

# **Charter Township of West Bloomfield**

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**Financial Report  
with Supplemental Information  
December 31, 2009**

# 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, 2009, 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, 2009 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 9, 2010 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 9, 2010

# 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, 2009. 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, 2009, and changes in net assets, compared to the prior two years:

	2007	2008	2009	Current Year	
				Change	Percent
<b>Assets</b>					
Capital assets	\$ 27,373,325	\$ 32,205,592	\$ 33,156,774	\$ 951,182	3.0
Other assets	53,410,782	66,629,792	62,800,530	(3,829,262)	(5.7)
Total assets	80,784,107	98,835,384	95,957,304	(2,878,080)	(2.9)
<b>Liabilities</b>					
Long-term liabilities	8,243,993	22,697,942	22,626,318	(71,624)	(0.3)
Unearned revenue	28,971,034	28,145,132	26,586,649	(1,558,483)	(5.5)
Other liabilities	3,761,249	5,134,944	3,134,309	(2,000,635)	(39.0)
Total liabilities	40,976,276	55,978,018	52,347,276	(3,630,742)	(6.5)
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	24,171,435	24,253,061	23,624,386	(628,675)	(2.6)
Restricted	7,392,013	9,666,518	11,079,980	1,413,462	14.6
Unrestricted	8,244,383	8,937,787	8,905,662	(32,125)	(0.4)
Total net assets	<b>\$ 39,807,831</b>	<b>\$ 42,857,366</b>	<b>\$ 43,610,028</b>	<b>\$ 752,662</b>	1.8

# Charter Township of West Bloomfield

## Management's Discussion and Analysis (Continued)

	2007	2008	2009	Current Year	
				Change	Percent
<b>Change in Net Assets</b>					
Revenue:					
Program revenue:					
Charges for services	\$ 7,073,690	\$ 6,654,259	\$ 6,055,297	\$ (598,962)	(9.0)
Operating grants and contributions	482,494	934,662	1,016,188	81,526	8.7
Capital grants and contributions	678,450	887,248	896,929	9,681	1.1
General revenue:					
Property taxes	26,881,130	28,028,874	27,904,288	(124,586)	(0.4)
State-shared revenue	4,898,517	4,787,942	4,137,761	(650,181)	(13.6)
Investment earnings	1,852,600	1,569,789	288,298	(1,281,491)	(81.6)
Franchise fees	1,321,835	1,444,687	1,577,592	132,905	9.2
Other miscellaneous income	389,252	360,113	609,409	249,296	69.2
Gain (loss) on sale of capital assets	55,170	(182,449)	(10,302)	172,147	(94.4)
<b>Total revenue</b>	<b>43,633,138</b>	<b>44,485,125</b>	<b>42,475,460</b>	<b>(2,009,665)</b>	<b>(4.5)</b>
Program expenses:					
General government	6,110,046	6,290,116	6,174,431	(115,685)	(1.8)
District Court	1,517,410	1,380,368	1,612,057	231,689	16.8
Public safety	29,975,825	30,342,554	30,364,311	21,757	0.1
Public works	598,435	639,876	442,131	(197,745)	(30.9)
Community and economic development	1,345,253	1,570,544	1,520,297	(50,247)	(3.2)
Recreation and culture	681,963	527,740	728,734	200,994	38.1
Interest on long-term debt	337,598	684,392	880,840	196,448	28.7
<b>Total program expenses</b>	<b>40,566,530</b>	<b>41,435,590</b>	<b>41,722,801</b>	<b>287,211</b>	<b>0.7</b>
<b>Excess of Revenue Over Expenses</b>	<b>3,066,608</b>	<b>3,049,535</b>	<b>752,659</b>	<b>(2,296,876)</b>	<b>75.3</b>
<b>Transfers</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Change in Net Assets</b>	<b>\$ 3,116,608</b>	<b>\$ 3,049,535</b>	<b>\$ 752,659</b>	<b>\$ (2,296,876)</b>	<b>75.3</b>

The Township's governmental net assets increased approximately \$752,700 from a year ago - from \$42.9 million to \$43.6 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 \$8.9 million, or approximately 26 percent of general revenues (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. This joint venture has been a significant component of the increased costs of the Public Safety Fund.

Since taxable value is expected to reduce the Township revenue by approximately 25-30 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.

The two most significant expense categories, general government and public safety, realized a collective modest increase of .6 percent. Interest on long-term debt significantly increased due to the issuance of new debt. The increase in long-term interest is primarily due to the issuance of bonds for special assessment districts and the safety paths within the Township. The Safety Path Bond was in the amount of \$8,055,000. Interest incurred from the Safety Path Bond will be paid by a voter-approved millage that remains in effect until 2019. During 2009, the Township approved the transfer of general funds to the Improvement Revolving Fund. The revolving fund financed SAD 140 for a road improvement project. This allowed the Township to collect 5 percent interest on a \$480,000 loan and savings to the residents over the interest rate that would have been required had bonds been issued.

# 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, 2009 and changes in net assets compared to the prior two years:

	2007	2008	2009	Current Year	
				Change	Percent
<b>Assets</b>					
Capital assets	\$ 98,717,394	\$ 108,832,076	\$ 111,268,200	\$ 2,436,124	2.2
Other assets	24,147,198	23,565,980	20,324,645	(3,241,335)	(13.8)
Total assets	122,864,592	132,398,056	131,592,845	(805,211)	(0.6)
<b>Liabilities</b>					
Long-term liabilities	1,336,462	7,708,668	8,746,290	1,037,622	13.5
Other liabilities	3,178,540	5,978,776	3,613,089	(2,365,687)	(39.6)
Total liabilities	4,515,002	13,687,444	12,359,379	(1,328,065)	(9.7)
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	96,871,068	100,166,911	102,069,998	1,903,087	1.9
Restricted	10,304,632	9,069,781	6,229,367	(2,840,414)	(31.3)
Unrestricted	11,173,890	9,473,920	10,934,101	1,460,181	15.4
Total net assets	<u>\$ 118,349,590</u>	<u>\$ 118,710,612</u>	<u>\$ 119,233,466</u>	<u>\$ 522,854</u>	0.4
<b>Changes in Net Assets</b>					
Charges for services	\$ 20,794,398	\$ 18,960,165	\$ 19,447,818	\$ 487,653	2.6
Operating expenses exclusive of depreciation	17,572,699	17,465,142	17,150,057	(315,085)	(1.8)
Depreciation	2,113,010	2,158,885	2,265,875	106,990	5.0
<b>Operating Income (Loss)</b>	1,108,689	(663,862)	31,886	695,748	(104.8)
<b>Nonoperating Income</b>	909,542	515,027	(400,254)	(915,281)	(177.7)
<b>Capital Contributions</b>	471,080	509,857	891,222	381,365	74.8
<b>Change in Net Assets</b>	<u>\$ 2,489,311</u>	<u>\$ 361,022</u>	<u>\$ 522,854</u>	<u>\$ 161,832</u>	44.8

Business-type net assets (the Water and Sewer Fund) increased \$522,854 from the prior year. The unrestricted portion of net assets is approximately \$10.5 million, which is approximately \$1 million more than last year, and equal to the target established by the Township to operate and maintain the system efficiently. These were budgeted for long-term infrastructure improvements. The costs incurred reflect an investment for needed improvements to the Township's aging infrastructure and costs to provide for the integrity and security of the system for all West Bloomfield residents.

# **Charter Township of West Bloomfield**

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

Usage fees were increased in 2009, consistent with increases from the Detroit Water and Sewer System. During 2009, water sold decreased approximately 4 percent. This is based on weather patterns, the economy, and water conservation initiatives.

### **The Township's Funds**

Our analysis of the Township's major funds follows the government-wide financial statements. 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 2009 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 police and fire, followed by general government, building inspections, and the District Court. The police and fire costs are paid from a combination of the General Fund and the Public Safety Fund. This latter fund accounts for proceeds of a special public safety millage and is used solely to pay for facilities, equipment, and increased staffing since the initial millage was enacted.

The General Fund is supported primarily by general property taxes and state-shared revenue. The Public Safety Fund accounts for the collection of the special-voted millage for police and fire services. The Public Improvement and Building Fund accounts for funds set aside from the General Fund for future capital outlay. The purpose is to accumulate the necessary amounts to fund capital outlay on an even basis over the years, so as not to require unusual General Fund spending in any one year.

### **General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to take into account cost reductions that were achieved in most departments; additionally, the General Fund revenues decreased by more than \$2 million. The decrease was attributable to the reduction in property taxes and state-shared revenue.

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

At the end of 2009, the Township had approximately \$144 million invested in a broad range of capital assets, including buildings, bike paths, police and fire equipment, and water and sewer lines. During the current year, the Township continued several significant projects, including the construction of safety paths and the replacement, improvement, and maintenance of the water and sewer infrastructure.

# **Charter Township of West Bloomfield**

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

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

The Township's 2010 fiscal year budget calls for a continued general hiring freeze, requiring board approval for new hires. Additional reductions are anticipated with reductions of nonessential costs. The budget will reflect employee reduction through attrition, concessions, and cost savings (with significance in fringes and salaries).

It is anticipated that during 2010, the water and sewer system will require increased rates. The increase from DWSD to the Township for water is 8.7 percent and the increase for sewer to the Township from the OCWRC is 7.1 percent. The Township Water and Sewer director will propose to the board for consideration a 3.38 percent increase in water and a 3.71 percent increase in sewer to be passed down to Township customers (this represents a 3.55 percent blended rate increase for water and sewer customers). The increase in rates is attributable directly to wholesale increases from the Detroit Water and Sewer Department, Oakland County, 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 is now at a record low of 2 percent.

The Charter Township of West Bloomfield is collaborating with six other Townships (Brandon, Commerce, Groveland, Independence, Springfield, and Waterford) on a biomass recovery project. Appropriation requests have been made and independent financing looks promising for a Biomass Recovery and Innovation Center (BRIC) to convert organic and renewable waste into a marketable commodity (such as a biofuel) to perhaps create a new revenue source for these Townships from their waste and to break new ground in eliminating landfilling.

The Township received a generous donation from a local business, Ramsond Technology. This donation was in the form of a hybrid wind and solar lighting system that is located on Township premises. It is the focal point of marketing efforts last year to attract alternative energy technology businesses to the community and to emphasize the Township's commitment to the environment.

The Township was benchmarked for the innovative manner in which it addressed residential foreclosures, abandoned property, and vacant commercial space through a Community Development Committee (CDC). The challenge of the CDC is monumental and multifaceted. Their results include: holding foreclosure events to attract buyers (which in part resulted in off-the-chart student enrollments in the West Bloomfield School District); creating a rental inspection program and a vacant property ordinance and registration process. The CDC is working proactively to protect home values and increase the revenue base for the Township.

# **Charter Township of West Bloomfield**

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

The Township reorganized by forming a Community Development Department and streamlined the building permit process (by implementing lean techniques and Developer Roundtable discussions) to encourage redevelopment. One of the most significant bottlenecks in the permit process has traditionally been with fire inspections. The Fire Department has been involved in the process of creating a checklist to communicate requirements at the onset of a project. This will facilitate a property owner receiving their certificate of occupancy at a faster rate. In absence of the contributions through community development, property tax revenue projections would have been approximately 3 percent 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.

### **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, we welcome you to contact the clerk's office.

# Charter Township of West Bloomfield

## Statement of Net Assets December 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 34,444,482	\$ 9,088,732	\$ 43,533,214
Receivables:			
Property taxes receivable	12,272,272	-	12,272,272
Customer receivables	-	4,356,772	4,356,772
Other receivables	1,332,928	937	1,333,865
Due from other governmental units	909,298	166,349	1,075,647
Lease receivable	7,900,000	-	7,900,000
Special assessments receivable	968,481	-	968,481
Internal balances	(273,653)	273,653	-
Prepaid expenses and other assets	399,122	33,014	432,136
Restricted assets	3,523,502	6,219,242	9,742,744
Capital assets:			
Assets not subject to depreciation	3,449,975	4,257,617	7,707,592
Assets subject to depreciation	29,705,895	107,010,583	136,716,478
Intangible assets	904	-	904
Inventory	-	185,946	185,946
Net pension and OPEB assets	1,324,098	-	1,324,098
<b>Total assets</b>	<b>95,957,304</b>	<b>131,592,845</b>	<b>227,550,149</b>
<b>Liabilities</b>			
Accounts payable	1,421,802	2,839,550	4,261,352
Due to other governmental units	19,202	-	19,202
Accrued liabilities and other	1,644,390	133,093	1,777,483
Deferred revenue	26,586,649	-	26,586,649
Deposits	48,915	-	48,915
Noncurrent liabilities:			
Due within one year:			
Compensated absences	130,230	188,534	318,764
Current portion of long-term debt	2,048,041	451,912	2,499,953
Due in more than one year:			
Compensated absences	1,686,466	-	1,686,466
Provision for claims	381,343	-	381,343
Long-term debt	18,380,238	8,746,290	27,126,528
<b>Total liabilities</b>	<b>52,347,276</b>	<b>12,359,379</b>	<b>64,706,655</b>
<b>Net Assets</b>			
Invested in capital assets - Net of related debt	23,624,386	102,069,998	125,694,384
Restricted for:			
Public safety	5,026,951	-	5,026,951
Drug enforcement	1,296,741	-	1,296,741
Drains at large	382,471	-	382,471
Special assessments	1,596,179	-	1,596,179
Safety path	2,777,638	-	2,777,638
Debt service and capital improvements	-	6,219,242	6,219,242
Benevolent uses	-	10,125	10,125
Unrestricted	8,905,662	10,934,101	19,839,763
<b>Total net assets</b>	<b>\$ 43,610,028</b>	<b>\$ 119,233,466</b>	<b>\$ 162,843,494</b>

# Charter Township of West Bloomfield

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,174,431	\$ 1,641,604	\$ 107,477	\$ 9,834
District court	1,612,057	1,668,745	-	-
Public safety	30,364,311	2,489,910	908,711	-
Public works	442,131	-	-	887,095
Community and economic development	1,520,297	255,038	-	-
Recreation and culture	728,734	-	-	-
Interest on long-term debt	880,840	-	-	-
Total governmental activities	41,722,801	6,055,297	1,016,188	896,929
Business-type activities - Water and Sewer Fund	19,564,436	19,447,818	-	891,222
Total primary government	<u>\$ 61,287,237</u>	<u>\$ 25,503,115</u>	<u>\$ 1,016,188</u>	<u>\$ 1,788,151</u>
General revenues:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain (loss) from sale of capital assets				
Total general revenues				
<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, 2009**

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,415,516)	\$ -	\$ (4,415,516)
56,688	-	56,688
(26,965,690)	-	(26,965,690)
444,964	-	444,964
(1,265,259)	-	(1,265,259)
(728,734)	-	(728,734)
(880,840)	-	(880,840)
(33,754,387)	-	(33,754,387)
-	774,604	774,604
(33,754,387)	774,604	(32,979,783)
27,904,288	-	27,904,288
4,137,761	-	4,137,761
288,298	170,977	459,275
1,577,592	-	1,577,592
609,409	-	609,409
(10,302)	(422,727)	(433,029)
34,507,046	(251,750)	34,255,296
752,659	522,854	1,275,513
42,857,369	118,710,612	161,567,981
<b>\$ 43,610,028</b>	<b>\$ 119,233,466</b>	<b>\$ 162,843,494</b>

# Charter Township of West Bloomfield

## Governmental Funds Balance Sheet December 31, 2009

	General Fund	Public Safety Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 14,853,156	\$ 11,956,416	\$ 7,634,910	\$ 34,444,482
Receivables:				
Property taxes receivable	6,058,714	5,751,164	462,394	12,272,272
Special assessments receivable	-	-	968,481	968,481
Other receivables	1,095,186	23,352	214,390	1,332,928
Due from other governmental units	829,419	3,225	76,654	909,298
Due from other funds	105,760	119,778	1,844,457	2,069,995
Prepaid expenses and other assets	271,838	127,284	-	399,122
Restricted assets	-	-	2,996,795	2,996,795
<b>Total assets</b>	<b>\$ 23,214,073</b>	<b>\$ 17,981,219</b>	<b>\$ 14,198,081</b>	<b>\$ 55,393,373</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 476,467	\$ 55,447	\$ 889,888	\$ 1,421,802
Due to other governmental units	1,787	-	17,415	19,202
Due to other funds	1,368,114	511,446	464,088	2,343,648
Accrued liabilities and other	1,056,794	448,943	8,300	1,514,037
Deferred revenue	14,446,611	12,438,432	1,939,077	28,824,120
Deposits	36,115	-	12,800	48,915
<b>Total liabilities</b>	<b>17,385,888</b>	<b>13,454,268</b>	<b>3,331,568</b>	<b>34,171,724</b>
<b>Fund Balances</b>				
Reserved for - Capital projects	-	-	2,996,795	2,996,795
Unreserved, reported in:				
General Fund	5,828,185	-	-	5,828,185
Special Revenue Funds	-	4,526,951	5,619,124	10,146,075
Debt Service Funds	-	-	175,140	175,140
Capital Projects Funds	-	-	2,075,454	2,075,454
<b>Total fund balances</b>	<b>5,828,185</b>	<b>4,526,951</b>	<b>10,866,513</b>	<b>21,221,649</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,214,073</b>	<b>\$ 17,981,219</b>	<b>\$ 14,198,081</b>	<b>\$ 55,393,373</b>

# Charter Township of West Bloomfield

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets December 31, 2009

<b>Fund Balance Reported in Governmental Funds</b>	\$ 21,221,649
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	33,155,870
Intangible assets do not represent financial resources and are not reported in the funds	904
Assets held by other governments are not financial resources and are not reported in the funds	526,707
Leases receivable are expected to be collected over several years and are not available to pay for current year expenditures	7,900,000
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	925,332
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	1,312,139
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(20,428,279)
Accrued interest is not due and payable in the current period and is not reported in the funds	(130,353)
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	(1,816,696)
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	(381,343)
The net pension and other postemployment benefits assets are not a financial resource and are recorded only at the government-wide level	1,324,098
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 43,610,028</u></b>

# Charter Township of West Bloomfield

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2009

	General Fund	Public Safety Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes	\$ 13,748,171	\$ 13,018,478	\$ 1,137,639	\$ 27,904,288
Licenses and permits	1,088,093	-	-	1,088,093
Federal grants	55,161	78,219	796,560	929,940
State-shared revenue and grants	4,235,881	-	86,020	4,321,901
Charges for services	3,133,897	-	-	3,133,897
Fines and forfeitures	1,527,397	23,465	-	1,550,862
Investment income	198,470	37,316	50,576	286,362
Rental income	267,905	-	-	267,905
Other revenue:				
Special assessments	-	-	749,556	749,556
Cable franchise fees	1,060,742	-	516,850	1,577,592
Other miscellaneous income	199,870	-	1,133,257	1,333,127
Total revenue	<u>25,515,587</u>	<u>13,157,478</u>	<u>4,470,458</u>	<u>43,143,523</u>
<b>Expenditures - Current</b>				
General government	5,413,629	-	-	5,413,629
District court	1,610,087	-	-	1,610,087
Public safety	15,081,654	11,846,426	578,795	27,506,875
Public works	123,065	-	1,457,028	1,580,093
Retiree health contribution	1,943,914	1,312,560	-	3,256,474
Community development	1,522,771	-	-	1,522,771
Recreation and culture	5,738	-	1,747,436	1,753,174
Debt service	-	255,425	2,339,550	2,594,975
Total expenditures	<u>25,700,858</u>	<u>13,414,411</u>	<u>6,122,809</u>	<u>45,238,078</u>
<b>Excess of Expenditures Over Revenue</b>	(185,271)	(256,933)	(1,652,351)	(2,094,555)
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	520	7,055	-	7,575
Transfers in	305,899	96,019	2,361,458	2,763,376
Transfers out	(1,801,246)	(500,000)	(462,130)	(2,763,376)
Total other financing sources (uses)	<u>(1,494,827)</u>	<u>(396,926)</u>	<u>1,899,328</u>	<u>7,575</u>
<b>Net Change in Fund Balances</b>	(1,680,098)	(653,859)	246,977	(2,086,980)
<b>Fund Balances - Beginning of year</b>	<u>7,508,283</u>	<u>5,180,810</u>	<u>10,619,536</u>	<u>23,308,629</u>
<b>Fund Balances - End of year</b>	<u>\$ 5,828,185</u>	<u>\$ 4,526,951</u>	<u>\$10,866,513</u>	<u>\$21,221,649</u>

# Charter Township of West Bloomfield

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2009

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (2,086,980)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	3,571,719
Depreciation expense	(2,071,159)
Loss on disposal of capital assets	(17,874)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 45 days of year end	(44,301)
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 45 days of year end	195,937
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,744,175
Change in accrued interest payable and other	(36,834)
Employee sick and vacation pay is recorded in the statement of activities when earned, rather than when used	(30,133)
Collection of building authority lease receivable is considered a revenue of the governmental funds, but not at the government-wide level	(800,000)
Change in general liability claims	201,756
Change in net pension and other postemployment benefit assets	126,353
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ 752,659</b>

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Net Assets December 31, 2009

	Enterprise Fund - Water and Sewer Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 9,088,732
Receivables	4,524,058
Due from other funds	273,653
Prepaid expenses and other assets	33,014
Total current assets	<u>13,919,457</u>
Noncurrent assets:	
Restricted assets	6,219,242
Capital assets	111,268,200
Inventory	185,946
Total noncurrent assets	<u>117,673,388</u>
Total assets	<u>131,592,845</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,839,550
Accrued liabilities and other	133,093
Compensated absences	188,534
Current portion of long-term debt	451,912
Total current liabilities	<u>3,613,089</u>
Noncurrent liability - Long-term debt	<u>8,746,290</u>
Total liabilities	<u>12,359,379</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	102,069,998
Restricted:	
Debt service and capital improvements	6,219,242
Benevolent uses	10,125
Unrestricted	10,934,101
Total net assets	<u><u>\$ 119,233,466</u></u>

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2009

	Enterprise Fund - Water and Sewer Fund
<b>Operating Revenue</b>	
Sale of water	\$ 10,341,877
Sewage disposal charges	8,511,295
Interest and penalty charges	462,193
Installation fees	43,969
Other charges for services	88,484
	<hr/>
Total operating revenue	19,447,818
<b>Operating Expenses</b>	
Cost of water	6,733,107
Cost of sewage treatment	5,535,997
Distribution and collection	3,759,020
Billing and administrative costs	384,433
Municipal service charges	737,500
Depreciation	2,265,875
	<hr/>
Total operating expenses	19,415,932
<b>Operating Income</b>	31,886
<b>Nonoperating Revenue (Expense)</b>	
Investment income	170,977
Interest expense	(148,504)
Loss on sale of assets	(422,727)
	<hr/>
<b>Loss - Before capital contributions</b>	(368,368)
<b>Capital Contributions</b>	
Special assessments	215,738
Lines donated by developers	675,484
	<hr/>
Total capital contributions	891,222
<b>Change in Net Assets</b>	522,854
<b>Net Assets - Beginning of year</b>	118,710,612
	<hr/>
<b>Net Assets - End of year</b>	<b>\$ 119,233,466</b>

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Cash Flows Year Ended December 31, 2009

	Enterprise Fund - Water and Sewer Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 19,863,028
Receipts from interfund services and reimbursements	(17,115)
Payments to suppliers	(16,791,892)
Payments to employees	(2,175,086)
Other receipts	(18,549)
	<hr/>
Net cash provided by operating activities	860,386
<b>Cash Flows from Capital and Related Financing Activities</b>	
Special assessment collections	215,738
Benefit fees	14,797
Purchase of capital assets	(4,449,242)
Principal and interest paid on capital debt	(1,050,836)
Proceeds from debt	1,491,533
	<hr/>
Net cash used in capital and related financing activities	(3,778,010)
<b>Cash Flows from Investing Activities</b> - Interest received on investments	<hr/> 170,977
<b>Net Decrease in Cash and Cash Equivalents</b>	(2,746,647)
<b>Cash and Cash Equivalents</b> - Beginning of year	<hr/> 17,501,929
<b>Cash and Cash Equivalents</b> - End of year	<b><u><u>\$ 14,755,282</u></u></b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>	
Cash and investments	\$ 9,088,732
Restricted cash	5,666,550
	<hr/>
Total cash and cash equivalents	<b><u><u>\$ 14,755,282</u></u></b>

# Charter Township of West Bloomfield

## Proprietary Fund Statement of Cash Flows (Continued) Year Ended December 31, 2009

	Enterprise Fund - Water and Sewer Fund
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>	
Operating income	\$ 31,886
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	2,265,875
Changes in assets and liabilities:	
Receivables	396,661
Due from others	(17,115)
Inventories	95,074
Prepaid and other assets	(13,091)
Accounts payable	(1,914,853)
Accrued and other liabilities	15,949
Net cash provided by operating activities	<u>\$ 860,386</u>

**Noncash Investing, Capital, and Financing Activities** - During the year ended December 31, 2009, the Water and Sewer Fund received \$675,484 of lines donated by developers.

# Charter Township of West Bloomfield

## Fiduciary Funds Statement of Fiduciary Net Assets December 31, 2009

	Pension and Other Employee Benefits Trust Fund	Agency Funds
<b>Assets</b>		
Cash and investments:		
Cash equivalents	\$ 3,152,815	\$ 16,057,140
Fixed income	22,330,268	-
Mutual funds	50,320,256	-
Real estate	2,664,450	-
Other investments	12,018,082	-
Receivables	14,335	64
Prepaid expenses and other assets	114,560	-
Total assets	90,614,766	\$ 16,057,204
<b>Liabilities</b>		
Accounts payable	128,433	\$ -
Due to other governmental units	-	14,138,868
Due to primary government	4,238	12,609
Refundable deposits, bonds, etc.	-	1,808,037
Accrued liabilities and other	-	97,690
Total liabilities	132,671	\$ 16,057,204
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>	<b>\$ 90,482,095</b>	

# Charter Township of West Bloomfield

## Fiduciary Funds Statement of Changes in Fiduciary Net Assets - Pension and Other Postretirement Healthcare Funds Year Ended December 31, 2009

### Additions

Investment income (loss):	
Interest and dividends	\$ 2,166,652
Net increase in fair value of investments	12,065,183
Investment-related expenses	<u>(363,340)</u>
Net investment income	13,868,495
Contributions:	
Employer	7,598,688
Employee	<u>290,704</u>
Total contributions	<u>7,889,392</u>
Total additions	21,757,887

### Deductions

Benefit payments	4,431,631
Administrative expenses	<u>111,585</u>
Total deductions	<u>4,543,216</u>

**Net Increase in Net Assets Held in Trust** 17,214,671

**Net Assets Held in Trust for Pension and Other Employee Benefits -**  
Beginning of year 73,267,424

**Net Assets Held in Trust for Pension and Other Employee Benefits -**  
End of year \$ 90,482,095

# Charter Township of West Bloomfield

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## Notes to Financial Statements December 31, 2009

### 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 \$1,610,087 for the year ended December 31, 2009, and its share of revenue amounted to \$1,463,880. 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 revenues, 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, 2009

### 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 revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or 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

## Notes to Financial Statements December 31, 2009

### Note 1 - 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 the levy of a special millage for police and fire services.

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 (to also) follow private sector standards issued after November 30, 1989 for its business-type activities.

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

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted resources.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### 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 2008 tax is levied and collectible on December 1, 2008 and is recognized as revenue in the year ended December 31, 2009, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2008 taxable valuation of the Township totaled \$4.2 billion, on which taxes levied consisted of 3.3816 mills for operating purposes, 3.1378 mills for police and fire services, 0.0760 mills for drains, and .1982 mills for the safety path. This resulted in \$13.7 million for operating, \$13.0 million for police and fire services, \$316,000 for drains, and \$822,000 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, 2009

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

#### Assets, Liabilities, and Net Assets or Equity

**Bank Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Investment income from pooled investments is generally allocated to each fund using a weighted average method.

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

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

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

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$4,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### 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, 2009

### 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, 2009 is as follows:

Cumulative shortfall at January 1, 2009		\$ (2,624,031)
Current year permit revenue		1,068,533
Related expenses:		
Direct costs	\$ 963,555	
Estimated indirect costs	<u>1,083,929</u>	<u>2,047,484</u>
Current year shortfall		<u>(978,951)</u>
Cumulative shortfall at December 31, 2009		<u><u>\$ (3,602,982)</u></u>

**Fund Deficits** - The Improvement Revolving Fund has a fund deficit of \$53,370 at December 31, 2009. As the Township collects on the Interlaken special assessment from residents, the deficit will be eliminated.

### 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 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

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## Notes to Financial Statements December 31, 2009

### 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:
  - o 5.50 percent for >\$500 million total assets
  - o 7.00 percent for \$300 to \$499 million total assets
  - o 7.25 percent for \$100 to \$299 million total assets

At year end, the Township had \$16,430,843 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

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

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

At year end, the Township had approximately \$5,273,090 invested in U.S. governmental or agency bonds or notes with a weighted average maturity of approximately 2.5 years.

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

Investment	Fair Value	Weighted Average Maturity
Pension - Investment pools	\$ 16,718,970	6.67 years
RHC - Investment pools	5,611,298	3.81 years

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the Township had fixed investments with the following credit ratings:

Type of Investment	Amount	Rating	Agency
Investment pools	\$ 34,240,285	NR	NR
U.S. agency obligations	5,273,090	AAA	S&P
Pension - Investment pools	2,576,387	AI	Moody's
	11,814,039	A	S&P
	431,360	AAA	S&P
Pension - Corporate bond pool	4,473,571	AA-	S&P
Retiree Health Care - Investment pools	2,687,500	AAAm	S&P
	2,753,933	AAA	S&P
Retiree Health Care - Corporate bonds	2,857,365	AA-	S&P

### 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	\$ 6,058,714	\$ 5,751,164	\$ 462,394	\$ 12,272,272
Special assessments receivable	-	-	968,481	968,481
Other receivables	1,095,186	23,352	214,390	1,332,928
Due from other governmental units	829,419	3,225	76,654	909,298
Net receivables	\$ 7,983,319	\$ 5,777,741	\$ 1,721,919	\$ 15,482,979

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 4 - Receivables and Deferred Revenue (Continued)

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 2010 budget	\$ -	\$ 26,541,769
District court	471,515	-
Ambulance fees	97,000	-
Cell phone tower lease	-	44,880
State-shared revenue	727,956	-
Special assessments	925,332	-
Grants	15,668	-
Total	<u>\$ 2,237,471</u>	<u>\$ 26,586,649</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 5 - Capital Assets

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

	Balance January 1, 2009	Reclassifications	Additions	Disposals	Balance December 31, 2009
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land and other	\$ 1,681,052	\$ -	\$ 243,602	\$ -	\$ 1,924,654
Construction in progress	1,240,483	(469,341)	754,179	-	1,525,321
Subtotal	2,921,535	(469,341)	997,781	-	3,449,975
Capital assets being depreciated:					
Bike paths	14,702,518	82,774	741,470	-	15,526,762
Investment in county roads and drains	4,321,017	381,251	471,498	526,707	4,647,059
Buildings and improvements	13,771,542	5,316	67,570	25,169	13,819,259
Machinery and equipment	12,801,376	-	1,287,700	33,219	14,055,857
Land improvements	2,820,783	-	-	-	2,820,783
Subtotal	48,417,236	469,341	2,568,238	585,095	50,869,720
Accumulated depreciation:					
Bike paths	7,105,027	-	432,020	-	7,537,047
Investment in county roads and drains	183,560	-	115,884	-	299,444
Buildings and improvements	4,160,463	-	256,022	8,128	4,408,357
Machinery and equipment	6,599,171	-	1,165,073	32,385	7,731,859
Land improvements	1,084,958	-	102,160	-	1,187,118
Subtotal	19,133,179	-	2,071,159	40,513	21,163,825
Net capital assets being depreciated	29,284,057	469,341	497,079	544,582	29,705,895
Net capital assets	\$ 32,205,592	\$ -	\$ 1,494,860	\$ 544,582	\$ 33,155,870

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Reclassifications	Additions	Disposals	Balance
	January 1, 2009				December 31, 2009
Capital assets not being depreciated:					
Land	\$ 575,480	\$ -	\$ 48,926	\$ -	\$ 624,406
Construction in progress	10,327,698	(10,185,948)	3,491,461	-	3,633,211
Subtotal	10,903,178	(10,185,948)	3,540,387	-	4,257,617
Capital assets being depreciated:					
Water and sewer distribution systems	136,299,093	10,185,948	1,290,407	790,293	146,985,155
Buildings and improvements	1,576,451	-	-	-	1,576,451
Other tools and equipment	2,797,221	-	311,938	294,564	2,814,595
Other improvements	140,289	-	-	-	140,289
Subtotal	140,813,054	10,185,948	1,602,345	1,084,857	151,516,490
Accumulated depreciation:					
Water and sewer distribution systems	40,284,322	-	2,083,441	382,529	41,985,234
Buildings and improvements	768,150	-	37,784	-	805,934
Other tools and equipment	1,749,028	-	139,917	261,595	1,627,350
Other improvements	82,656	-	4,733	-	87,389
Subtotal	42,884,156	-	2,265,875	644,124	44,505,907
Net capital assets being depreciated	97,928,898	10,185,948	(663,530)	440,733	107,010,583
Net capital assets	\$ 108,832,076	\$ -	\$ 2,876,857	\$ 440,733	\$ 111,268,200

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

#### Governmental activities:

General government	\$ 483,308
Public safety:	
Police	433,598
Fire	563,954
Building inspection	5,641
Code enforcement	538
Public works	522,505
Community and economic development	5,981
Recreation and culture	55,634
Total governmental activities	\$ 2,071,159

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### 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	Nonmajor governmental funds	\$ 105,760
Public Safety Fund	General Fund	11,666
	Nonmajor governmental funds	<u>108,112</u>
	Total Public Safety Fund	119,778
Nonmajor governmental funds	Nonmajor governmental funds	65,861
	Public Safety Fund	500,000
	General Fund	<u>1,278,596</u>
	Total nonmajor governmental funds	1,844,457
Enterprise Fund - Water and Sewer Fund	General Fund	77,852
	Public Safety Fund	11,446
	Nonmajor governmental funds	<u>184,355</u>
	Total Enterprise Fund - Water and Sewer Fund	<u>273,653</u>
	Total interfund balances	<u><u>\$ 2,343,648</u></u>

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

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Other nonmajor governmental funds (1)	\$ 1,801,246
Other nonmajor governmental funds	General Fund (2)	305,899
	Public Safety Fund (2)	96,019
	Other nonmajor governmental funds (3)	<u>60,212</u>
	Total other nonmajor governmental funds	462,130
Public Safety Fund	Other nonmajor governmental funds (1)	<u>500,000</u>
	Total	<u>\$ 2,763,376</u>

(1) Transfers were for capital improvement projects and operating expenses.

(2) Transfers were for reimbursed expenditures.

(3) Transfers were related to capital improvement projects and drug forfeiture monies.

### 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.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

Description	Amount
<b>Governmental Activities:</b>	
<u>General Obligations:</u>	
1997 Building Authority Bond for library improvements, with interest ranging from 4.4% to 4.8%, maturing in 2012	\$ 2,400,000
2008 Bike Path Improvement Bond for capital improvements, with interest ranging from 3.0% to 4.0%, maturing in 2020	7,630,000
2008 Building Authority Bond for parks and recreation capital improvements with interest ranging from 3.0% to 5.0%, maturing in 2021	5,500,000
Subtotal	15,530,000
<u>Special Assessment Bonds:</u>	
2001 Special Assessment Bonds for SAD #129, with interest ranging from 4.85% to 5.1%, maturing in 2015	260,000
2008 Special Assessment Bonds for SAD #139 with interest ranging from 5.0% to 5.75%, maturing in 2017	570,000
Subtotal	830,000
<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	1,931,896
<u>Tenhill and Wallbrook Drain Bonds:</u>	
2006 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 3.35% to 4.5%, maturing in 2026	553,936
2008 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 5.5% to 5.75%, maturing in 2028	522,181
Subtotal	1,076,117
<u>Installment Purchase Agreements</u>	
2008 Master Lease Purchase Agreement, with interest ranging from 4.53% and 5.46%, maturing in 2015	1,060,267
Total governmental activities	\$ 20,428,280

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

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%	\$ 801,670
2008 Segment II Drinking Water Revolving Fund - General obligation limited tax, interest at 2.5% - Project 7218-I	7,601,396
2008 Segment II Drinking Water Revolving Fund - General obligation limited tax, interest at 2.5% - Project 7254-I	733,224
Subtotal	<u>9,136,290</u>
<u>County Contractual Obligations:</u>	
1992 Oakland County contract obligation for the Evergreen-Farmington sewage disposal system, with interest ranging from 3.5% to 4.85%, maturing in 2010	<u>61,912</u>
Total business-type activity debt	<u>\$ 9,198,202</u>

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Building Authority bonds	\$ 8,700,000	\$ -	\$ 800,000	\$ 7,900,000	\$ 1,145,000
Bike paths	8,055,000	-	425,000	7,630,000	455,000
Special Assessment bonds	1,015,000	-	185,000	830,000	125,000
Drain District bonds	3,128,684	-	120,671	3,008,013	124,199
Installment purchase agreement	1,273,770	-	213,504	1,060,266	198,842
Total governmental activities	<u>22,172,454</u>	<u>-</u>	<u>1,744,175</u>	<u>20,428,279</u>	<u>2,048,041</u>
Accumulated compensated absences	1,786,563	253,391	223,258	1,816,696	130,230
Estimated insurance claims	583,099	274,596	476,352	381,343	-
Total governmental activities	<u>\$ 24,542,116</u>	<u>\$ 527,987</u>	<u>\$ 2,443,785</u>	<u>\$ 22,626,318</u>	<u>\$ 2,178,271</u>
<b>Business-type Activities</b>					
State of Michigan Drinking Water Revolving Fund loan	\$ 8,024,757	\$ 1,491,533	\$ 380,000	\$ 9,136,290	\$ 390,000
County contract obligations	537,065	-	475,153	61,912	61,912
Total bonds payable	<u>8,561,822</u>	<u>1,491,533</u>	<u>855,153</u>	<u>9,198,202</u>	<u>451,912</u>
Accumulated compensated absences	190,218	-	1,684	188,534	188,534
Total business-type activities	<u>\$ 8,752,040</u>	<u>\$ 1,491,533</u>	<u>\$ 856,837</u>	<u>\$ 9,386,736</u>	<u>\$ 640,446</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

Total interest expense for the year was approximately \$902,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 2,048,041	\$ 824,586	\$ 2,872,627	\$ 451,912	\$ 219,871	\$ 671,783
2011	2,098,794	740,260	2,839,054	395,000	209,125	604,125
2012	2,159,618	652,449	2,812,067	410,000	199,275	609,275
2013	1,339,569	579,580	1,919,149	420,000	189,050	609,050
2014	1,425,693	525,930	1,951,623	430,000	178,575	608,575
2015-2019	7,690,215	1,699,930	9,390,145	2,295,000	728,134	3,023,134
2020-2024	3,258,050	315,924	3,573,974	2,605,000	426,784	3,031,784
2025-2029	408,299	29,071	437,370	2,191,290	101,111	2,292,401
Total	\$ 20,428,279	\$ 5,367,730	\$ 25,796,009	\$ 9,198,202	\$ 2,251,925	\$ 11,450,127

### 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:

Cash and investments	\$ 5,666,550
Customer assessments receivable	535,346
Due from other governmental units	7,360
Accrued interest and other receivables	5,700
Assets held by Oakland County	7,644
Total restricted assets	<u>\$ 6,222,600</u>

These assets are restricted for the following purposes:

Bond interest and redemption and capital improvements	\$ 6,214,956
Assets held at Oakland County	7,644
Total restricted assets	<u>\$ 6,222,600</u>

In addition, Oakland County, Michigan is holding \$526,707 from a Township bond issue to be used for drain improvements. The Township also has approximately \$3,000,000 remaining from the 2008 Bike Path Improvement Bond.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### 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>2009</u>	<u>2008</u>
Unpaid claims - Beginning of year	\$ 583,099	\$ 560,679
Incurred claims, including claims incurred but not reported, and changes in estimates	274,596	620,838
Claim payments	<u>(476,352)</u>	<u>(598,418)</u>
Unpaid claims - End of year	<u>\$ 381,343</u>	<u>\$ 583,099</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 10 - Defined Benefit Pension Plan

**Plan Description** - The Township contributes to a single-employer defined benefit pension plan that covers police and fire employees and 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. At December 31, 2008, the date of the most recent actuarial valuation, membership consisted of 178 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 290 current active employees. The plan does not issue a separate financial report.

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

**Funding Policy** - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's collective bargaining units and requires a contribution from police and fire employees of 2 percent (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	\$ 4,208,281
Interest on net pension obligation (asset)	(92,555)
Adjustment to annual required contribution	<u>90,510</u>
Annual pension cost (APC)	4,206,236
Contributions made	<u>4,208,281</u>
Increase in net pension asset	2,045
Net pension asset - Beginning of year	<u>1,234,063</u>
Net pension asset - End of year	<u>\$ 1,236,108</u>

**Annual Pension Cost** - For the year ended December 31, 2009, the Township's annual pension cost of \$4,206,236 for the plan was equal to the Township's required and actual contribution, less adjustments for interest and other.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

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

**Funding Status and Funding Progress** - As of December 31, 2008, the most recent actuarial valuation date, the plan was 78.8 percent funded. The actuarial accrued liability for benefits was \$97,703,617, and the actuarial value of assets was \$77,007,503, resulting in an unfunded actuarial accrued liability of \$20,696,114. The covered payroll (annual payroll for active employees covered by the plan) was \$19,110,184 and the ratio for the unfunded actuarial accrued liability to the covered payroll was 108.3 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, 2007, using the individual entry age actuarial cost method. Significant actuarial assumptions used include (a) a 7.5 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 22 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 percent 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. In accordance with these requirements, the Township contributed \$1,207,798 and the employees contributed \$235,488 for the year ended December 31, 2009.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 12 - Other Postemployment Benefits

**Plan Description** - The Township provides retiree healthcare benefits to full-time employees upon retirement, in accordance with labor contracts. The Township includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. Currently, 72 retirees are eligible for postemployment health benefits. For the fiscal year ended December 31, 2009, the Township made payments for postemployment health benefit premiums of \$1,189,287. 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. The plan does not issue a separate stand-alone financial statement.

**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. In the current year, the Township contributed \$3,390,407 into the prefunded Post Retirement Healthcare Fund, which is reported in this financial statements as a pension and other employee benefit trust fund type. The Fund paid postemployment healthcare premiums of \$1,189,287.

**Funding Progress** - For the year ended December 31, 2009, 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)	\$ 3,390,407
Interest on the prior year's net OPEB asset	<u>(4,166)</u>
Annual OPEB cost	3,386,241
Amounts contributed:	
Payments of current premiums	(28,278)
Contributions to Trust	<u>(3,390,407)</u>
Increase in net OPEB asset	32,444
OPEB asset - Beginning of year	<u>55,546</u>
OPEB asset - End of year	<u>\$ 87,990</u>

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### Note 12 - Other Postemployment Benefits (Continued)

The schedule of employer contributions and the net OPEB obligation is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage 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

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

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/07	\$ 18,224,229	\$ 49,743,527	\$ 31,519,298	36.6	\$ 20,734,660	152.0

**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.

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

In the December 31, 2007 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. The assumed rate of increase for healthcare costs was 10 percent for medical and prescription drugs for 2009, with this rate of increase declining each year through the year 2018. Thereafter, it is assumed to be 4.5 percent per year. The UAAL is being amortized as a level percentage of projected payroll over 26 years.

# Charter Township of West Bloomfield

## Notes to Financial Statements December 31, 2009

### 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	Post- retirement Healthcare Fund	Total
<b><u>Statement of Net Assets</u></b>			
Cash and investments	\$ 68,354,239	\$ 22,131,632	\$ 90,485,871
Other assets	7,969	120,926	128,895
Liabilities	<u>(80,174)</u>	<u>(52,497)</u>	<u>(132,671)</u>
Net assets	<u>\$ 68,282,034</u>	<u>\$ 22,200,061</u>	<u>\$ 90,482,095</u>
<b><u>Statement of Changes in Net Assets</u></b>			
Investment income	\$ 10,480,644	\$ 3,387,851	\$ 13,868,495
Contributions	4,498,985	3,390,407	7,889,392
Benefit payments	(3,242,344)	(1,189,287)	(4,431,631)
Other deductions	<u>(75,992)</u>	<u>(35,593)</u>	<u>(111,585)</u>
Net change in net assets	<u>\$ 11,661,293</u>	<u>\$ 5,553,378</u>	<u>\$ 17,214,671</u>

### Note 14 - Subsequent Event

On January 22, 2010, the Michigan Municipal Bond Authority issued bonds totaling \$7,650,000 on behalf of the Township. The Township will be able to borrow the proceeds from these bonds as part of the State Revolving Fund program. Of the \$7,650,000 available to the Township, the first \$3,060,000 will be forgiven and recorded by the Township as federal grant revenue as part of the American Recovery and Reinvestment Act. The remaining \$4,590,000 plus interest of 2.5 percent will be repaid by the Township over 20 years.

On March 17, 2010, the Township issued \$1,645,000 in Building Authority Refunding Bonds with interest ranging from 0.95 percent to 1.2 percent. The proceeds of these bonds were used to partially refund \$1,600,000 of the 1997 Building Authority Bonds. The remaining outstanding liability for the original 1997 bonds is \$800,000. The advance refunding reduced total debt service payments over the next two years by \$79,119, which represents an economic gain of \$78,591.

# Charter Township of West Bloomfield

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## Notes to Financial Statements December 31, 2009

### Note 15 - Upcoming Accounting Pronouncements

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for the Township's 2010 fiscal year end. This statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life. This statement also establishes specified conditions upon which internally generated intangible assets should be recognized and amortized, including internally generated computer software. The Township is currently evaluating the impact this standard will have on the financial statements when adopted.

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 beginning January 1, 2011.

## **Required Supplemental Information**

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# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 13,810,000	\$ 13,778,000	\$ 13,748,171	\$ (29,829)
Licenses and permits	1,002,300	1,059,050	1,088,093	29,043
Federal grants	28,500	49,221	55,161	5,940
State-shared revenue and grants	4,809,700	4,330,400	4,235,881	(94,519)
Charges for services:				
Charges to other funds	797,500	834,020	879,069	45,049
Charges for services to external parties	2,422,115	2,221,027	2,254,828	33,801
Fines and forfeitures - District Court fines and fees	1,882,500	1,582,490	1,527,397	(55,093)
Investment income	825,500	229,700	198,470	(31,230)
Rental income	268,400	267,910	267,905	(5)
Other revenue:				
Cable franchise fees	1,009,000	1,050,100	1,060,742	10,642
Other miscellaneous income	196,030	182,242	199,870	17,628
<b>Total revenue</b>	<b>27,051,545</b>	<b>25,584,160</b>	<b>25,515,587</b>	<b>(68,573)</b>
<b>Expenditures - Current</b>				
General government:				
Township Board	49,465	56,265	55,975	290
Supervisor	256,403	257,757	256,598	1,159
Finance	666,011	627,279	634,191	(6,912)
Information technology	738,823	786,948	760,583	26,365
Treasurer	683,241	650,516	655,172	(4,656)
Assessing	1,146,908	1,159,102	1,105,676	53,426
Clerk	887,893	796,547	797,795	(1,248)
Elections	(39,280)	13,464	541	12,923
Buildings and grounds	161,280	145,036	172,435	(27,399)
Personnel	276,045	320,637	320,256	381
Pension board	5,071	3,300	2,606	694
General services	678,511	751,042	651,801	99,241
<b>Total general government</b>	<b>5,510,371</b>	<b>5,567,893</b>	<b>5,413,629</b>	<b>154,264</b>
District court	1,559,549	1,523,853	1,610,087	(86,234)
Public safety:				
Police	6,842,463	6,776,276	6,503,888	272,388
Fire	7,304,225	7,566,634	7,210,664	355,970
Building inspections	920,401	914,077	911,737	2,340
Code enforcement	606,983	500,982	455,365	45,617
<b>Total public safety</b>	<b>15,674,072</b>	<b>15,757,969</b>	<b>15,081,654</b>	<b>676,315</b>
Public works:				
Community assistance	88,920	50,148	68,634	(18,486)
Street lighting	40,700	55,232	54,431	801
<b>Total public works</b>	<b>129,620</b>	<b>105,380</b>	<b>123,065</b>	<b>(17,685)</b>

# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2009

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b>Expenditures - Current (Continued)</b>				
Retiree health contribution	\$ 2,044,296	\$ 1,943,914	\$ 1,943,914	\$ -
Community development:				
Engineering	323,849	296,201	279,279	16,922
Planning and zoning	207,333	183,430	168,960	14,470
Economic development opportunities	204,002	183,717	167,967	15,750
Development services	909,370	921,411	906,565	14,846
Total community development	1,644,554	1,584,759	1,522,771	61,988
Recreation and culture	2,950	3,393	5,738	(2,345)
Total expenditures	26,565,412	26,487,161	25,700,858	786,303
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	486,133	(903,001)	(185,271)	717,730
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	520	520
Transfers in	47,950	48,393	305,899	257,506
Transfers out	(295,000)	(1,321,246)	(1,801,246)	(480,000)
Total other financing uses	(247,050)	(1,272,853)	(1,494,827)	(221,974)
<b>Net Change in Fund Balance</b>	239,083	(2,175,854)	(1,680,098)	495,756
<b>Fund Balance - Beginning of year</b>	7,508,283	7,508,283	7,508,283	-
<b>Fund Balance - End of year</b>	<u>\$ 7,747,366</u>	<u>\$ 5,332,429</u>	<u>\$ 5,828,185</u>	<u>\$ 495,756</u>

# Charter Township of West Bloomfield

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Public Safety Fund Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 13,059,000	\$ 13,059,000	\$ 13,018,478	\$ (40,522)
Federal grants	50,000	44,500	78,219	33,719
Fines and forfeitures	30,000	23,300	23,465	165
Investment income	352,300	69,800	37,316	(32,484)
Other revenue	-	14,600	-	(14,600)
Total revenue	13,491,300	13,211,200	13,157,478	(53,722)
<b>Expenditures - Current</b>				
Public safety:				
Police salaries, fringe benefits, and supplies	5,928,569	5,964,863	5,837,240	127,623
Fire salaries, fringe benefits, and supplies	5,801,023	5,966,198	5,790,821	175,377
Police equipment	306,960	276,120	171,427	104,693
Fire equipment	274,260	18,835	11,580	7,255
Police and fire facilities	42,000	42,000	35,358	6,642
Total public safety	12,352,812	12,268,016	11,846,426	421,590
Retiree health contribution	1,183,630	1,312,560	1,312,560	-
Debt service	-	255,425	255,425	-
Total expenditures	13,536,442	13,836,001	13,414,411	421,590
<b>Excess of Expenditures Over Revenue</b>	(45,142)	(624,801)	(256,933)	367,868
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	8,000	7,055	(945)
Transfers in	190,269	96,019	96,019	-
Transfers out	-	(500,000)	(500,000)	-
Total other financing sources (uses)	190,269	(395,981)	(396,926)	(945)
<b>Net Change in Fund Balance</b>	145,127	(1,020,782)	(653,859)	366,923
<b>Fund Balance - Beginning of year</b>	5,180,810	5,180,810	5,180,810	-
<b>Fund Balance - End of year</b>	<u>\$ 5,325,937</u>	<u>\$ 4,160,028</u>	<u>\$ 4,526,951</u>	<u>\$ 366,923</u>

# **Charter Township of West Bloomfield**

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## **Note to Required Supplemental Information Year Ended December 31, 2009**

**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 fiscal 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. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

**Excess of Expenditures Over Appropriations in Budgeted Funds** - As reported in the budgetary comparison schedules, the Township expended in excess of budget appropriations in the following General Fund categories: finance, treasurer, clerk, building and grounds, District Court, community assistance, recreation and culture, and operating transfers out.

# Charter Township of West Bloomfield

## Required Supplemental Information Pension System Schedule Year Ended December 31, 2009

The schedule of funding progress is as follows:

Actuarial Valuation as of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/03	\$ 51,622,204	\$ 64,597,088	\$ 12,974,884	79.9	\$ 17,106,766	75.8
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

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Pension Cost	Percentage Contributed	Net Pension Asset
12/31/04	12/31/03	\$ 3,162,000	99.0	1,113,000
12/31/05	12/31/04	3,751,000	100.0	1,065,400
12/31/06	12/31/05	4,567,741	100.0	1,014,200
12/31/07	12/31/06	4,285,116	100.0	1,165,000
12/31/08	12/31/07	4,384,521	100.0	1,234,063
12/31/09	12/31/08	4,206,237	100.0	1,236,108

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2008, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	21 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	4.5% - 17.5%
*Includes inflation at	4.5%
Cost of living adjustments	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 cash equivalents	\$ 3,712,445	\$ 25,315	\$ 389,289	\$ 1,403,255	\$ 59,825	\$ 810,997
Receivables:						
Property taxes receivable	363,345	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-
Other receivables	19,054	-	478	5,848	-	130,612
Due from other governmental units	-	29,984	1,026	-	14,816	-
Due from other funds	-	-	213,851	129,234	-	-
Restricted assets	2,996,795	-	-	-	-	-
<b>Total assets</b>	<b>\$ 7,091,639</b>	<b>\$ 55,299</b>	<b>\$ 604,644</b>	<b>\$ 1,538,337</b>	<b>\$ 74,641</b>	<b>\$ 941,609</b>
<b>Liabilities and Fund Balances (Deficit)</b>						
<b>Liabilities</b>						
Accounts payable	\$ 525,029	\$ 9,726	\$ 57,350	\$ 4,250	\$ 31,251	\$ 16,350
Due to other governmental units	-	-	-	-	-	-
Due to other funds	-	573	-	237,346	1,367	822
Accrued liabilities and other	6,500	-	-	-	-	-
Deferred revenue	785,677	14,009	-	-	-	-
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,317,206</b>	<b>24,308</b>	<b>57,350</b>	<b>241,596</b>	<b>32,618</b>	<b>17,172</b>
<b>Fund Balances (Deficit)</b>						
Reserved for - Capital projects	2,996,795	-	-	-	-	-
Unreserved, reported in:						
Special Revenue Funds	2,777,638	30,991	547,294	1,296,741	42,023	924,437
Debt Service Funds	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>5,774,433</b>	<b>30,991</b>	<b>547,294</b>	<b>1,296,741</b>	<b>42,023</b>	<b>924,437</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 7,091,639</b>	<b>\$ 55,299</b>	<b>\$ 604,644</b>	<b>\$ 1,538,337</b>	<b>\$ 74,641</b>	<b>\$ 941,609</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009**

Debt Service Funds			Capital Projects Fund			Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Fund	Nonmajor Governmental Funds
\$ 9,808	\$ 298,022	\$ 10,077	\$ 805,606	\$ -	\$ 110,271	\$ 7,634,910
-	99,049	-	-	-	-	462,394
-	-	-	576,769	-	391,712	968,481
-	-	-	58,398	-	-	214,390
-	-	-	23,224	-	7,604	76,654
-	-	1,372	-	1,500,000	-	1,844,457
-	-	-	-	-	-	2,996,795
<b>\$ 9,808</b>	<b>\$ 397,071</b>	<b>\$ 11,449</b>	<b>\$ 1,463,997</b>	<b>\$ 1,500,000</b>	<b>\$ 509,587</b>	<b>\$ 14,198,081</b>
\$ -	\$ -	\$ -	\$ 74,687	\$ -	\$ 171,245	\$ 889,888
3,080	-	-	14,335	-	-	17,415
-	-	11,049	212,931	-	-	464,088
-	1,800	-	-	-	-	8,300
-	214,059	-	533,620	-	391,712	1,939,077
-	12,800	-	-	-	-	12,800
3,080	228,659	11,049	835,573	-	562,957	3,331,568
-	-	-	-	-	-	2,996,795
-	-	-	-	-	-	5,619,124
6,728	168,412	-	-	-	-	175,140
-	-	400	628,424	1,500,000	(53,370)	2,075,454
6,728	168,412	400	628,424	1,500,000	(53,370)	10,866,513
<b>\$ 9,808</b>	<b>\$ 397,071</b>	<b>\$ 11,449</b>	<b>\$ 1,463,997</b>	<b>\$ 1,500,000</b>	<b>\$ 509,587</b>	<b>\$ 14,198,081</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	\$ 821,827	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	427,688	-	368,872	-	-
State-shared revenue and grants	-	-	-	86,020	-	-
Investment income	27,907	-	3,396	12,517	-	5,081
Other revenue:						
Special assessments	-	-	-	-	59,254	-
Cable franchise fees	-	-	-	-	-	516,850
Other miscellaneous income	-	-	-	-	-	-
Total revenue	849,734	427,688	3,396	467,409	59,254	521,931
<b>Expenditures - Current</b>						
Public safety	-	355,279	-	223,516	-	-
Public works	-	62,541	165,189	-	59,941	-
Recreation and culture	1,249,747	-	-	-	-	497,689
Debt service	711,450	-	-	-	-	-
Total expenditures	1,961,197	417,820	165,189	223,516	59,941	497,689
<b>Excess of Revenue Over (Under) Expenditures</b>	(1,111,463)	9,868	(161,793)	243,893	(687)	24,242
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	71,246	250,000	60,212	-	-
Transfers out	-	(73,899)	-	(156,231)	-	-
Total other financing sources (uses)	-	(2,653)	250,000	(96,019)	-	-
<b>Net Change in Fund Balances</b>	(1,111,463)	7,215	88,207	147,874	(687)	24,242
<b>Fund Balances - Beginning of year</b>	6,885,896	23,776	459,087	1,148,867	42,710	900,195
<b>Fund Balances (Deficit) - End of year</b>	<b>\$ 5,774,433</b>	<b>\$ 30,991</b>	<b>\$ 547,294</b>	<b>\$ 1,296,741</b>	<b>\$ 42,023</b>	<b>\$ 924,437</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes in**  
**Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2009**

Debt Service Funds			Capital Projects Fund			Total Nonmajor Governmental Funds
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Fund	
\$ -	\$ 315,812	\$ -	\$ -	\$ -	\$ -	\$ 1,137,639
-	-	-	-	-	-	796,560
-	-	-	-	-	-	86,020
107	301	-	1,267	-	-	50,576
-	-	-	317,455	-	372,847	749,556
-	-	-	-	-	-	516,850
<u>1,133,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,133,257</u>
1,133,364	316,113	-	318,722	-	372,847	4,470,458
-	-	-	-	-	-	578,795
-	3,004	-	492,136	-	674,217	1,457,028
-	-	-	-	-	-	1,747,436
<u>1,133,407</u>	<u>259,815</u>	<u>-</u>	<u>234,878</u>	<u>-</u>	<u>-</u>	<u>2,339,550</u>
<u>1,133,407</u>	<u>262,819</u>	<u>-</u>	<u>727,014</u>	<u>-</u>	<u>674,217</u>	<u>6,122,809</u>
(43)	53,294	-	(408,292)	-	(301,370)	(1,652,351)
-	-	-	-	1,500,000	480,000	2,361,458
-	-	-	-	-	(232,000)	(462,130)
-	-	-	-	1,500,000	248,000	1,899,328
(43)	53,294	-	(408,292)	1,500,000	(53,370)	246,977
<u>6,771</u>	<u>115,118</u>	<u>400</u>	<u>1,036,716</u>	<u>-</u>	<u>-</u>	<u>10,619,536</u>
<u>\$ 6,728</u>	<u>\$ 168,412</u>	<u>\$ 400</u>	<u>\$ 628,424</u>	<u>\$ 1,500,000</u>	<u>\$ (53,370)</u>	<u>\$ 10,866,513</u>

# Charter Township of West Bloomfield

## Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds December 31, 2009

	Pension Trust Funds			Agency Funds					Total Agency Funds
	Pension Fund	Post-retirement Healthcare Fund	Total Pension Trust Funds	Trust and Agency	O.C.P.T.A	Bond Refund	Zoo Tax	Escrow	
<b>Assets</b>									
Investments:									
Cash equivalents	\$ 2,576,387	\$ 576,428	\$ 3,152,815	\$ 11,479,753	\$ 2,338,796	\$ 277,007	\$ 396,406	\$ 1,565,178	\$ 16,057,140
Fixed income	16,718,970	5,611,298	22,330,268	-	-	-	-	-	-
Mutual funds	41,154,584	9,165,672	50,320,256	-	-	-	-	-	-
Real estate	2,051,569	612,881	2,664,450	-	-	-	-	-	-
Other	5,852,729	6,165,353	12,018,082	-	-	-	-	-	-
Receivables	-	14,335	14,335	-	-	-	-	64	64
Prepaid expenses and other assets	7,969	106,591	114,560	-	-	-	-	-	-
Total assets	68,362,208	22,252,558	90,614,766	<u>\$ 11,479,753</u>	<u>\$ 2,338,796</u>	<u>\$ 277,007</u>	<u>\$ 396,406</u>	<u>\$ 1,565,242</u>	<u>\$ 16,057,204</u>
<b>Liabilities</b>									
Accounts payable	80,174	48,259	128,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	11,403,666	2,338,796	-	396,406	-	14,138,868
Due to primary government	-	4,238	4,238	-	-	-	-	12,609	12,609
Refundable deposits, bonds, etc.	-	-	-	-	-	260,670	-	1,547,367	1,808,037
Accrued liabilities and other	-	-	-	76,087	-	16,337	-	5,266	97,690
Total liabilities	80,174	52,497	132,671	<u>\$ 11,479,753</u>	<u>\$ 2,338,796</u>	<u>\$ 277,007</u>	<u>\$ 396,406</u>	<u>\$ 1,565,242</u>	<u>\$ 16,057,204</u>
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>	<u>\$ 68,282,034</u>	<u>\$ 22,200,061</u>	<u>\$ 90,482,095</u>						

# Charter Township of West Bloomfield

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Asset Fiduciary Funds Year Ended December 31, 2009

	Pension Fund	Post- retirement Healthcare Fund	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 1,473,022	\$ 693,630	\$ 2,166,652
Net increase in fair value of investments	9,335,401	2,729,782	12,065,183
Investment-related expenses	(327,779)	(35,561)	(363,340)
Net investment income	10,480,644	3,387,851	13,868,495
Contributions:			
Employer	4,208,281	3,390,407	7,598,688
Employee	290,704	-	290,704
Total contributions	4,498,985	3,390,407	7,889,392
Total additions	14,979,629	6,778,258	21,757,887
<b>Deductions</b>			
Benefit payments	3,242,344	1,189,287	4,431,631
Administrative expenses	75,992	35,593	111,585
Total deductions	3,318,336	1,224,880	4,543,216
<b>Net Increase in Net Assets Held in Trust</b>	11,661,293	5,553,378	17,214,671
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	56,620,741	16,646,683	73,267,424
<b>Net Assets Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b>\$ 68,282,034</b>	<b>\$ 22,200,061</b>	<b>\$ 90,482,095</b>