

# **Charter Township of West Bloomfield**

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**Financial Report  
with Supplemental Information  
December 31, 2010**

# Charter Township of West Bloomfield

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# **Charter Township of West Bloomfield**

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## Independent Auditor's Report

To the City Council  
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, 2010, 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, 2010 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.

The management's discussion and analysis, pension system schedule of funding progress and employer's contributions, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the City Council  
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 basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2011 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, and grant agreements. 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 considered in assessing the results of our audit.

*Plante & Moran, PLLC*

June 21, 2011

# Charter Township of West Bloomfield

## Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of West Bloomfield's financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2010. 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, 2010, and changes in net assets, compared to the prior two years:

	2008	2009	2010	Current Year	
				Change	Percent
<b>Assets</b>					
Capital assets	\$ 32,205,592	\$ 33,156,774	\$ 33,605,418	\$ 448,644	1.4
Other assets	<u>66,629,792</u>	<u>62,800,530</u>	<u>57,731,340</u>	<u>(5,069,190)</u>	(8.1)
Total assets	98,835,384	95,957,304	91,336,758	(4,620,546)	(4.8)
<b>Liabilities</b>					
Long-term liabilities	22,697,942	22,626,318	21,768,172	(858,146)	(3.8)
Unearned revenue	28,145,132	26,586,649	23,039,130	(3,547,519)	(13.3)
Other liabilities	<u>5,134,944</u>	<u>3,134,309</u>	<u>2,245,906</u>	<u>(888,403)</u>	(28.3)
Total liabilities	<u>55,978,018</u>	<u>52,347,276</u>	<u>47,053,208</u>	<u>(5,294,068)</u>	(10.1)
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	24,253,061	23,624,386	22,495,839	(1,128,547)	(4.8)
Restricted	9,666,518	11,079,980	11,944,655	864,675	7.8
Unrestricted	<u>8,937,787</u>	<u>8,905,662</u>	<u>9,843,056</u>	<u>937,394</u>	10.5
Total net assets	<u>\$ 42,857,366</u>	<u>\$ 43,610,028</u>	<u>\$ 44,283,550</u>	<u>\$ 673,522</u>	1.5

# Charter Township of West Bloomfield

## Management's Discussion and Analysis (Continued)

	2008	2009	2010	Current Year	
				Change	Percent
<b>Change in Net Assets</b>					
Revenue:					
Program revenue:					
Charges for services	\$ 6,654,259	\$ 6,055,297	\$ 5,909,689	\$ (145,608)	(2.4)
Operating grants and contributions	934,662	1,016,188	466,142	(550,046)	(54.1)
Capital grants and contributions	887,248	896,929	1,309,858	412,929	46.0
General revenue:					
Property taxes	28,028,874	27,904,288	26,368,584	(1,535,704)	(5.5)
State-shared revenue	4,787,942	4,137,761	4,164,386	26,625	0.6
Investment earnings	1,569,789	288,298	349,978	61,680	21.4
Franchise fees	1,444,687	1,577,592	1,675,393	97,801	6.2
Other miscellaneous income	360,113	609,409	616,209	6,800	1.1
(Loss) on sale of capital assets	(182,449)	(10,302)	(70,973)	(60,671)	588.9
Total revenue	44,485,125	42,475,460	40,789,266	(1,686,194)	(4.0)
Program expenses:					
General government	6,290,116	6,174,431	5,136,960	(1,037,471)	(16.8)
District Court	1,380,368	1,612,057	1,604,400	(7,657)	(0.5)
Public safety	30,342,554	30,364,311	29,664,188	(700,123)	(2.3)
Public works	639,876	442,131	765,528	323,397	73.1
Community and economic development	1,570,544	1,520,297	1,446,432	(73,865)	(4.9)
Recreation and culture	527,740	728,734	692,399	(36,335)	(5.0)
Interest on long-term debt	684,392	880,840	797,937	(82,903)	(9.4)
Total program expenses	41,435,590	41,722,801	40,107,844	(1,614,957)	(3.9)
<b>Excess of Revenue Over Expenses</b>	3,049,535	752,659	681,422	(71,237)	9.5
<b>Transfers</b>	-	-	(7,900)	(7,900)	-
<b>Change in Net Assets</b>	<b>\$ 3,049,535</b>	<b>\$ 752,659</b>	<b>\$ 673,522</b>	<b>\$ (79,137)</b>	10.5

The Township's governmental net assets increased approximately \$673,500 from a year ago - from \$43.6 million to \$44.3 million. As discussed below, this is attributable primarily to the Township successfully reducing costs. Unrestricted net assets remain essentially unchanged (the part of net assets that can be used to finance day-to-day operations).

The current level of unrestricted net assets for our governmental activities stands at approximately \$9.8 million, or approximately 30 percent of general revenue (excluding any extraordinary items).

# **Charter Township of West Bloomfield**

## **Management's Discussion and Analysis (Continued)**

During 2002, the Township's voters approved an extension of the Township's special-voted millage for police and fire services, as well as an increase in the amount of the levy from 1.90 mills to 3.22 mills. The effects of MCL 211.34d (Headlee) has reduced the maximum allowable millage levy to 3.1378. As a result of this millage, the Township has increased its police and fire staffing levels, improved the police department facility, and built fire station number 5. In addition, effective July 1, 2003, the Township began a joint venture with the cities of Keego Harbor, Orchard Lake Village, and Sylvan Lake that will provide substantially increased services to the Township's northeast section.

Since taxable value is expected to reduce the Township revenue by approximately 25 to 30 percent through 2012, it will be necessary for the Township board to consider a public safety millage renewal and/or increase. The last authorized levy is December 2011.

As a result of the declining housing market and the subsequent reductions in taxable values, the Township property tax revenue decreased by more than \$1.5 million for fiscal year 2010. This is the primary reason for the overall decrease in revenue of 4.0 percent.

In response to the anticipated loss of revenue, the Township has continued cost containment efforts. As a result, the two most significant expense categories, general government and public safety, realized a collective decrease of 4.4 percent.

### **Cost Containment Efforts**

The Township has reduced cost through union and non-union concessions, attrition, and improvements in operating efficiency.

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.

Reductions in costs were also attained through attrition. Since 2009, 14 general Township positions, nine police department positions, nine fire department positions, and one Water and Sewer Department position were eliminated. 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 2010.

# Charter Township of West Bloomfield

## Management's Discussion and Analysis (Continued)

### 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, 2010 and changes in net assets compared to the prior two years:

	2008	2009	2010	Current Year	
				Change	Percent
<b>Assets</b>					
Capital assets	\$ 108,832,076	\$ 111,268,200	\$ 114,921,416	\$ 3,653,216	3.3
Other assets	23,565,980	20,324,645	23,436,178	3,111,533	15.3
Total assets	132,398,056	131,592,845	138,357,594	6,764,749	5.1
<b>Liabilities</b>					
Long-term liabilities	7,708,668	8,746,290	11,089,032	2,342,742	26.8
Other liabilities	5,978,776	3,613,089	3,639,022	25,933	0.7
Total liabilities	13,687,444	12,359,379	14,728,054	2,368,675	19.2
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	100,166,911	102,069,998	104,007,159	1,937,161	1.9
Restricted	9,069,781	6,229,367	5,438,630	(790,737)	(12.7)
Unrestricted	9,473,920	10,934,101	14,183,751	3,249,650	29.7
Total net assets	<u>\$ 118,710,612</u>	<u>\$ 119,233,466</u>	<u>\$ 123,629,540</u>	<u>\$ 4,396,074</u>	3.7
<b>Changes in Net Assets</b>					
Charges for services	\$ 18,960,165	\$ 19,447,818	\$ 21,013,659	\$ 1,565,841	8.1
Operating expenses exclusive of depreciation	17,465,142	17,150,057	17,753,503	603,446	3.5
Depreciation	2,158,885	2,265,875	2,366,689	100,814	4.4
Operating (Loss) Income	(663,862)	31,886	893,467	861,581	2,702.1
Nonoperating Income (Loss)	515,027	(400,254)	(46,718)	353,536	(88.3)
Capital Contributions	509,857	891,222	3,541,425	2,650,203	297.4
Transfers	-	-	7,900	7,900	-
Change in Net Assets	<u>\$ 361,022</u>	<u>\$ 522,854</u>	<u>\$ 4,396,074</u>	<u>\$ 3,873,220</u>	740.8

Business-type net assets (the Water and Sewer Fund) increased \$4.4 million from the prior year, primarily as a result of the loan forgiveness grant received by the Township from the American Recovery and Reinvestment Act. That grant totaled \$3,060,000.

# **Charter Township of West Bloomfield**

## **Management's Discussion and Analysis (Continued)**

The Township continues to invest in needed improvements to the long-term infrastructure of the water and sewer system. During 2010, an additional \$6.7 million was spent on various projects, including the \$3 million noted above whose debt was forgiven and another \$1.9 million that was borrowed from the State of Michigan Revolving Fund. The costs incurred provide for the integrity and security of the system for all West Bloomfield residents.

Usage fees were increased in 2010, consistent with increases from the Detroit Water and Sewer System. During 2010, the volume of water sold increased approximately 2 percent from 2009, but was still lower than in 2008 and other recent years. This reduced usage is based on the economy and water conservation initiatives.

### **The Township's 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 2010 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. 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. The Public Improvement and Building Fund was closed during the year and its remaining funds were transferred to the Capital Projects Fund. The purpose of the Capital Projects Fund is to accumulate the necessary amounts to fund capital outlay projects on an even basis over the years, so as not to require unusual spending in any given year.

### **General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to take into account changes from what had originally been anticipated at the time the original budget was adopted. The most significant of these changes was the transfer of police and fire activity from the General Fund to the Public Safety Fund.

# **Charter Township of West Bloomfield**

## **Management's Discussion and Analysis (Continued)**

### **Capital Asset and Debt Administration**

At the end of 2010, the Township had approximately \$139 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.

### **Economic Factors and Next Year's Budgets and Rates**

The Township's 2011 fiscal year budget calls for a continued general hiring freeze, requiring board approval for new hires. Additional reductions are anticipated with employee costs (wages and benefits). The Township board implemented nine unpaid furlough days during 2011 and higher medical benefit deductibles which result in lower insurance premiums paid by the Township. The 2011 budget also reflects cost reductions achieved during 2009 and 2010 through employee attrition and wage and benefit concessions.

It is anticipated that during 2011, the water and sewer system will require increased rates. The increase from the Detroit Water and Sewer Department (DWSD) to the Township for water is 11.4 percent and the increase for sewer to the Township from the Oakland County Water Resource Commission (OCWRC) is 7.6 percent. The Township water and sewer director will propose to the board for consideration 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. The accumulative improvement in water loss continues to keep the required rate increases low. For the second year, water loss is approximately 2 percent.

The Township streamlined the building permit and inspection process (by implementing lean techniques and Developer Roundtable discussions) to encourage redevelopment. As a result of these efforts, those seeking to obtain a permit to improve their property were able to achieve their goal in an efficient manner. The building and permitting process is readily available on the Township's website and most permits are approved in just a few days. In the absence of the contributions through community development, property tax revenue projections would have been approximately 3 to 5 percent less.

The Township received \$571,000 in Energy Efficiency Community Block Grant (EECBG) funds through a formula grant. The Township approved a resolution and project plan for infrastructure improvements and energy retrofits to all Township facilities, which is anticipated to save approximately \$65,000 annually in energy costs.

# **Charter Township of West Bloomfield**

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## **Management's Discussion and Analysis (Continued)**

A key initiative in 2011 is to reduce liability and the exposure to monetary damages to the Township by creating a police and general Township intranets, which will include updated policies and procedures for code and building inspectors, appraisers, and police personnel.

### **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 show the Township's accountability for the money it receives. If you have questions about this report or need additional information, please feel welcome to contact the Township supervisor, Michele Economou Ureste, at 248-451-4813.

# Charter Township of West Bloomfield

## Statement of Net Assets December 31, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 33,202,949	\$ 12,660,760	\$ 45,863,709
Receivables:			
Property taxes receivable	10,907,202	-	10,907,202
Customer receivables	-	4,697,384	4,697,384
Other receivables	1,379,833	2,255	1,382,088
Due from other governmental units	1,043,260	144,068	1,187,328
Lease receivable	6,800,000	-	6,800,000
Special assessments receivable	1,343,333	-	1,343,333
Internal balances	(289,205)	289,205	-
Prepaid expenses and other assets	416,545	50,728	467,273
Restricted assets	1,584,979	5,428,973	7,013,952
Capital assets:			
Assets not subject to depreciation	3,055,864	6,671,622	9,727,486
Assets subject to depreciation	30,549,554	108,249,794	138,799,348
Inventory	-	162,805	162,805
Net pension and OPEB assets	1,342,444	-	1,342,444
Total assets	91,336,758	138,357,594	229,694,352
<b>Liabilities</b>			
Accounts payable	932,653	3,516,492	4,449,145
Due to other governmental units	3,080	-	3,080
Accrued liabilities and other	1,310,173	122,530	1,432,703
Deferred revenue	23,039,130	-	23,039,130
Noncurrent liabilities:			
Due within one year:			
Compensated absences	181,530	12,952	194,482
Current portion of long-term debt	2,160,578	578,496	2,739,074
Due in more than one year:			
Compensated absences	1,514,745	161,823	1,676,568
Provision for claims	816,355	-	816,355
Long-term debt	17,094,964	10,335,761	27,430,725
Total liabilities	47,053,208	14,728,054	61,781,262
<b>Net Assets</b>			
Invested in capital assets - Net of related debt	22,495,839	104,007,159	126,502,998
Restricted for:			
Public safety	4,526,951	-	4,526,951
Drug enforcement	1,319,917	-	1,319,917
Drains at large	387,913	-	387,913
Special assessments	2,054,653	-	2,054,653
Safety path	3,584,087	-	3,584,087
Grants	71,134	-	71,134
Benevolent uses	-	9,657	9,657
Debt service and capital improvement	-	5,428,973	5,428,973
Unrestricted	9,843,056	14,183,751	24,026,807
Total net assets	<u>\$ 44,283,550</u>	<u>\$ 123,629,540</u>	<u>\$ 167,913,090</u>

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	\$ 5,270,664	\$ 346,693	\$ 212,482	\$ -
District court	1,604,400	1,690,189	-	-
Public safety	29,664,188	3,453,585	253,660	194,970
Public works	631,824	287,740	-	1,114,888
Community and economic development	1,446,432	131,482	-	-
Recreation and culture	692,399	-	-	-
Interest on long-term debt	797,937	-	-	-
Total governmental activities	40,107,844	5,909,689	466,142	1,309,858
Water and Sewer Fund	20,290,612	21,013,659	-	3,541,425
Total primary government	<b>\$ 60,398,456</b>	<b>\$ 26,923,348</b>	<b>\$ 466,142</b>	<b>\$ 4,851,283</b>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Loss on sale of fixed assets				
Total general revenue				
<b>Transfers</b>				
<b>Change in Net Assets</b>				
<b>Net Assets - Beginning of year</b>				
<b>Net Assets - End of year</b>				

**Statement of Activities**  
**Year Ended December 31, 2010**

Net (Expense) Revenue and Changes in Net Assets

Primary Government

<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
\$ (4,711,489)	\$ -	\$ (4,711,489)
85,789	-	85,789
(25,761,973)	-	(25,761,973)
770,804	-	770,804
(1,314,950)	-	(1,314,950)
(692,399)	-	(692,399)
(797,937)	-	(797,937)
(32,422,155)	-	(32,422,155)
-	4,264,472	4,264,472
(32,422,155)	4,264,472	(28,157,683)
26,368,584	-	26,368,584
4,164,386	-	4,164,386
349,978	195,003	544,981
1,675,393	-	1,675,393
616,209	-	616,209
(70,973)	(71,301)	(142,274)
33,103,577	123,702	33,227,279
(7,900)	7,900	-
673,522	4,396,074	5,069,596
43,610,028	119,233,466	162,843,494
<b>\$ 44,283,550</b>	<b>\$ 123,629,540</b>	<b>\$ 167,913,090</b>

# Charter Township of West Bloomfield

## Governmental Funds Balance Sheet December 31, 2010

	General Fund	Public Safety Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and investments	\$ 12,580,531	\$ 10,889,780	\$ 9,732,638	\$ 33,202,949
Receivables:				
Property taxes receivable	5,360,765	5,088,644	457,793	10,907,202
Special assessments receivable	-	-	1,343,333	1,343,333
Other receivables	902,069	316,457	161,307	1,379,833
Due from other governmental units	830,857	5,918	206,485	1,043,260
Due from other funds	216,019	421	1,372	217,812
Prepaid expenses and other assets	156,201	260,023	321	416,545
Restricted assets	-	-	1,345,963	1,345,963
	<u>\$ 20,046,442</u>	<u>\$ 16,561,243</u>	<u>\$ 13,249,212</u>	<u>\$ 49,856,897</u>
Total assets				
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 125,899	\$ 260,661	\$ 546,093	\$ 932,653
Due to other governmental units	-	-	3,080	3,080
Due to other funds	102,819	131,144	273,054	507,017
Accrued liabilities and other	337,049	813,802	14,453	1,165,304
Deferred revenue	12,601,193	10,828,685	2,223,840	25,653,718
	<u>13,166,960</u>	<u>12,034,292</u>	<u>3,060,520</u>	<u>28,261,772</u>
Total liabilities				
<b>Fund Balances</b>				
Reserved for:				
Capital projects	-	-	1,345,963	1,345,963
Federal forfeitures	-	-	804,827	804,827
Unreserved, reported in:				
General Fund:				
Designated	563,611	-	-	563,611
Undesignated	6,315,871	-	-	6,315,871
Special Revenue Funds:				
Designated	-	3,908,640	863,681	4,772,321
Undesignated	-	618,311	4,342,329	4,960,640
Debt Service Funds:				
Designated	-	-	55,900	55,900
Undesignated	-	-	52,109	52,109
Capital Projects Funds:				
Designated	-	-	1,326,950	1,326,950
Undesignated	-	-	1,396,933	1,396,933
	<u>6,879,482</u>	<u>4,526,951</u>	<u>10,188,692</u>	<u>21,595,125</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 20,046,442</u>	<u>\$ 16,561,243</u>	<u>\$ 13,249,212</u>	<u>\$ 49,856,897</u>

# Charter Township of West Bloomfield

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets December 31, 2010

<b>Fund Balance Reported in Governmental Funds</b>	\$ 21,595,125
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	33,605,418
Assets held by other governments are not financial resources and are not reported in the funds	238,975
Leases receivable are expected to be collected over several years and are not available to pay for current year expenditures	6,800,000
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	1,211,994
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	1,402,594
The net pension and other postemployment benefit assets are not a financial resource and are recorded only at the government-wide level	1,342,444
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(19,255,542)
Accrued interest is not due and payable in the current period and is not reported in the funds	(144,828)
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	(1,696,275)
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	(816,355)
<b>Net Assets of Governmental Activities</b>	<b>\$ 44,283,550</b>

# Charter Township of West Bloomfield

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2010

	General Fund	Public Safety Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes	\$ 13,031,215	\$ 12,346,681	\$ 990,688	\$ 26,368,584
Licenses and permits	1,169,517	32,747	-	1,202,264
Federal grants	22,892	55,949	287,717	366,558
State-shared revenue and grants	4,144,471	-	194,970	4,339,441
Charges for services	1,203,911	2,257,216	-	3,461,127
Fines and forfeitures	1,712,394	45,991	-	1,758,385
Investment income	198,161	99,200	54,553	351,914
Rental income	278,356	-	-	278,356
Other revenue	1,242,704	69,275	2,847,464	4,159,443
Total revenue	<u>23,003,621</u>	<u>14,907,059</u>	<u>4,375,392</u>	<u>42,286,072</u>
<b>Expenditures</b>				
Current:				
General government	4,860,773	-	-	4,860,773
District court	1,602,430	-	-	1,602,430
Public safety	1,177,021	24,179,382	257,227	25,613,630
Public works	191,487	-	763,119	954,606
Retiree health contribution	443,991	2,874,185	-	3,318,176
Community and economic development	1,356,492	-	-	1,356,492
Recreation and culture	6,437	-	1,356,569	1,363,006
Debt service	-	255,424	2,574,049	2,829,473
Total expenditures	<u>9,638,631</u>	<u>27,308,991</u>	<u>4,950,964</u>	<u>41,898,586</u>
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	13,364,990	(12,401,932)	(575,572)	387,486
<b>Other Financing Sources (Uses)</b>				
Face value of debt issue	-	-	1,645,000	1,645,000
Proceeds from sale of capital assets	-	22,863	-	22,863
Transfers in	40,917	12,379,069	618,151	13,038,137
Transfers out	(12,354,610)	-	(691,427)	(13,046,037)
Payment to bond refunding escrow agent	-	-	(1,673,973)	(1,673,973)
Total other financing (uses) sources	<u>(12,313,693)</u>	<u>12,401,932</u>	<u>(102,249)</u>	<u>(14,010)</u>
<b>Net Change in Fund Balances</b>	1,051,297	-	(677,821)	373,476
<b>Fund Balances - Beginning of year</b>	<u>5,828,185</u>	<u>4,526,951</u>	<u>10,866,513</u>	<u>21,221,649</u>
<b>Fund Balances - End of year</b>	<u><b>\$ 6,879,482</b></u>	<u><b>\$ 4,526,951</b></u>	<u><b>\$ 10,188,692</b></u>	<u><b>\$ 21,595,125</b></u>



# Charter Township of West Bloomfield

## Proprietary Fund Statement of Net Assets December 31, 2010

	Enterprise Fund - Water and Sewer Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 12,660,760
Receivables	4,843,707
Due from other funds	289,205
Prepaid expenses and other assets	50,728
Total current assets	<u>17,844,400</u>
Noncurrent assets:	
Restricted assets	5,428,973
Capital assets	114,921,416
Inventory	162,805
Total noncurrent assets	<u>120,513,194</u>
Total assets	<u>138,357,594</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	3,516,492
Accrued liabilities and other	122,530
Compensated absences	12,952
Current portion of long-term debt	578,496
Total current liabilities	<u>4,230,470</u>
Noncurrent liabilities:	
Compensated absences	161,823
Long-term debt	10,335,761
Total noncurrent liabilities	<u>10,497,584</u>
Total liabilities	<u>14,728,054</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	104,007,159
Restricted:	
Debt service and capital improvements	5,428,973
Benevolent uses	9,657
Unrestricted	14,183,751
Total net assets	<u><u>\$ 123,629,540</u></u>

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2010

	Enterprise Fund - Water and Sewer Fund
<b>Operating Revenue</b>	
Sale of water	\$ 11,395,380
Sewage disposal charges	9,001,439
Interest and penalty charges	512,896
Installation fees	28,610
Other charges for services	75,334
	<hr/>
Total operating revenue	21,013,659
<b>Operating Expenses</b>	
Cost of water	7,601,611
Cost of sewage treatment	5,023,264
Distribution and collection	3,985,545
Billing and administrative costs	405,583
Municipal service charges	737,500
Depreciation	2,366,689
	<hr/>
Total operating expenses	20,120,192
<b>Operating Income</b>	893,467
<b>Nonoperating Revenue (Expenses)</b>	
Investment income	195,003
Interest expense	(170,420)
Loss on sale of assets	(71,301)
	<hr/>
Total nonoperating expenses	(46,718)
<b>Income - Before contributions</b>	846,749
<b>Capital Contributions</b>	
Capital grants	3,355,146
Special assessments	180,225
Donated by developers	6,054
	<hr/>
Total capital contributions	3,541,425
<b>Transfers In</b>	7,900
	<hr/>
<b>Change in Net Assets</b>	4,396,074
<b>Net Assets - Beginning of year</b>	119,233,466
	<hr/>
<b>Net Assets - End of year</b>	<b>\$ 123,629,540</b>

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, 2010

	Enterprise Fund - Water and Sewer Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 20,640,989
Receipts from interfund services and reimbursements	(15,552)
Payments to suppliers	(15,011,296)
Payments to employees	(2,094,473)
Other receipts	20,963
	3,540,631
<b>Cash Flows from Noncapital Financing Activities</b> - Transfers to other funds	7,900
<b>Cash Flows from Capital and Related Financing Activities</b>	
Receipt of capital grants	3,355,146
Special assessment collections	180,225
Benefit fees	44,155
Purchase of capital assets	(6,085,152)
Principal and interest paid on capital debt	(612,019)
Proceeds from debt	2,167,967
	(949,678)
<b>Cash Flows from Investing Activities</b> - Interest received on investments	195,003
<b>Net Increase in Cash and Cash Equivalents</b>	2,793,856
<b>Cash and Cash Equivalents</b> - Beginning of year	14,755,282
<b>Cash and Cash Equivalents</b> - End of year	\$ 17,549,138
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>	
Cash and investments	\$ 12,660,760
Restricted cash	4,888,378
	\$ 17,549,138

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Cash Flows (Continued) Year Ended December 31, 2010

	Enterprise Fund - Water and Sewer Fund
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>	
Operating income	\$ 893,467
Adjustments to reconcile operating income to net cash from operating activities	2,366,689
Changes in assets and liabilities:	
Receivables	(351,707)
Due from others	(15,552)
Inventories	23,141
Prepaid and other assets	(17,714)
Accounts payable	676,942
Accrued and other liabilities	(34,635)
	<u>                    </u>
Net cash provided by operating activities	<u><u>\$ 3,540,631</u></u>

**Noncash Investing, Capital, and Financing Activities** - During the year ended December 31, 2010, the Water and Sewer Fund received \$6,054 of meters donated by developers.

# Charter Township of West Bloomfield

## Fiduciary Funds Statement of Fiduciary Net Assets December 31, 2010

	Pension and Other Employee Benefits Trust Fund	Agency Funds
<b>Assets</b>		
Cash and investments:		
Cash equivalents	\$ 1,823,544	\$ 10,543,705
Fixed income	26,627,435	-
Mutual funds	60,042,296	-
Real estate	3,046,292	-
Other investments	13,935,439	-
Receivables	4,100	-
Prepaid expenses and other assets	136,454	-
Total assets	105,615,560	<u><u>\$ 10,543,705</u></u>
<b>Liabilities</b>		
Accounts payable	72,613	\$ -
Due to other governmental units	-	8,755,918
Due to primary government	28,934	-
Refundable deposits, bonds, etc.	-	1,692,705
Accrued liabilities and other	-	95,082
Total liabilities	101,547	<u><u>\$ 10,543,705</u></u>
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>		<u><u>\$ 105,514,013</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, 2010

	Pension and Other Employee Benefits Trust Fund
<b>Additions</b>	
Investment income (loss):	
Interest and dividends	\$ 2,375,583
Net increase in fair value of investments	9,874,114
Investment-related expenses	(376,129)
Net investment income	11,873,568
Contributions:	
Employer	7,840,098
Employee	485,398
Total contributions	8,325,496
Total additions	20,199,064
<b>Deductions</b>	
Benefit payments	5,004,902
Administrative expenses	162,244
Total deductions	5,167,146
<b>Net Increase in Net Assets Held in Trust</b>	15,031,918
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	90,482,095
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b><u>\$ 105,514,013</u></b>

# Charter Township of West Bloomfield

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## Notes to Financial Statements December 31, 2010

### 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 amounted to \$1,602,430 for the year ended December 31, 2010, and its share of revenue amounted to \$1,675,743. 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

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## Notes to Financial Statements December 31, 2010

### 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 revenues to be available if they are 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.

# Charter Township of West Bloomfield

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## Notes to Financial Statements December 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

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.

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

The Township reports the following major proprietary funds:

**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.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

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. 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 2010 tax is levied and collectible on December 1, 2009 and is recognized as revenue in the year ended December 31, 2010, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2009 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 \$13.0 million for operating, \$12.3 million for police and fire services, \$211,000 for drains, and \$780,000 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, 2010

### 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
Water and sewer treatment facilities	40 to 50 years
Land improvements	20 to 25 years
Water and sewer treatment facilities	40 to 50 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, 2010

### Note I - 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 the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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, 2010 is as follows:

Cumulative shortfall at January 1, 2010		\$ (3,602,982)
Current year permit revenue		1,167,136
Related expenses:		
Direct costs	\$ 727,760	
Estimated indirect costs	788,474	1,516,234
		<u>(349,098)</u>
Current year shortfall		<u>(349,098)</u>
Cumulative shortfall at December 31, 2010		<u>\$ (3,952,080)</u>

### 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.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 3 - Deposits and Investments (Continued)

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. When selecting a bank, the following criteria are examined:

- Assets of at least \$100 million
- A Highline Data rating of at least 30, or primary capital as a percent of total assets as follows:
  - 5.50 percent for >\$500 million total assets
  - 7.00 percent for \$300 million to \$499 million total assets
  - 7.25 percent for \$100 million to \$299 million total assets

At year end, the Township had \$250,000 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.

**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

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 3 - Deposits and Investments (Continued)

- 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 \$1,579,811 invested in U.S. governmental or agency bonds or notes with a weighted average maturity of approximately two years.

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

Investment	Fair Value	Weighted Average Maturity
Pension - Investment pools	\$ 19,790,991	7.60 years
RHC - Investment pools	6,836,444	4.92 years
Township - Investment pools	40,718,254	381 days

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

Investment	Fair Value	Rating	Rating Organization
Investment pools	\$52,477,272	NR	NR
U.S. agency obligations	1,579,811	AAA	S&P
Municipal bonds	78,551	AA+	S&P
	131,282	AA-	S&P
	94,424	AAA	S&P
	203,996	A-	S&P
	25,743	AA	S&P
Pension - Investment pools	1,738,227	A1	Moody's
	11,852,906	A	S&P
	596,441	A2/P2	Moody's
Pension - Corporate bond pools	4,864,621	AAA-/BBB	S&P
	2,477,023	A1/A2	Moody's
Retiree health care - Investment pools	2,136,735	Aa1/Aa2	Moody's
	2,936,196	AAAm	S&P
Retiree health care - Corporate bonds	2,112,290	AAA-/BBB	S&P
	2,587,419	A1/A2	Moody's

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 3 - Deposits and Investments (Continued)

**Concentration of Credit Risk** - The Township places no limit on the amount it may invest in any one issuer. Approximately \$40,700,000 of the Township's investments are in Oakland County, Michigan Local Government Investment Pool. These investments are 74.59 percent of the Township's total investments.

### 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	\$ 5,360,765	\$ 5,088,644	\$ 457,793	\$ 10,907,202
Special assessments receivable	-	-	1,343,333	1,343,333
Other receivables	902,069	316,457	161,307	1,379,833
Due from other governmental units	830,857	5,918	206,485	1,043,260
Total receivables	<u>\$ 7,093,691</u>	<u>\$ 5,411,019</u>	<u>\$ 2,168,918</u>	<u>\$ 14,673,628</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 2011 budget	\$ -	\$ 22,984,848
District court	454,000	-
Cell phone tower lease	-	54,282
Ambulance transport fees	105,000	-
State-shared revenue	776,277	-
Special assessments	1,211,994	-
Grants	67,317	-
Total	<u>\$ 2,614,588</u>	<u>\$ 23,039,130</u>



# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 5 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 408,923
Public safety:		
Police		454,983
Fire		549,446
Building inspection		713
Code enforcement		538
Public works		583,346
Community and economic development		4,561
Recreation and culture		57,674
	Total governmental activities	<u>\$ 2,060,184</u>

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
General Fund	Public Safety Fund	\$ 100,143
	Nonmajor governmental funds	<u>115,876</u>
	Total General Fund	216,019
Public Safety Fund	Nonmajor governmental funds	421
Nonmajor governmental funds	Nonmajor governmental funds	1,372
Enterprise Fund - Water and Sewer Fund	General Fund	102,819
	Public Safety Fund	31,001
	Nonmajor governmental funds	<u>155,385</u>
	Total Enterprise Fund - Water and Sewer Fund	<u>289,205</u>
	Total interfund balances	<u>\$ 507,017</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

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:

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Public Safety Fund (1)	\$ 12,234,660
	Other nonmajor governmental funds (2)	71,133
	Water and Sewer Fund (2)	<u>7,900</u>
	Total General Fund	12,313,693
Other nonmajor governmental funds	General Fund (3)	40,917
	Public Safety Fund	103,492
	Other nonmajor governmental funds (3)	<u>547,018</u>
	Total other nonmajor governmental funds	<u>691,427</u>
	Total	<u>\$ 13,005,120</u>

- (1) Transfer of property tax revenue and fund balance related to public safety
- (2) Transfers were for capital improvements and operating expenditures
- (3) Transfers were for capital improvements, reimbursed expenditures, and drug forfeiture monies.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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
<b>Governmental Activities:</b>	
<u>General Obligations:</u>	
2010 Building Authority Refunding Bond for library improvements, with interest ranging from 0.95% to 1.2%, maturing in 2012	\$ 1,645,000
2008 Bike Path Improvement Bonds, with interest ranging from 3.0% to 4.3%, maturing in 2020	7,175,000
2008 Building Authority Bond for parks and recreation capital improvements with interest ranging from 3.0% to 5.0%, maturing in 2021	5,155,000
Subtotal	13,975,000
<u>Special Assessment Bonds:</u>	
2001 Special Assessment bonds for SAD#129, with interest ranging from 4.85% to 5.1%, maturing in 2015	220,000
2008 Special Assessment Bonds for SAD #139 with interest ranging from 5.0% to 5.75%, maturing in 2017	485,000
Subtotal	705,000
<u>Jacobs Drain Bonds</u>	
2005 Jacobs Drain Bonds, series 2005A - General obligation limited tax bonds, with interest ranging from 3.5% to 4.40%, maturing in 2025	1,850,036
<u>Tenhill and Walbrook Drain Bonds</u>	
2006 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 3.35% to 4.5%, maturing in 2026	529,238
2008 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 5.5% to 5.75%, maturing in 2028	504,540
Subtotal	1,033,778
<u>Donahue Drain Bonds</u>	
2010 Donahue Drain Drainage District Bonds, with interest ranging from 2.0% to 4.4%, maturing in 2030	830,304

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 7 - Long-term Debt (Continued)

Description	Amount
<u>Installment Purchase Agreements</u>	
2008 Master Lease Purchase Agreement, with interest ranging from 4.53% to 5.46%, maturing in 2015	\$ 861,424
Total governmental activity debt	<u>\$ 19,255,542</u>

Description	Amount
<b>Business-type Activities:</b>	
<u>General Obligations:</u>	
2007 Segment I Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.125%	\$ 761,670
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7218- I	7,339,958
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7254- I	703,224
2010 Water Supply Sewage Disposal State Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 5409- I	<u>1,887,009</u>
Subtotal	10,691,861
<u>County Contractual Obligations:</u>	
Oakland-Macomb Interceptor Drain Bonds 2010A, State Revolving Fund, interest at 2.5% - Project #5358-01, maturing in 2031	99,129
Oakland-Macomb Interceptor Drain Bonds 2010B, Economic Development Bonds, interest ranging from 1.15% to 5.90%, maturing in 2030	<u>123,267</u>
Subtotal	<u>222,396</u>
Total business-type activity debt	<u>\$ 10,914,257</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 7 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Building Authority bonds	\$ 7,900,000	\$ 1,645,000	\$ 2,745,000	\$ 6,800,000	\$ 1,195,000
Bike paths	7,630,000	-	455,000	7,175,000	475,000
Special Assessment bonds	830,000	-	125,000	705,000	110,000
Drain District bonds	3,008,013	830,304	124,199	3,714,118	171,448
Installment purchase agreement	1,060,266	-	198,842	861,424	209,130
Total governmental activities	20,428,279	2,475,304	3,648,041	19,255,542	2,160,578
Accumulated compensated absences	1,816,696	241,967	362,388	1,696,275	181,530
Estimated self-insurance claims	381,343	1,068,759	633,747	816,355	-
Total governmental activities	<u>\$ 22,626,318</u>	<u>\$ 3,786,030</u>	<u>\$ 4,644,176</u>	<u>\$ 21,768,172</u>	<u>\$ 2,342,108</u>
<b>Business-type Activities</b>					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
State of Michigan Drinking Water Revolving Fund Loan	\$ 9,136,290	\$ 58,562	\$ 390,000	\$ 8,804,852	\$ 395,000
State of Michigan State Revolving Fund Loan	-	1,887,009	-	1,887,009	180,000
County contractual obligations	61,912	222,396	61,912	222,396	3,496
Total bonds payable	9,198,202	2,167,967	451,912	10,914,257	578,496
Accumulated compensated absences	188,534	12,097	25,856	174,775	12,952
Total business-type activities	<u>\$ 9,386,736</u>	<u>\$ 2,180,064</u>	<u>\$ 477,768</u>	<u>\$ 11,089,032</u>	<u>\$ 591,448</u>

Total interest expense for the year was approximately \$968,000. 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
2011	\$ 2,160,578	\$ 726,360	\$ 2,886,938	\$ 578,496	\$ 320,609	\$ 899,105
2012	2,200,866	667,542	2,868,408	617,832	301,743	919,575
2013	1,370,817	608,388	1,979,205	633,457	286,342	919,799
2014	1,456,941	554,036	2,010,977	649,101	270,530	919,631
2015	1,674,960	428,526	2,103,486	654,745	241,231	895,976
2016-2020	8,045,290	1,475,517	9,520,807	3,340,925	949,679	4,290,604
2021-2025	1,915,015	281,665	2,196,680	2,708,208	327,293	3,035,501
2026-2030	431,075	43,664	474,739	1,731,493	22,192	1,753,685
Total	<u>\$ 19,255,542</u>	<u>\$ 4,785,698</u>	<u>\$ 24,041,240</u>	<u>\$ 10,914,257</u>	<u>\$ 2,719,619</u>	<u>\$ 13,633,876</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 7 - Long-term Debt (Continued)

**Advance and Current Refundings** - During the year, the Township issued \$1,645,000 in general obligation bonds with an average interest rate of 1.1 percent. The proceeds of these bonds were used to advance refund \$1,600,000 of outstanding general obligation bonds with an average interest rate of 4.8 percent. The net proceeds of \$1,638,400 (after payment of \$35,400 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the Township's financial statements. The advance refunding reduced total debt service payments over the next two years by \$79,119, which represents an economic gain of \$50,191.

### 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:

	<u>Business-type Activities</u>
Cash and investments	\$ 4,888,378
Customer assessments receivable	491,191
Due from other governmental units	6,506
Accrued interest and other receivables	2,537
Assets held by Oakland County	<u>40,361</u>
Total restricted assets	<u>\$ 5,428,973</u>

These assets are restricted for the following purposes:

	<u>Business-type Activities</u>
Bond interest and redemption for capital improvements	\$ 5,388,612
Assets held at Oakland County	<u>40,361</u>
Total restricted assets	<u>\$ 5,428,973</u>

In addition, Oakland County, Michigan is holding \$279,336 on behalf of the Township to be used for drain improvements. The Township also has approximately \$1,346,000 remaining from the 2008 Bike Path Improvement Bond.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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). 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>2010</u>	<u>2009</u>
Unpaid claims - Beginning of year	\$ 381,343	\$ 583,099
Incurred claims, including claims incurred but not reported, and changes in estimates	1,068,759	274,596
Claim payments	<u>(633,747)</u>	<u>(476,352)</u>
Unpaid claims - End of year	<u>\$ 816,355</u>	<u>\$ 381,343</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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, 2009, the date of the most recent actuarial valuation, membership consisted of 192 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 271 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 3.5 percent and from dispatch employees of 5 percent (there is no contribution requirement from the other employees). The funding policy provides for periodic employer contributions at actuarially determined rates.

#### Annual Pension Cost and Net Pension Asset

Annual required contribution	\$ 4,520,316
Interest on net pension obligation (asset)	(92,708)
Adjustment to annual required contribution	<u>90,505</u>
Annual pension cost (APC)	4,518,113
Contributions made	<u>4,520,316</u>
Increase in net pension asset	2,203
Net pension asset - Beginning of year	<u>1,236,108</u>
Net pension asset - End of year	<u>\$ 1,238,311</u>

**Annual Pension Cost** - For the year ended December 31, 2010, the Township's annual pension cost of \$4,518,113 for the plan equalled 100 percent of the Township's required and actual contribution.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 10 - Defined Benefit Pension Plan (Continued)

**Funding Status and Funding Progress** - As of December 31, 2009, the most recent actuarial valuation date, the plan was 75.1 percent funded. The actuarial accrued liability for benefits was \$106,612,340, and the actuarial value of assets was \$80,067,630, resulting in an unfunded actuarial accrued liability of \$26,544,710. The covered payroll (annual payroll for active employees covered by the plan) was \$19,022,414 and the ratio for the unfunded actuarial accrued liability to the covered payroll was 139.5 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, 2008, 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 4.5 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 21 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, for general office, general office supervisory, and water and sewer employees hired after October 10, 2003, the Township contributes 10 to 12 percent of employees' gross earnings for those employees not eligible for the defined benefit plan, and 5 percent for those employees (all union and nonunion) hired prior to October 10, 2003 covered under the defined benefit plan. Employees contribute 1 percent to 10 percent of their gross earnings to the plan.

For year ended December 31, 2010, the general union, water and sewer, and non-union employees agreed to a 2 percent concession for employees hired after October 2003 and the elimination of the 5 percent employer contribution for employees prior to October 2003. Contributions will revert to the pre-2010 amounts in 2012. For the year ended December 31, 2010 only, the police and fire employees agreed to the elimination of the 5 percent employer contribution. Contributions will revert to the pre-2010 amounts in 2011 for police and fire. In accordance with these requirements, the Township contributed \$502,769 and the employees contributed \$77,234 for the year ended December 31, 2010.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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. For the fiscal year ended December 31, 2010, the Township made payments for postemployment health benefit premiums of \$1,256,084. 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 \$3,542,974 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 \$1,256,054.

**Funding Progress** - For the year ended December 31, 2010, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2007. 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)	\$ 3,542,974
Interest on the prior year's net OPEB obligation	(6,944)
Less adjustment to the annual required contribution	<u>1,305</u>
Annual OPEB cost	3,537,335
Amounts contributed:	
Payments of current premiums	(10,503)
Advance funding	<u>(3,542,974)</u>
Increase in net OPEB obligation	16,142
OPEB asset - Beginning of year	<u>87,990</u>
OPEB asset - End of year	<u>\$ 104,132</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### 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
12/31/08	12/31/07	\$ 3,211,400	101.7 %	\$ 55,546
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

\* 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 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, 2010

### 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
<b>Statement of Net Assets</b>			
Cash and investments	\$ 78,480,563	\$ 26,994,443	\$ 105,475,006
Other assets	8,151	132,403	140,554
Liabilities	(57,564)	(43,983)	(101,547)
Net assets	<u>\$ 78,431,150</u>	<u>\$ 27,082,863</u>	<u>\$ 105,514,013</u>
<b>Statement of Changes in Net Assets</b>			
Investment income	\$ 9,187,995	\$ 2,665,276	\$ 11,853,271
Contributions	4,782,520	3,542,974	8,325,494
Benefit payments	(3,713,519)	(1,256,084)	(4,969,603)
Other deductions	(107,880)	(69,364)	(177,244)
Net change in net assets	<u>\$ 10,149,116</u>	<u>\$ 4,882,802</u>	<u>\$ 15,031,918</u>

### Note 14 - Upcoming Accounting Pronouncements

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 upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The Township will implement Statement No. 54 beginning with the fiscal year ending December 31, 2011.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2010

### Note 15 - Fund Balance Designations

Fund balance has been designated for use in the 2011 budget in the following funds:

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Safety Path Fund</u>	<u>Drug Enforcement Fund</u>	<u>Drains at Large Fund</u>	<u>Capital Projects Fund</u>
Designated fund balance	<u>\$ 563,611</u>	<u>\$ 3,908,640</u>	<u>\$ 823,100</u>	<u>\$ 40,581</u>	<u>\$ 55,900</u>	<u>\$ 1,326,950</u>

## **Required Supplemental Information**

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# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 13,111,000	\$ 13,111,900	\$ 13,031,215	\$ (80,685)
Licenses and permits	1,100,000	1,101,500	1,169,517	68,017
Federal grants	80,000	29,748	22,892	(6,856)
State-shared revenue and grants	4,106,500	4,145,406	4,144,471	(935)
Charges for services:				
Charges to other funds	833,000	840,100	841,162	1,062
Charges for services to external parties	2,242,147	352,350	362,749	10,399
Fines and forfeitures - District Court fines and fees	1,566,800	1,717,193	1,712,394	(4,799)
Investment income	250,000	158,000	198,161	40,161
Rental income	270,600	270,600	278,356	7,756
Other revenue:				
Cable franchise fees	1,076,000	1,095,000	1,130,368	35,368
Other miscellaneous income	128,999	91,200	112,336	21,136
<b>Total revenue</b>	<b>24,765,046</b>	<b>22,912,997</b>	<b>23,003,621</b>	<b>90,624</b>
<b>Expenditures - Current</b>				
General government:				
Township board	54,567	47,771	38,577	9,194
Supervisor	254,546	255,040	250,610	4,430
Finance	605,709	644,199	627,494	16,705
Information technology	760,064	761,847	659,419	102,428
Treasurer	578,344	676,497	679,139	(2,642)
Assessing	1,039,230	1,017,837	957,759	60,078
Clerk	779,011	785,012	755,552	29,460
Elections	143,738	177,215	158,438	18,777
Buildings and grounds	199,405	136,400	102,264	34,136
Personnel	301,032	326,306	294,707	31,599
Pension board	3,303	2,049	2,059	(10)
General services	614,891	495,554	334,755	160,799
<b>Total general government</b>	<b>5,333,840</b>	<b>5,325,727</b>	<b>4,860,773</b>	<b>464,954</b>
District court	1,497,000	1,570,036	1,602,430	(32,394)
Public safety:				
Police	6,059,321	-	-	-
Fire	6,274,751	-	-	-
Building inspections	802,861	727,760	700,974	26,786
Code enforcement	476,603	486,010	476,047	9,963
<b>Total public safety</b>	<b>13,613,536</b>	<b>1,213,770</b>	<b>1,177,021</b>	<b>36,749</b>

# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures - Current (Continued)</b>				
Public works:				
Street construction	\$ 139,800	\$ 61,350	\$ 58,263	\$ 3,087
Bike paths/ Safety paths	-	87,591	77,994	9,597
Street lighting	41,100	57,600	55,230	2,370
Total public works	180,900	206,541	191,487	15,054
Retiree health contribution	1,979,137	443,997	443,991	6
Community development:				
Engineering	301,691	261,002	247,239	13,763
Planning and zoning	149,383	145,062	130,393	14,669
Economic development opportunities	181,682	166,192	159,063	7,129
Development services	884,054	846,550	819,797	26,753
Total community development	1,516,810	1,418,806	1,356,492	62,314
Recreation and culture	2,884	6,244	6,437	(193)
Total expenditures	24,124,107	10,185,121	9,638,631	546,490
<b>Excess of Revenue Over Expenditures</b>	640,939	12,727,876	13,364,990	637,114
<b>Other Financing Sources (Uses)</b>				
Transfers in	48,393	45,000	40,917	(4,083)
Transfers out	(295,000)	(12,327,727)	(12,354,610)	(26,883)
Total other financing uses	(246,607)	(12,282,727)	(12,313,693)	(30,966)
<b>Net Change in Fund Balance</b>	394,332	445,149	1,051,297	606,148
<b>Fund Balance - Beginning of year</b>	5,828,185	5,828,185	5,828,185	-
<b>Fund Balance - End of year</b>	<b>\$ 6,222,517</b>	<b>\$ 6,273,334</b>	<b>\$ 6,879,482</b>	<b>\$ 606,148</b>

# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Public Safety Fund Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 12,445,400	\$ 12,413,200	\$ 12,346,681	\$ (66,519)
Licenses and permits	-	32,000	32,747	747
Federal grants	2,500	61,981	55,949	(6,032)
Charges for services	-	2,212,452	2,257,216	44,764
Fines and forfeitures	30,000	45,500	45,991	491
Investment income	80,000	98,500	99,200	700
Other revenue	26,000	67,000	69,275	2,275
Total revenue	12,583,900	14,930,633	14,907,059	(23,574)
<b>Expenditures - Current</b>				
Public safety:				
Police	6,017,318	12,581,072	11,991,663	589,409
Fire	5,751,992	12,187,235	12,048,863	138,372
Police equipment	137,500	137,500	21,414	116,086
Fire equipment	272,965	156,600	104,323	52,277
Police and fire facilities	15,000	9,350	13,119	(3,769)
Total public safety	12,194,775	25,071,757	24,179,382	892,375
Retiree health contribution	1,371,626	2,874,185	2,874,185	-
Debt service	-	255,420	255,424	(4)
Total expenditures	13,566,401	28,201,362	27,308,991	892,371
<b>Excess of Expenditures Over Revenue</b>	(982,501)	(13,270,729)	(12,401,932)	868,797
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	18,000	22,863	4,863
Transfers in	103,492	12,379,077	12,379,069	(8)
Transfers out	-	(350,000)	-	350,000
Total other financing sources	103,492	12,047,077	12,401,932	354,855
<b>Net Change in Fund Balance</b>	(879,009)	(1,223,652)	-	1,223,652
<b>Fund Balance - Beginning of year</b>	4,526,951	4,526,951	4,526,951	-
<b>Fund Balance - End of year</b>	<u>\$ 3,647,942</u>	<u>\$ 3,303,299</u>	<u>\$ 4,526,951</u>	<u>\$ 1,223,652</u>

# Charter Township of West Bloomfield

## Note to Required Supplemental Information Year Ended December 31, 2010

**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 - District court	\$ 1,570,036	\$ 1,602,430	\$ (32,394)
General Fund - Transfers out	12,327,727	12,354,610	(26,883)
Public Safety Fund - Police and fire facilities	9,350	13,119	(3,769)

# Charter Township of West Bloomfield

## Required Supplemental Information Pension System Schedule Year Ended December 31, 2010

The schedule of funding progress is as follows:

Actuarial Valuation as of	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/04	\$ 54,912,591	\$ 73,201,404	\$ 18,288,813	75.0	\$ 19,162,317	95.4
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

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Pension Cost	Percentage Contributed
12/31/05	12/31/04	\$ 3,751,000	100.0
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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2009, the latest actuarial valuation date, follows:

Amortization period (closed)	20 years
Asset valuation method	5-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**

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# Charter Township of West Bloomfield

	Special Revenue Funds					
	Safety Paths	Grant Fund	Public Improvement and Building	Drug Enforcement	Special Assessment Districts	Cable
<b>Assets</b>						
Cash and investments	\$ 4,232,981	\$ -	\$ -	\$ 1,289,700	\$ 31,867	\$ 901,090
Receivables:						
Property taxes receivable	321,496	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-
Other receivables	3,405	-	-	15,665	-	141,063
Due from other governmental units	-	124,118	-	21,802	19,419	-
Due from other funds	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	321
Restricted assets	1,345,963	-	-	-	-	-
<b>Total assets</b>	<b>\$5,903,845</b>	<b>\$ 124,118</b>	<b>\$ -</b>	<b>\$1,327,167</b>	<b>\$ 51,286</b>	<b>\$1,042,474</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 285,658	\$ 36,367	\$ -	\$ 7,251	\$ 2,706	\$ 4,972
Due to other governmental units	-	-	-	-	-	-
Due to other funds	465	16,618	-	-	1,733	1,204
Accrued liabilities and other	10,320	-	-	-	-	-
Deferred revenue	677,352	47,444	-	-	-	-
<b>Total liabilities</b>	<b>973,795</b>	<b>100,429</b>	<b>-</b>	<b>7,251</b>	<b>4,439</b>	<b>6,176</b>
<b>Fund Balances</b>						
Reserved for:						
Capital projects	1,345,963	-	-	-	-	-
Federal forfeitures	-	-	-	804,827	-	-
Unreserved, reported in:						
Special Revenue Funds:						
Designated	823,100	-	-	40,581	-	-
Undesignated	2,760,987	23,689	-	474,508	46,847	1,036,298
Debt Service Funds:						
Designated	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Capital Projects Funds:						
Designated	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
<b>Total fund balances</b>	<b>4,930,050</b>	<b>23,689</b>	<b>-</b>	<b>1,319,916</b>	<b>46,847</b>	<b>1,036,298</b>
<b>Total liabilities and fund balances</b>	<b>\$5,903,845</b>	<b>\$ 124,118</b>	<b>\$ -</b>	<b>\$1,327,167</b>	<b>\$ 51,286</b>	<b>\$1,042,474</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2010**

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
\$ 9,828	\$ 259,747	\$ 10,077	\$ 607,145	\$ 2,075,883	\$ 314,320	\$ 9,732,638
-	136,297	-	-	-	-	457,793
-	-	-	712,507	-	630,826	1,343,333
-	-	-	-	1,174	-	161,307
-	-	-	19,960	-	21,186	206,485
-	-	1,372	-	-	-	1,372
-	-	-	-	-	-	321
-	-	-	-	-	-	1,345,963
<b>\$ 9,828</b>	<b>\$ 396,044</b>	<b>\$ 11,449</b>	<b>\$ 1,339,612</b>	<b>\$ 2,077,057</b>	<b>\$ 966,332</b>	<b>\$ 13,249,212</b>
\$ -	\$ 4,000	\$ -	\$ 51,187	\$ 112,431	\$ 41,521	\$ 546,093
3,080	-	-	-	-	-	3,080
-	-	11,049	191,403	36,149	14,433	273,054
-	4,133	-	-	-	-	14,453
-	287,050	-	598,600	-	613,394	2,223,840
3,080	295,183	11,049	841,190	148,580	669,348	3,060,520
-	-	-	-	-	-	1,345,963
-	-	-	-	-	-	804,827
-	-	-	-	-	-	863,681
-	-	-	-	-	-	4,342,329
-	55,900	-	-	-	-	55,900
6,748	44,961	400	-	-	-	52,109
-	-	-	-	1,326,950	-	1,326,950
-	-	-	498,422	601,527	296,984	1,396,933
6,748	100,861	400	498,422	1,928,477	296,984	10,188,692
<b>\$ 9,828</b>	<b>\$ 396,044</b>	<b>\$ 11,449</b>	<b>\$ 1,339,612</b>	<b>\$ 2,077,057</b>	<b>\$ 966,332</b>	<b>\$ 13,249,212</b>

# Charter Township of West Bloomfield

	Special Revenue Funds					
	Safety Paths	Grant Fund	Public Improvement and Building	Drug Enforcement	Special Assessment Districts	Cable
<b>Revenue</b>						
Property taxes	\$ 779,743	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	160,381	-	127,336	-	-
State-shared revenue and grants	-	-	-	194,970	-	-
Investment income	26,706	-	-	11,668	-	823
Other revenue:						
Special assessments	-	-	-	-	69,640	-
Cable franchise fees	-	-	-	-	-	545,025
Other miscellaneous income	-	-	-	11,513	-	-
Total revenue	806,449	160,381	-	345,487	69,640	545,848
<b>Expenditures</b>						
Current:						
Public safety	-	38,407	-	218,820	-	-
Public works	-	159,492	-	-	64,816	-
Recreation and culture	922,582	-	-	-	-	433,987
Debt service	728,250	-	-	-	-	-
Total expenditures	1,650,832	197,899	-	218,820	64,816	433,987
<b>Excess of Revenue (Under) Over Expenditures</b>	(844,383)	(37,518)	-	126,667	4,824	111,861
<b>Other Financing Sources (Uses)</b>						
Face value of debt issue	-	-	-	-	-	-
Transfers in	-	71,133	-	-	-	-
Transfers out	-	(40,917)	(547,294)	(103,492)	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	-	30,216	(547,294)	(103,492)	-	-
<b>Net Change in Fund Balances</b>	(844,383)	(7,302)	(547,294)	23,175	4,824	111,861
<b>Fund Balances - Beginning of year</b>	5,774,433	30,991	547,294	1,296,741	42,023	924,437
<b>Fund Balances - End of year</b>	<b>\$4,930,050</b>	<b>\$ 23,689</b>	<b>\$ -</b>	<b>\$1,319,916</b>	<b>\$ 46,847</b>	<b>\$1,036,298</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2010**

Debt Service Funds			Capital Projects Fund			Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Funds	Nonmajor Governmental Funds
\$ -	\$ 210,945	\$ -	\$ -	\$ -	\$ -	\$ 990,688
-	-	-	-	-	-	287,717
-	-	-	-	-	-	194,970
53	142	-	274	14,887	-	54,553
-	-	-	281,597	-	499,214	850,451
-	-	-	-	-	-	545,025
<u>1,427,675</u>	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,451,988</u>
1,427,728	223,887	-	281,871	14,887	499,214	4,375,392
-	-	-	-	-	-	257,227
-	10,022	-	246,501	133,704	148,584	763,119
-	-	-	-	-	-	1,356,569
<u>1,398,735</u>	<u>281,416</u>	<u>-</u>	<u>165,648</u>	<u>-</u>	<u>-</u>	<u>2,574,049</u>
1,398,735	291,438	-	412,149	133,704	148,584	4,950,964
28,993	(67,551)	-	(130,278)	(118,817)	350,630	(575,572)
1,645,000	-	-	-	-	-	1,645,000
-	-	-	-	547,294	(276)	618,151
-	-	-	276	-	-	(691,427)
<u>(1,673,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,673,973)</u>
<u>(28,973)</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>547,294</u>	<u>(276)</u>	<u>(102,249)</u>
20	(67,551)	-	(130,002)	428,477	350,354	(677,821)
6,728	168,412	400	628,424	1,500,000	(53,370)	10,866,513
<u>\$ 6,748</u>	<u>\$ 100,861</u>	<u>\$ 400</u>	<u>\$ 498,422</u>	<u>\$ 1,928,477</u>	<u>\$ 296,984</u>	<u>\$ 10,188,692</u>

# Charter Township of West Bloomfield

## Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2010

	Pension Trust Funds			Agency Funds					Total Agency Funds
	Pension Fund	Post-retirement Health Care Fund	Total Pension Trust Funds	Trust and Agency	O.C.P.T.A	Bond Refund	Zoo Tax	Escrow	
<b>Assets</b>									
Investments:									
Cash equivalents	\$ 1,738,227	\$ 85,317	\$ 1,823,544	\$ 6,488,491	\$ 2,016,337	\$ 264,520	\$ 341,752	\$ 1,432,605	\$ 10,543,705
Fixed income	19,790,991	6,836,444	26,627,435	-	-	-	-	-	-
Mutual funds	48,369,764	11,672,532	60,042,296	-	-	-	-	-	-
Real estate	2,343,957	702,335	3,046,292	-	-	-	-	-	-
Other	6,237,624	7,697,815	13,935,439	-	-	-	-	-	-
Receivables	-	4,100	4,100	-	-	-	-	-	-
Prepaid expenses and other assets	8,151	128,303	136,454	-	-	-	-	-	-
<b>Total assets</b>	<b>78,488,714</b>	<b>27,126,846</b>	<b>105,615,560</b>	<b>\$ 6,488,491</b>	<b>\$ 2,016,337</b>	<b>\$ 264,520</b>	<b>\$ 341,752</b>	<b>\$ 1,432,605</b>	<b>\$ 10,543,705</b>
<b>Liabilities</b>									
Accounts payable	\$ 57,564	\$ 15,049	\$ 72,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	6,398,289	2,016,337	-	341,752	(460)	8,755,918
Due to primary government	-	28,934	28,934	-	-	-	-	-	-
Refundable deposits, bonds, etc.	-	-	-	-	-	264,520	-	1,428,185	1,692,705
Accrued liabilities and other	-	-	-	90,202	-	-	-	4,880	95,082
<b>Total liabilities</b>	<b>57,564</b>	<b>43,983</b>	<b>101,547</b>	<b>\$ 6,488,491</b>	<b>\$ 2,016,337</b>	<b>\$ 264,520</b>	<b>\$ 341,752</b>	<b>\$ 1,432,605</b>	<b>\$ 10,543,705</b>
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>	<b>\$ 78,431,150</b>	<b>\$ 27,082,863</b>	<b>\$105,514,013</b>						

# Charter Township of West Bloomfield

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Assets Fiduciary Funds Year Ended December 31, 2010

	Pension Fund	Post- retirement Health Care Fund	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 1,552,246	\$ 823,337	\$ 2,375,583
Net increase in fair value of investments	7,969,722	1,904,392	9,874,114
Investment-related expenses	(333,973)	(42,156)	(376,129)
Net investment income	9,187,995	2,685,573	11,873,568
Contributions:			
Employer	4,297,122	3,542,976	7,840,098
Employee	485,398	-	485,398
Total contributions	4,782,520	3,542,976	8,325,496
Total additions	13,970,515	6,228,549	20,199,064
<b>Deductions</b>			
Benefit payments	3,713,519	1,291,383	5,004,902
Administrative expenses	107,880	54,364	162,244
Total deductions	3,821,399	1,345,747	5,167,146
<b>Net Increase in Net Assets Held in Trust</b>	10,149,116	4,882,802	15,031,918
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	68,282,034	22,200,061	90,482,095
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b>\$ 78,431,150</b>	<b>\$ 27,082,863</b>	<b>\$ 105,514,013</b>