

Charter Township of West Bloomfield

**Federal Awards
Supplemental Information
December 31, 2010**

Charter Township of West Bloomfield

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Independent Auditor's Report

To the Board of Trustees
Charter Township of West Bloomfield

We have audited the 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, and have issued our report thereon dated June 21, 2011. These basic financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these basic 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 basic 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.

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 schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule 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.

Plante & Moran, PLLC

June 21, 2011

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Charter Township of West Bloomfield

We have audited the 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, and have issued our report thereon dated June 21, 2011. We have 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Charter Township of West Bloomfield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. It is included as Finding 2010-1.

To the Board of Trustees
Charter Township of West Bloomfield

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter Township of West Bloomfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Charter Township of West Bloomfield in a separate letter dated June 21, 2011.

The Charter Township of West Bloomfield's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Charter Township of West Bloomfield's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of trustees, others within the Township, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

June 21, 2011

Report on Compliance with Requirements Applicable to the Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees
Charter Township of West Bloomfield

Compliance

We have audited the compliance of the Charter Township of West Bloomfield (the "Township") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended December 31, 2010. The major federal program of the Charter Township of West Bloomfield is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Charter Township of West Bloomfield's management. Our responsibility is to express an opinion on the Charter Township of West Bloomfield's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Charter Township of West Bloomfield's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Charter Township of West Bloomfield's compliance with those requirements.

In our opinion, the Charter Township of West Bloomfield complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

To the Board of Trustees
Charter Township of West Bloomfield

Internal Control Over Compliance

The management of the Charter Township of West Bloomfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Charter Township of West Bloomfield's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of trustees, others within the Township, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

June 21, 2011

Charter Township of West Bloomfield

Schedule of Expenditures of Federal Awards Year Ended December 31, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Award Amount	Federal Expenditures
ARRA U.S. Department of Energy - Energy Independence and Security Act of 2007 - Energy Efficiency & Conservation Block Grant	81.128		\$ 571,800	\$ 15,520
U.S. Department of Homeland Security - Passed through the Michigan Department of State Police Emergency Management & Homeland Security - Passed through Oakland County, Michigan:				
2007 State Homeland Security Grant	97.067	FY 2007 HSGP		192
2008 State Homeland Security Grant	97.067	FY 2008 HSGP		<u>1,115</u>
Total U.S. Department of Homeland Security				1,307
U.S. Department of Housing and Urban Development - Michigan Urban County - Community Development Block Grant - Passed through Oakland County, Michigan - Entitlement Grant:	14.218			
Program year 2004-2005#		731619	33,589	33,589
Program year 2006-2007#		731619	42,393	42,393
Program year 2007-2008#		731619	41,789	14,335
Program year 2008-2009#		730137	-	-
		730535	2,500	1,300
		731360	5,856	-
		731619	40,063	-
		731665	5,760	4,737
		731712	15,849	-
Program year 2009-2010#		730137	-	-
		730535	2,500	2,500
		731360	22,892	22,892
		731619	62,028	-
		731665	2,500	-
		731712	28,894	21,738
Program year 2010-2011 #		730535	2,500	-
		730571	3,000	-
		730789	5,000	-
		731227	2,500	-
		731360	20,104	19,681
		731619	60,905	-
		731712	27,643	<u>23,381</u>
Total U.S. Department of Housing and Urban Development				186,546

Charter Township of West Bloomfield

Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Project/Grant Number	Award Amount	Federal Expenditures
U.S. Department of Justice:				
COPS Technological Grant	16.710	2008CKWX0179	\$ 587,368	\$ 38,407
Federal Equitable Sharing Program - Justice (270)	16.unknown		126,667	191,231
Joint Terrorism Task Force - FBI	16.unknown		13,378	13,378
Drug Enforcement Administration Task Force	16.unknown		16,084	16,084
Drug Enforcement Administration Task Force - SONIC 19	16.unknown		15,641	15,641
Drug Enforcement Administration Task Force - NET	16.unknown		9,730	9,730
Bureau of Justice Assistance - Edward Byrne Justice Assistance Grant Program - Passed through Oakland County Criminal Justice Project	16.804	2009-G1382-MI-SB	18,588	<u>18,588</u>
Total U.S. Department of Justice				303,059
U.S. Department of Treasury - Federal Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies	21.unknown		669	32,980
U.S. Election Assistance Commission - Help America Vote Act (HAVA) - Passed through the State of Michigan, Michigan Department of State Election Reform Payments	90.401		19,529	19,529
Environmental Protection Agency: Passed through State of Michigan Department of Environmental Quality:				
Safe Drinking Water Revolving Fund-Phase I	66.468	720301	881,670	-
Safe Drinking Water Revolving Fund-Phase II	66.468	721801	7,975,000	1,581
Safe Drinking Water Revolving Fund-Phase II	66.468	725401	790,000	-
Passed through State of Michigan Department of Environmental Protection Agency - ARRA State Revolving Fund	66.458	2W-00E752-01	4,590,000	<u>2,297,245</u>
Total Environmental Protection Agency				<u>2,298,826</u>
Total federal expenditures				<u>\$ 2,857,767</u>

Charter Township of West Bloomfield

Note to Schedule of Expenditures of Federal Awards Year Ended December 31, 2010

Note - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Charter Township of West Bloomfield under programs of the federal government for the year ended December 31, 2010. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of the Charter Township of West Bloomfield, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of the Charter Township of West Bloomfield. Pass-through entity identifying numbers are presented where available.

Charter Township of West Bloomfield

Schedule of Findings and Questioned Costs Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
66.458	ARRA State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Charter Township of West Bloomfield

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2010

Section II - Financial Statement Audit Findings

Reference Number	Findings
2010-1	<p>Finding Type - Material weakness</p> <p>Criteria - The Township should be able to record all transactions related to long-term debt activity, including bond defeasances, debt issued by the county, and loan forgiveness.</p> <p>Condition - During the audit process, we identified adjustments that were required to long-term debt and related transactions.</p> <p>Context - The Township entered into several transactions during the year that were outside the normal day-to-day activity of the Township, including the defeasance of the Building Authority bonds for the library building, participation in the Oakland-Macomb Interceptor Drain district, and received loan forgiveness for the State Revolving Fund project from the American Recovery and Reinvestment Act grant. In addition, the finance staff was preparing for the audit without the benefit of assistance from the Township's finance director (the position was temporarily vacant due to his passing). At the start of the audit, the finance staff alerted us to these unusual transactions so that we would evaluate them closely.</p> <p>Cause - Preparing for the audit with a reduced finance staff made it difficult to account for these new transactions correctly.</p> <p>Effect - The transactions were brought to the attention of the auditors so that we could evaluate the accounting; as a result, we worked with the Township staff so that the Township staff could calculate the necessary adjustments.</p> <p>Recommendation - For transactions that may be of a more complex nature or outside the normal course of Township operations, the Township's accounting staff could consult with the auditors at the time of the transactions to ensure the accounting treatment is proper.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Township will evaluate procedures and make necessary changes in order to correct the issue.</p>

Charter Township of West Bloomfield

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2010

Section III - Federal Program Audit Findings

Reference Number	Findings
	None