330,769</u>	<u>144,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,631,863</u>
1,422,061	340,294	166,558	153,081	545,076	521,741	5,570,408
3,045	(52,072)	(52,895)	(127,229)	(517,596)	(360,508)	(1,346,546)
-	-	-	-	-	-	8,961
-	15,587	11,049	70,134	587,500	200,000	884,270
-	-	(11,449)	(46,581)	-	(66,000)	(195,163)
<u>-</u>	<u>15,587</u>	<u>(400)</u>	<u>23,553</u>	<u>587,500</u>	<u>134,000</u>	<u>698,068</u>
3,045	(36,485)	(53,295)	(103,676)	69,904	(226,508)	(648,478)
<u>6,748</u>	<u>100,861</u>	<u>363,900</u>	<u>134,922</u>	<u>1,928,477</u>	<u>296,984</u>	<u>10,188,692</u>
<u>\$ 9,793</u>	<u>\$ 64,376</u>	<u>\$ 310,605</u>	<u>\$ 31,246</u>	<u>\$ 1,998,381</u>	<u>\$ 70,476</u>	<u>\$ 9,540,214</u>

Charter Township of West Bloomfield

	Pension Trust Funds		
	Pension Fund	Post-retirement Healthcare Fund	Total Pension Trust Funds
Assets			
Investments:			
Cash equivalents	\$ 1,442,725	\$ 128,299	\$ 1,571,024
Fixed income	20,927,344	8,896,418	29,823,762
Mutual funds	47,359,751	12,154,939	59,514,690
Real estate	2,789,393	794,027	3,583,420
Other	7,737,458	7,026,996	14,764,454
Receivables	-	14,310	14,310
Prepaid expenses and other assets	8,444	113,295	121,739
Total assets	80,265,115	29,128,284	109,393,399
Liabilities			
Accounts payable	68,468	44,550	113,018
Due to other governmental units	-	-	-
Due to primary government	-	20,682	20,682
Refundable deposits, bonds, etc.	-	-	-
Accrued liabilities and other	-	117,800	117,800
Total liabilities	68,468	183,032	251,500
Net Assets Held in Trust for Pension and Other Employee Benefits	\$ 80,196,647	\$ 28,945,252	\$ 109,141,899

**Other Supplemental Information
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011**

Agency Funds

Trust and Agency	Bond Refund	Escrow	Total Agency Funds
\$ 5,427,466	\$ 240,020	\$ 1,063,359	\$ 6,730,845
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 5,427,466</u>	<u>\$ 240,020</u>	<u>\$ 1,063,359</u>	<u>\$ 6,730,845</u>
\$ -	\$ -	\$ -	\$ -
5,380,987	-	-	5,380,987
-	-	-	-
-	240,020	1,057,082	1,297,102
46,479	-	6,277	52,756
<u>\$ 5,427,466</u>	<u>\$ 240,020</u>	<u>\$ 1,063,359</u>	<u>\$ 6,730,845</u>

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Asset Fiduciary Funds Year Ended December 31, 2011

	Pension Fund	Post- retirement Health Care Fund	Total
Additions			
Investment income:			
Interest and dividends	\$ 1,852,757	\$ 977,071	\$ 2,829,828
Net decrease in fair value of investments	(608,706)	(690,110)	(1,298,816)
Investment-related expenses	(357,827)	(78,059)	(435,886)
Net investment income	886,224	208,902	1,095,126
Contributions:			
Employer	4,861,314	3,534,929	8,396,243
Employee	415,283	-	415,283
Total contributions	5,276,597	3,534,929	8,811,526
Total additions	6,162,821	3,743,831	9,906,652
Deductions			
Benefit payments	4,310,014	1,839,966	6,149,980
Administrative expenses	87,310	41,476	128,786
Total deductions	4,397,324	1,881,442	6,278,766
Net Increase in Net Assets Held in Trust	1,765,497	1,862,389	3,627,886
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year	78,431,150	27,082,863	105,514,013
Net Assets Held in Trust for Pension and Other Employee Benefits - End of year	\$ 80,196,647	\$ 28,945,252	\$ 109,141,899