

**Charter Township of West Bloomfield
Oakland County, Michigan**

**Financial Report
with Supplemental Information
December 31, 2007**

Charter Township of West Bloomfield

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Independent Auditor's Report

To the Board of Trustees
Charter Township of West Bloomfield
Oakland County, Michigan

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 as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township'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, 2007 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 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 Board of Trustees
Charter Township of West Bloomfield

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township'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 a report dated June 4, 2008 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing, 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 4, 2008

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, 2007. 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, 2007, and changes in net assets, compared to the prior two years:

	2005	2006	2007	Current Year	
				Change	Percent
Assets					
Capital assets	\$ 24,077,625	\$ 27,254,434	\$ 27,373,325	\$ 118,891	0.4
Other assets	47,009,734	49,257,041	53,410,782	4,153,741	8.4
Total assets	71,087,359	76,511,475	80,784,107	4,272,632	5.6
Liabilities					
Long-term liabilities	8,400,779	9,264,405	8,243,993	(1,020,412)	(11.0)
Unearned revenue	25,897,069	27,151,859	28,971,034	1,819,175	6.7
Other liabilities	3,351,977	3,403,985	3,761,246	357,261	10.5
Total liabilities	37,649,825	39,820,249	40,976,273	1,156,024	2.9

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

	2005	2006	2007	Current Year	
				Change	Percent
Net Assets					
Invested in capital assets -					
Net of related debt	\$ 23,242,625	\$ 23,803,043	\$ 24,171,435	\$ 368,392	1.5
Restricted	5,582,619	6,453,882	7,392,013	938,131	14.5
Unrestricted	4,612,290	6,434,301	8,244,386	1,810,085	28.1
Total net assets	<u>\$ 33,437,534</u>	<u>\$ 36,691,226</u>	<u>\$ 39,807,834</u>	<u>\$ 3,116,608</u>	8.5
	2005	2006	2007	Current Year	
				Change	Percent
Change in Net Assets					
Revenue:					
Program revenue:					
Charges for services	\$ 4,286,876	\$ 6,488,373	\$ 7,216,948	728,575	11.2
Operating grants and contributions	1,861,038	1,767,263	1,145,526	(621,737)	(35.2)
Capital grants and contributions	457,645	224,072	679,101	455,029	203.1
General revenue:					
Property taxes	23,562,790	25,841,350	26,843,731	1,002,381	3.9
State-shared revenue	4,917,038	4,868,862	4,898,517	29,655	0.6
Investment earnings	943,275	1,546,906	1,810,589	263,683	17.0
Franchise fees	781,117	854,977	919,180	64,203	7.5
Cell tower lease	248,727	248,265	235,501	(12,764)	(5.1)
Other revenue	74,854	39,999	55,170	15,171	37.9
Total revenue	37,133,360	41,880,067	43,804,263	1,924,196	4.6
Program expenses:					
General government	6,574,640	8,803,308	8,847,601	44,293	0.5
District Court	1,158,286	917,012	1,517,410	600,398	65.5
Public safety	26,308,171	26,319,618	27,097,917	778,299	3.0
Public works	1,214,226	423,261	1,066,154	642,893	151.9
Community and economic development	1,199,151	1,439,126	1,496,609	57,483	4.0
Recreation and culture	431,925	363,464	408,921	45,457	12.5
Interest on long-term debt	396,232	360,590	303,043	(57,547)	(16.0)
Total program expenses	37,282,631	38,626,379	40,737,655	2,111,276	5.5
Excess of Revenue (Under) Over Expenses	(149,271)	3,253,688	3,066,608	(187,080)	5.7
Transfers	(8,971)	-	50,000	50,000	
Change in Net Assets	<u>\$ (158,242)</u>	<u>\$ 3,253,688</u>	<u>\$ 3,116,608</u>	<u>(137,080)</u>	4.2

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The Township's governmental net assets increased approximately \$3,117,000 from a year ago - from \$36.7 million to \$39.8 million. As discussed below, this is attributable primarily to the Township successfully reducing costs, improved investment earnings, increased fees for services, and additional tax revenue. Unrestricted net assets (the part of net assets that can be used to finance day-to-day operations) increased by approximately \$1.8 million. This is generally consistent with the increase in investment earnings, property tax revenue, and charge for services.

The current level of unrestricted net assets for our governmental activities stands at approximately \$8.2 million, or about 24 percent of general revenues (excluding any extraordinary items).

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. 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.

General government expenses increased by less than 1 percent during 2007. Public Works expenditures significantly increased due to several road improvement projects paid for by using Oakland County Triparty funds.

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, 2007 and changes in net assets compared to the prior two years:

	2005	2006	2007	Current Year	
				Change	Percent
Assets					
Capital assets	\$ 96,526,343	\$ 96,749,612	\$ 98,717,394	\$ 1,967,782	2.0
Other assets	20,949,878	23,061,981	24,147,198	1,085,217	4.7
Total assets	117,476,221	119,811,593	122,864,592	3,052,999	2.5
Liabilities					
Long-term liabilities	1,463,828	1,011,182	1,336,462	325,280	32.2
Other liabilities	2,611,166	2,940,132	3,178,540	238,408	8.1
Total liabilities	4,074,994	3,951,314	4,515,002	563,688	14.3
Net Assets					
Invested in capital assets - Net of related debt	94,672,738	95,285,784	96,871,068	1,585,284	1.7
Restricted	12,215,713	12,454,775	10,304,632	(2,150,143)	(17.3)
Unrestricted	6,512,776	8,119,720	11,173,890	3,054,170	37.6
Total net assets	<u>\$ 113,401,227</u>	<u>\$ 115,860,279</u>	<u>\$ 118,349,590</u>	<u>\$ 2,489,311</u>	2.1
Changes in Net Assets					
Charges for services	\$ 19,496,184	\$ 19,533,380	\$ 20,794,398	\$ 1,261,018	6.5
Operating expenses exclusive of depreciation	17,714,539	16,980,782	17,572,699	591,917	3.5
Depreciation	1,973,441	2,054,844	2,113,010	58,166	2.8
Operating (Loss) Income	(191,796)	497,754	1,108,689	610,935	122.7
Nonoperating income	381,185	701,989	909,542	207,553	29.6
Capital contributions	1,226,046	1,259,309	471,080	(788,229)	(62.6)
Interfund transfers	8,971	-	-	-	
Change in Net Assets	<u>\$ 1,424,406</u>	<u>\$ 2,459,052</u>	<u>\$ 2,489,311</u>	<u>\$ 30,259</u>	1.2

Business-type net assets (the Water and Sewer Fund) increased approximately \$2.5 million from the prior year. The unrestricted portion of net assets is approximately \$11.1 million, which is approximately \$3.0 million more than last year, and equal to the target set by the Township to operate the system efficiently. As discussed below, this is the result of higher usage, net of increased costs during the 2007 fiscal year.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Usage fees were increased in 2007, consistent with increases from the Detroit Water and Sewer system. During 2007, water usage increased approximately 3.5 percent. Most of this was attributable to drier weather patterns. As a result, the water and sewer system experienced operating income of approximately \$1,109,000; however, before depreciation, there was a surplus of \$3.2 million (consistent with the increase in unrestricted assets of \$2.9 million).

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 2007 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 events during the year.

In addition, there were appropriation reductions in most departments. As a result of these cost reductions, as well as greater than budgeted revenue, the General Fund experienced an increase of \$1,276,000 (as compared to the budgeted surplus of approximately \$243,000). Primarily, the increase in revenue was caused by large building permit fees from Henry Ford Hospital, Beaumont Medical Center, and Frankel Jewish Academy of Metropolitan Detroit, and additional revenue from the District Court and investment earnings. Some of the overall reduction in expenses was a result of self-funding health insurance and postponing of capital outlay in the fire and information technology departments.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

At the end of 2007, the Township had \$126 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 one significant project, the construction of bike safety paths.

Economic Factors and Next Year's Budgets and Rates

The Township's 2008 fiscal year budget calls for a continued freeze on hiring new employees except in public safety, and further reductions in any nonessential costs. This is necessary because of the continued shortfall in state-shared revenue, as well as the increases in employee healthcare coverage costs.

It is anticipated that during 2008, the water and sewer system will be raising its rates by approximately 4 percent. This increase is the result of wholesale increases from the Detroit Water and Sewer Department and Oakland County, debt service payments related to the loan from the Drinking Water Revolving Fund, and lower water loss.

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, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 31,125,905	\$ 8,326,180	\$ 39,452,085
Current receivables (Note 4)	15,963,139	4,861,219	20,824,358
Prepaid expenses	306,249	3,722	309,971
Internal balances (Note 6)	(302,714)	302,714	-
Special assessments receivable	1,178,663	-	1,178,663
Lease receivable (Note 7)	3,975,000	-	3,975,000
Net pension asset (Note 10)	1,164,540	-	1,164,540
Inventory	-	336,978	336,978
Restricted assets (Note 8)	-	10,316,385	10,316,385
Nondepreciable capital assets (Note 5)	1,951,958	2,701,359	4,653,317
Depreciable capital assets - Net (Note 5)	25,421,367	96,016,035	121,437,402
Total assets	80,784,107	122,864,592	203,648,699
Liabilities			
Accounts payable	1,001,358	2,424,948	3,426,306
Accrued and other liabilities	1,261,869	243,728	1,505,597
Due to fiduciary funds (postretirement)	248,487	-	248,487
Unearned revenue (Note 4)	28,971,034	-	28,971,034
Long-term debt (Note 7):			
Due within one year	1,028,029	509,864	1,537,893
Due in more than one year	6,148,861	1,336,462	7,485,323
Compensated absences and general liability claims:			
Due within one year	221,503	-	221,503
Due in more than one year	2,095,132	-	2,095,132
Total liabilities	40,976,273	4,515,002	45,491,275
Net Assets			
Invested in capital assets - Net of related debt	24,171,435	96,871,068	121,042,503
Restricted:			
Public safety	4,738,357	-	4,738,357
Drug enforcement	1,246,508	-	1,246,508
Debt service and capital improvements	-	10,304,632	10,304,632
Special assessments	1,000,656	-	1,000,656
Other purposes	406,492	-	406,492
Unrestricted	8,244,386	11,173,890	19,418,276
Total net assets	\$ 39,807,834	\$ 118,349,590	\$ 158,157,424

Charter Township of West Bloomfield

Statement of Activities Year Ended December 31, 2007

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental activities:					
General government	\$ 8,847,601	\$ 814,678	\$ 102,464	\$ -	\$ (7,930,459)
District Court	1,517,410	1,393,005	-	-	(124,405)
Public safety:					
Police	12,496,327	1,111,820	378,656	-	(11,005,851)
Fire and EMS	12,983,642	1,830,325	-	-	(11,153,317)
Building inspections (Note 2)	1,109,625	1,483,566	-	-	373,941
Code enforcement	508,323	-	-	-	(508,323)
Public works:					
Special assessment projects	132,425	-	-	679,101	546,676
Road projects	472,070	-	-	-	(472,070)
Bike paths/Safety paths	167,655	-	-	-	(167,655)
Street lighting	104,251	59,587	-	-	(44,664)
Drain projects	5,789	20,186	-	-	14,397
Hazardous waste, community assistance, and other	183,964	-	-	-	(183,964)
Community and economic development:					
Engineering	436,978	406,496	-	-	(30,482)
Environmental enforcement	367,777	35,449	-	-	(332,328)
Planning and zoning	402,069	61,836	-	-	(340,233)
Development expenses	289,785	-	-	-	(289,785)
Recreation and culture - Cable television, parks, and library	408,921	-	664,406	-	255,485
Interest on long-term debt	303,043	-	-	-	(303,043)
Total governmental activities	40,737,655	7,216,948	1,145,526	679,101	(31,696,080)
Business-type activities - Water and sewer					
	19,754,637	20,794,398	-	471,080	1,510,841
Total functions/programs	<u>\$ 60,492,292</u>	<u>\$ 28,011,346</u>	<u>\$ 1,145,526</u>	<u>\$ 1,150,181</u>	<u>\$ (30,185,239)</u>

Charter Township of West Bloomfield

Statement of Activities (Continued) Year Ended December 31, 2007

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
Net (Expense) Revenue - From previous page	\$ (31,696,080)	\$ 1,510,841	\$ (30,185,239)
General Revenue			
Property taxes	26,843,731	-	26,843,731
State-shared revenues	4,898,517	-	4,898,517
Investment earnings	1,810,589	978,470	2,789,059
Franchise fees	919,180	-	919,180
Cell tower lease	235,501	-	235,501
Other unrestricted revenues	55,170	-	55,170
Total general revenues	<u>34,762,688</u>	<u>978,470</u>	<u>35,741,158</u>
Change in Net Assets	3,066,608	2,489,311	5,555,919
Net Assets			
Beginning of year	<u>36,691,226</u>	<u>115,860,279</u>	<u>152,551,505</u>
End of year	<u>\$ 39,807,834</u>	<u>\$ 118,349,590</u>	<u>\$ 158,157,424</u>

Charter Township of West Bloomfield

Governmental Funds Balance Sheet December 31, 2007

	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 13,664,102	\$ 12,195,936	\$ 5,265,867	\$ 31,125,905
Accounts receivable:				
Property taxes	6,541,911	6,209,832	542,791	13,294,534
Special assessments	-	-	1,178,663	1,178,663
Other governmental units	194,251	5,060	40,133	239,444
Interest and other	1,355,845	74,654	117,904	1,548,403
Due from other funds	338,003	-	43,947	381,950
Prepaid items	214,731	91,518	-	306,249
Total assets	\$ 22,308,843	\$ 18,577,000	\$ 7,189,305	\$ 48,075,148
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 492,838	\$ 159,626	\$ 348,894	\$ 1,001,358
Accrued wages and payroll taxes	789,504	404,294	-	1,193,798
Due to other funds	29,170	175,448	728,533	933,151
Due to other governmental units	-	-	3,080	3,080
Deferred revenue	14,542,522	13,099,275	2,203,811	29,845,608
Deposits	26,806	-	12,800	39,606
Total liabilities	15,880,840	13,838,643	3,297,118	33,016,601
Fund Balances - Unreserved -				
Reported in				
General Fund	6,428,003	-	-	6,428,003
Special Revenue Funds	-	4,738,357	3,115,708	7,854,065
Debt Service Funds	-	-	200,063	200,063
Capital Projects Funds	-	-	576,416	576,416
Total fund balances	6,428,003	4,738,357	3,892,187	15,058,547
Total liabilities and fund balances	\$ 22,308,843	\$ 18,577,000	\$ 7,189,305	\$ 48,075,148

Charter Township of West Bloomfield

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets December 31, 2007

Fund Balances - Total Governmental Funds \$ 15,058,547

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	27,373,325
Special assessment receivables are expected to be collected over several years, and are not available to pay for current year expenditures	210,124
Receivables not received within 45 days of year end are not available to pay for current year expenditures	1,545,208
Leases receivable are expected to be collected over several years and are not available to pay for current year expenditures	3,975,000
The net pension asset is not a financial resource and is recorded only at the government-wide level	1,164,540
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(7,191,140)
Accrued interest in governmental activities is not reported in the funds	(11,135)
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	(1,755,956)
General liability claims will be paid in the future, and do not represent a claim on current resources; therefore, they are not reported as fund liabilities	<u>(560,679)</u>
Net Assets - Governmental Activities	<u>\$ 39,807,834</u>

Charter Township of West Bloomfield

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2007

	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 13,302,355	\$ 12,583,602	995,173	\$ 26,881,130
Licenses and permits	1,465,980	-	-	1,465,980
State-shared revenues	4,834,067	-	136,444	4,970,511
Federal sources	27,866	1,993	316,131	345,990
Charges for services	2,263,585	-	-	2,263,585
Charges to other funds	833,262	-	-	833,262
District Court and other fines	1,704,325	-	-	1,704,325
Interest	1,078,412	518,718	255,830	1,852,960
Special assessments	-	-	373,654	373,654
Cable franchise fees and leases	1,154,681	-	402,655	1,557,336
Other	148,505	-	1,645,747	1,794,252
Total revenue	<u>26,813,038</u>	<u>13,104,313</u>	<u>4,125,634</u>	<u>44,042,985</u>
Expenditures				
Current:				
General government	5,072,426	4,001	-	5,076,427
District Court	1,517,410	-	-	1,517,410
Public safety:				
Police	6,656,927	5,620,868	53,447	12,331,242
Fire	6,935,260	5,585,238	-	12,520,498
Building inspection	1,109,536	-	-	1,109,536
Code enforcement	915,709	-	-	915,709
Public works	101,260	-	732,481	833,741
Community and economic development	1,131,500	-	83,482	1,214,982
Recreation and culture	3,149	-	984,619	987,768
Contribution to retiree health care	1,857,950	1,072,978	-	2,930,928
Capital outlay	-	-	307,349	307,349
Debt service	-	-	2,025,207	2,025,207
Total expenditures	<u>25,301,127</u>	<u>12,283,085</u>	<u>4,186,585</u>	<u>41,770,797</u>
Excess of Revenue Over (Under) Expenditures	1,511,911	821,228	(60,951)	2,272,188
Other Financing Sources (Uses)				
Transfers in	59,332	169,541	295,000	523,873
Transfers out	(295,000)	-	(228,873)	(523,873)
Total other financing sources (uses)	<u>(235,668)</u>	<u>169,541</u>	<u>66,127</u>	<u>-</u>
Net Change in Fund Balances	1,276,243	990,769	5,176	2,272,188
Fund Balances - Beginning of year	<u>5,151,760</u>	<u>3,747,588</u>	<u>3,887,011</u>	<u>12,786,359</u>
Fund Balances - End of year	<u>\$ 6,428,003</u>	<u>\$ 4,738,357</u>	<u>\$ 3,892,187</u>	<u>\$ 15,058,547</u>

Charter Township of West Bloomfield

Proprietary Fund - Water and Sewer Fund Statement of Net Assets December 31, 2007

	<u>Enterprise Fund - Water and Sewer</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 8,326,180
Receivables - Net	4,861,219
Due from other funds	335,126
Deposit with insurance carrier	<u>3,722</u>
Total current assets	13,526,247
Noncurrent assets:	
Inventory	336,978
Restricted	10,316,385
Capital	<u>98,717,394</u>
Total noncurrent assets	<u>109,370,757</u>
Total assets	122,897,004
Liabilities	
Current liabilities:	
Accounts payable	2,424,948
Accrued and other liabilities	231,975
Due to other funds	<u>32,412</u>
Total current liabilities	2,689,335
Current liabilities payable from restricted assets:	
Accrued interest	11,753
Current portion of long-term debt	<u>509,864</u>
Total current liabilities payable from restricted assets	521,617
Noncurrent liabilities - Long-term debt - Net of current portion	<u>1,336,462</u>
Total liabilities	<u>4,547,414</u>
Net Assets	
Investment in capital assets - Net of related debt	96,871,068
Restricted	10,304,632
Unrestricted	<u>11,173,890</u>
Total net assets	<u><u>\$ 118,349,590</u></u>

Charter Township of West Bloomfield

Proprietary Fund - Water and Sewer Fund Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2007

	Enterprise Fund - Water and Sewer
Operating Revenue	
Sale of water	\$ 11,112,747
Sewage disposal charges	9,116,947
Interest and penalty charges	453,852
Installation fees	69,265
Other charges for services	41,587
Total operating revenue	<u>20,794,398</u>
Operating Expenses	
Cost of water purchased	7,689,911
Cost of sewage treatment	5,383,355
Distribution and collection system	3,396,227
Billing and administrative costs	347,706
Municipal service charge	755,500
Depreciation	2,113,010
Total operating expenses	<u>19,685,709</u>
Operating Income	1,108,689
Nonoperating Revenue (Expense)	
Investment income	978,470
Interest expense	(68,928)
Total nonoperating revenue	<u>909,542</u>
Income - Before capital contributions	2,018,231
Capital Contributions	
Customer assessments (connection fees, transmission, and capital charges)	245,426
Water and sewer lines donated by developers	225,654
Total capital contributions	<u>471,080</u>
Change in Net Assets	2,489,311
Net Assets - Beginning of year	<u>115,860,279</u>
Net Assets - End of year	<u><u>\$ 118,349,590</u></u>

Charter Township of West Bloomfield

Proprietary Fund - Water and Sewer Fund Statement of Cash Flows Year Ended December 31, 2007

	Enterprise Fund - Water and Sewer
Cash Flows from Operating Activities	
Receipts from customers	\$ 20,482,919
Payments to suppliers	(15,219,146)
Payments to employees	(1,754,588)
Internal activity - Payments to other funds	(801,589)
	<u>2,707,596</u>
Net cash provided by operating activities	2,707,596
Cash Flows from Capital and Related Financing Activities	
Collection of customer assessments (principal and interest)	347,214
Purchase of capital assets	(3,855,138)
Proceeds from issuance of debt	835,145
Principal and interest paid on capital debt	(521,056)
	<u>(3,193,835)</u>
Net cash used in capital and related financing activities	(3,193,835)
Cash Flows from Investing Activities - Interest received on investments	<u>857,379</u>
Net Increase in Cash and Cash Equivalents	371,140
Cash and Cash Equivalents - Beginning of year	<u>17,537,661</u>
Cash and Cash Equivalents - End of year	<u>\$ 17,908,801</u>
Statement of Net Assets Classification of Cash and Cash Equivalents	
Cash and investments	\$ 8,326,180
Restricted investments (Note 8)	9,582,621
	<u>\$ 17,908,801</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 1,108,689
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	2,113,010
Changes in assets and liabilities:	
Receivables	(311,479)
Inventory	(336,978)
Due from other funds	8,798
Accounts payable	126,552
Due to other funds	(54,887)
Accrued and other liabilities	53,891
	<u>\$ 2,707,596</u>
Net cash provided by operating activities	\$ 2,707,596

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2007, the Water and Sewer Fund received \$225,654 of lines donated by developers.

Charter Township of West Bloomfield

Fiduciary Funds Statement of Net Assets December 31, 2007

	Pension and Other Employee Benefits Trust Funds	Agency Funds
Assets		
Cash and investments (Note 3):		
Cash equivalents	\$ 5,037,354	\$ 13,991,142
U.S. agency bonds	1,499,280	-
Corporate bonds	5,482,855	-
Real estate	4,887,201	-
Stock	51,117,652	-
Other investments	24,329,919	-
Due from other funds	261,097	-
Other assets	89,110	6,763
Total assets	92,704,468	<u><u>\$ 13,997,905</u></u>
Liabilities		
Accounts payable	112,107	\$ -
Due to other governments	-	11,766,162
Due to other funds	12,610	-
Cash bonds and deposits	-	2,156,112
Other liabilities	-	75,631
Total liabilities	124,717	<u><u>\$ 13,997,905</u></u>
Net Assets - Held in trust for pension and other employee benefits	<u><u>\$ 92,579,751</u></u>	

Charter Township of West Bloomfield

Fiduciary Funds Statement of Changes in Net Assets Year Ended December 31, 2007

	Pension and Other Employee Benefits Trust Fund
Additions	
Investment income:	
Interest and dividends	\$ 2,740,316
Net increase in fair value of investments	1,910,024
Less investment expenses	<u>(521,161)</u>
Net investment income	4,129,179
Contributions:	
Employer	7,364,607
Employee	<u>242,275</u>
Total contributions	<u>7,606,882</u>
Total additions	11,736,061
Deductions	
Benefit payments	3,636,423
Administrative payments	<u>67,860</u>
Total deductions	<u>3,704,283</u>
Net Increase in Net Assets Held in Trust	8,031,778
Net Assets Held in Trust for Pension Benefits	
Beginning of year	<u>84,547,973</u>
End of year	<u><u>\$ 92,579,751</u></u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

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 legally 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 \$1,417,964 for the year ended December 31, 2007, and its share of revenue amounted to \$1,578,057. 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 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

**Notes to Financial Statements
December 31, 2007**

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.

Charter Township of West Bloomfield

**Notes to Financial Statements
December 31, 2007**

Note I - Summary of Significant Accounting Policies (Continued)

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

The Township reports the following major governmental funds:

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

Public Safety Fund - The Public Safety Fund accounts for the levy of a special millage for police and fire services.

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

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

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

Charter Township of West Bloomfield

**Notes to Financial Statements
December 31, 2007**

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 the Township's proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, billing and 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.

The Township's 2006 tax is levied and collectible on December 1, 2006 and is recognized as revenue in the year ended December 31, 2007, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2006 taxable valuation of the Township totaled \$4.02 billion, on which taxes levied consisted of 3.3556 mills for operating purposes, 3.1378 mills for police and fire services, and .1982 for the safety path. This resulted in approximately \$13.5 million for operating, \$12.6 million for police and fire services, and \$790,000 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, 2007**

Note I - Summary of Significant Accounting Policies (Continued)

The Township annually sells its delinquent real property taxes to the County, which then becomes responsible for collecting the taxes, and taking any uncollected tax parcels through the tax reversion process. The County purchases these taxes at 100 percent of face value, and in return the County is allowed to retain all interest and penalties it collects. The estimated present value of the future delinquent collections to the Township is less than the face value that has been received, because of the time value of money; however, the net present value to the County is greater than this amount, because of the statutory provision that allows the County to retain all penalties and interest. During the current year, the Township received \$2,478,867 from this sale. At the end of the tax reversion process (approximately three years), the County charges the Township back for any uncollected taxes. Historically, this amount has not been significant.

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.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

Charter Township of West Bloomfield

Notes to Financial Statements
December 31, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance/Net Assets - 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.

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 shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall - January 1, 2007		\$ (1,727,868)
Current year building permit revenue		1,465,980
Related expenses:		
Direct costs	\$ 1,109,536	
Estimated indirect costs	<u>552,976</u>	
	Total construction code expenses	<u>1,662,512</u>
Cumulative shortfall - December 31, 2007		<u>\$ (1,924,400)</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

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. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Pension Trust Fund and Retiree Health Care Fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

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

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. When selecting a bank, the following criteria are examined:

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

Charter Township of West Bloomfield

**Notes to Financial Statements
December 31, 2007**

Note 3 - Deposits and Investments (Continued)

At year end, the Township had \$45,416,428 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

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

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The Township will minimize the risk that the market value of securities in the portfolio will fall due to 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 \$2,499,000 invested in U.S. governmental or agency bonds or notes with a weighted average maturity of approximately three years. The Township also had approximately \$5,483,000 invested in corporate bonds with a weighted average maturity of approximately six years.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

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	\$ 1,853,577	AAA	Fitch
	131,986	AAAM	S & P
	1,341,734	AAAM	Moody's
	130,040	Aaa	Moody's
	3,625,951	AAAm	S & P
	1,284,238	AI	Moody's
	2,152,248	AA	S & P
	331,558	AAA	S & P
	11,905,589	A	S & P
	9,655,842	AI/PI/FI	S & P
Commercial paper	1,647,618	AI+PI	S & P
U.S. agency obligations	2,499,280	AAA	S & P
Corporate bonds	5,482,855	AA	S & P

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 4 - Receivables

Receivables as of year end for the Township's individual major funds and the nonmajor and fiduciary funds in the aggregate are as follows:

	General Fund	Public Safety	Nonmajor and Other Funds	Total
Receivables:				
Taxes	\$ 6,541,911	\$ 6,209,832	\$ 542,791	\$ 13,294,534
Special assessments	-	-	1,178,663	1,178,663
Other governmental units	194,251	5,060	40,133	239,444
Interest and other	<u>1,355,845</u>	<u>74,654</u>	<u>117,904</u>	<u>1,548,403</u>
Net receivables	<u>\$ 8,092,007</u>	<u>\$ 6,289,546</u>	<u>\$ 1,879,491</u>	16,261,044
Accrued interest receivable				31,604
State-shared revenue payment and other, received in fiscal year 2008, earned in 2007				<u>849,154</u>
Total				<u>\$ 17,141,802</u>

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

	Unavailable	Unearned
Property taxes levied for 2008 budget	\$ -	\$ 28,043,753
District court	511,450	-
Ambulance fees	153,000	-
Cell phone tower lease	-	78,288
Special assessments	<u>210,124</u>	<u>848,993</u>
Total	<u>\$ 874,574</u>	<u>\$ 28,971,034</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 5 - Capital Assets

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

	Balance January 1, 2007	Additions	Disposals and Adjustments	Balance December 31, 2007
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,605,280	\$ -	\$ -	\$ 1,605,280
Construction in progress	<u>784,293</u>	<u>299,777</u>	<u>737,392</u>	<u>346,678</u>
Subtotal	2,389,573	299,777	737,392	1,951,958
Capital assets being depreciated:				
Investment in county drains	2,873,252	729,250	-	3,602,502
Bike paths	11,321,258	1,080,965	2,531	12,399,692
Land improvements	2,740,588	-	-	2,740,588
Buildings and improvements	13,675,988	17,270	-	13,693,258
Vehicles	5,400,815	289,145	129,907	5,560,053
Furnishings, fixtures, and equipment	<u>5,267,392</u>	<u>269,617</u>	<u>72,360</u>	<u>5,464,649</u>
Subtotal	41,279,293	2,386,247	204,798	43,460,742
Accumulated depreciation:				
Investment in county drains	-	78,822	-	78,822
Bike paths	6,413,758	332,609	2,024	6,744,343
Land improvements	922,425	96,232	-	1,018,657
Buildings and improvements	3,679,879	248,074	-	3,927,953
Vehicles	2,825,011	633,662	95,943	3,362,730
Furnishings, fixtures, and equipment	<u>2,573,359</u>	<u>394,775</u>	<u>61,264</u>	<u>2,906,870</u>
Subtotal	<u>16,414,432</u>	<u>1,784,174</u>	<u>159,231</u>	<u>18,039,375</u>
Net capital assets being depreciated	<u>24,864,861</u>	<u>602,073</u>	<u>45,567</u>	<u>25,421,367</u>
Net capital assets	<u>\$ 27,254,434</u>	<u>\$ 901,850</u>	<u>\$ 782,959</u>	<u>\$ 27,373,325</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance January 1, 2007	Additions	Disposals and Adjustments	Balance December 31, 2007
Capital assets not being depreciated:				
Land	\$ 485,460	\$ -	\$ -	\$ 485,460
Construction in progress	<u>865,326</u>	<u>3,123,482</u>	<u>1,772,909</u>	<u>2,215,899</u>
Subtotal	1,350,786	3,123,482	1,772,909	2,701,359
Capital assets being depreciated:				
Water and sewer distribution systems	130,558,857	2,517,859	165,891	132,910,825
Buildings and building improvements	1,485,482	5,660	-	1,491,142
Other improvements	139,866	-	-	139,866
Other tools and equipment	<u>2,603,918</u>	<u>243,387</u>	<u>52,048</u>	<u>2,795,257</u>
Subtotal	134,788,123	2,766,906	217,939	137,337,090
Accumulated depreciation:				
Water and sewer distribution systems	36,815,221	1,943,218	165,893	38,592,546
Buildings and building improvements	694,306	37,545	-	731,851
Other improvements	73,546	4,378	-	77,924
Other tools and equipment	<u>1,806,224</u>	<u>127,869</u>	<u>15,359</u>	<u>1,918,734</u>
Subtotal	<u>39,389,297</u>	<u>2,113,010</u>	<u>181,252</u>	<u>41,321,055</u>
Net capital assets being depreciated	<u>95,398,826</u>	<u>653,896</u>	<u>36,687</u>	<u>96,016,035</u>
Net capital assets	<u>\$ 96,749,612</u>	<u>\$ 3,777,378</u>	<u>\$ 1,809,596</u>	<u>\$ 98,717,394</u>

Depreciation expense was charged to programs as follows:

Governmental activities:	
General government	\$ 219,312
Public safety:	
Police	375,199
Fire	707,777
Building inspection	3,489
Code enforcement	5,207
Public works	420,680
Community and economic development	5,894
Recreation and culture	<u>46,616</u>
Total governmental activities	<u>\$ 1,784,174</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 5 - Capital Assets (Continued)

Construction Commitments - The Township has active projects at year end. The projects include various special assessment projects. At year end, the Township's commitments are as follows:

	Total Contract Amount	Remaining Commitment
Long Lake Shores Canal dredge	\$ 240,795	\$ 220,475
Mallard Court dredging	727,418	638,526
Total	<u>\$ 968,213</u>	<u>\$ 859,001</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Governmental funds:		
General Fund	Water and Sewer Fund	\$ 32,412
	Public Safety Fund	154,084
	Other nonmajor governmental funds	138,897
	Postretirement Health Care Fund	12,610
Nonmajor governmental funds	Nonmajor governmental funds	6,452
	General Fund	29,170
	Public Safety Fund	<u>8,325</u>
	Total governmental funds	381,950
Enterprise Funds -		
Water and Sewer Fund	Other nonmajor governmental funds	322,087
	Public Safety Fund	<u>13,039</u>
	Total governmental funds	335,126
Fiduciary funds - Postretirement		
Health Care Fund	Other nonmajor governmental funds	<u>261,097</u>
	Total interfund balances	<u>\$ 978,173</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, 2007

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

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

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>	
General Fund	Other nonmajor governmental funds	\$ 295,000	(1)
Other nonmajor governmental funds	General Fund	59,332	(2)
	Public Safety Fund	<u>169,541</u>	(3)
	Total other nonmajor governmental funds	<u>228,873</u>	
	Total	<u>\$ 523,873</u>	

(1) Transfers were for capital improvement projects and community assistance.

(2) Transfers were for reimbursed expenditures.

(3) Transfers were for police overtime expenditures.

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 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 district) are received.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 7 - Long-term Debt (continued)

At December 31, 2007, the Township had the following debt outstanding:

	<u>Principal Outstanding</u>
Governmental Activities	
<u>Building Authority Bond</u>	
1997 Building Authority bond for library improvements, with interest ranging from 4.4% to 4.8%, maturing in 2012	\$ 3,975,000
<u>Special Assessment Bonds</u>	
1999 special assessment bonds for SAD #117, with interest ranging from 4.9% to 5%, maturing in 2008	50,000
2000 special assessment bonds for SAD #127, with interest of 4.9%, maturing in 2009	120,000
2001 special assessment bonds for SAD #129, with interest ranging from 4.85% to 5.1%, maturing in 2015	340,000
<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	2,095,615
<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	<u>596,275</u>
Total governmental activities	<u>\$ 7,176,890</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 7 - Long-term Debt (Continued)

Business-type Activities	<u>Principal Outstanding</u>
2007 Segment I Drinking Water Revolving Fund - General obligation limited tax, interest at 2.125%	\$ 835,145
<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 2009	174,972
2001 Oakland County contract obligation for the Evergreen-Farmington sewage disposal system, with interest at 5.1%, maturing in 2009	<u>836,209</u>
Total business-type activities	<u>\$ 1,846,326</u>

Long-term obligation activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Building Authority bonds	\$ 5,380,000	\$ -	\$ 1,405,000	\$ 3,975,000	\$ 775,000
Special assessment bonds	660,000	-	150,000	510,000	150,000
Jacobs Drain Bonds	2,177,476	-	81,861	2,095,615	81,860
Drain District Bonds	<u>613,915</u>	<u>-</u>	<u>17,640</u>	<u>596,275</u>	<u>21,169</u>
Total governmental activities	8,831,391	-	1,654,501	7,176,890	1,028,029
Business-type Activities					
State of MI Revolving Fund Loan	-	835,145	-	835,145	35,728
County contract obligations	<u>1,463,828</u>	<u>-</u>	<u>452,647</u>	<u>1,011,181</u>	<u>474,136</u>
Total business-type activities	<u>1,463,828</u>	<u>835,145</u>	<u>452,647</u>	<u>1,846,326</u>	<u>509,864</u>
Total long-term debt	<u>\$ 10,295,219</u>	<u>\$ 835,145</u>	<u>\$ 2,107,148</u>	<u>\$ 9,023,216</u>	<u>\$ 1,537,893</u>
Governmental Compensated Absences					
	<u>\$ 1,634,453</u>	<u>\$ 121,503</u>	<u>\$ -</u>	<u>\$ 1,755,956</u>	<u>\$ 221,503</u>

The Building Authority bonds noted above are offset by a lease receivable totaling \$3,975,000 as of December 31, 2007. The lease payment schedule is exactly the same as the debt service requirements of the three bonds and will be paid with the proceeds from the West Bloomfield Township Public Library's debt service millage.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 7 - Long-term Debt (Continued)

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
2008	\$ 1,028,029	\$ 304,201	\$ 1,332,230	\$ 509,864	\$ 63,099	\$ 572,963
2009	1,003,030	257,194	1,260,224	510,862	40,117	550,979
2010	946,558	210,362	1,156,920	97,640	16,932	114,572
2011	967,023	165,695	1,132,718	35,728	15,090	50,818
2012	972,023	120,510	1,092,533	35,728	14,330	50,058
2013-2017	808,820	398,558	1,207,378	196,505	59,504	256,009
2018-2022	827,764	230,415	1,058,179	218,835	37,439	256,274
2023-2026	623,643	47,510	671,153	241,164	13,002	254,166
Total	\$ 7,176,890	\$ 1,734,445	\$ 8,911,335	\$ 1,846,326	\$ 259,513	\$ 2,105,839

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:

Restricted assets are composed of:

Cash and investments	\$ 9,582,621
Customer assessments receivable	622,478
Due from other governmental units	7,836
Accrued interest and other receivables	85,376
Assets held by Oakland County	<u>18,074</u>
Total restricted assets	<u>\$ 10,316,385</u>

These assets are restricted for the following purposes:

Bond interest and redemption	\$ 9,111,971
Reserve, depreciation, and improvement	1,186,340
Assets held at Oakland County	<u>18,074</u>
Total restricted assets	<u>\$ 10,316,385</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

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:

	2007	2006
Unpaid claims - Beginning of year	\$ 553,062	\$ 737,802
Incurred claims (including claims incurred but not reported, and changes in estimates)	668,684	744,833
Claim payments	<u>(661,067)</u>	<u>(929,573)</u>
Unpaid claims - End of year	<u>\$ 560,679</u>	<u>\$ 553,062</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

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, 2006, the date of the most recent actuarial valuation, membership consisted of 162 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them, and 298 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.

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive 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 - For the year ended December 31, 2007, the Township's annual pension cost of approximately \$4,285,000 for the plan exceeded the Township's required contribution by \$21,000. The annual required contribution was determined as part of an actuarial valuation at December 31, 2006, using the individual entry age normal cost method. Significant actuarial assumptions used include (a) a 7.5 investment rate of return, (b) projected salary increases of 4.5 percent to 17.5 percent per year, and (c) a 3 percent per year cost of living adjustment. 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 23 years.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 10 - Defined Benefit Pension Plan (Continued)

Trend Information

Fiscal Year Ended December 31	Actuarial Valuation as of December 31	Annual Pension Cost	Percent Contributed	Net Pension Asset
2002	2001	\$ 2,405,000	93	\$ 945,000
2003	2002	2,713,000	108	1,169,000
2004	2003	3,162,000	99	1,113,000
2005	2004	3,751,000	100	1,065,400
2006	2005	4,567,741	100	1,014,200
2007	2006	4,285,116	100	1,165,000

Actuarial Valuation as of December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (Percent)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2001	\$ 47,531,143	\$ 54,307,871	\$ 6,776,728	87.5	\$ 15,070,910	45.0
2002	49,074,431	59,794,263	10,719,832	82.1	15,784,191	67.9
2003	51,622,204	64,597,088	12,974,884	79.9	17,106,766	75.8
2004	54,912,591	73,201,404	18,288,813	75.0	19,162,317	95.4
2005	59,493,069	79,692,787	20,199,718	74.7	18,681,528	108.1
2006	66,642,760	86,516,666	19,873,906	77.0	18,850,496	105.4

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 approximately \$1,001,000 and the employees contributed \$257,000 for the year ended December 31, 2007.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2007

Note 12 - Other Postemployment Benefits

The Township has elected to provide postemployment health benefits to all 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, 58 retirees are eligible for postemployment health benefits. For the fiscal year ended December 31, 2007, the Township made payments for postemployment health benefit premiums of \$875,558. 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.

The funding progress of the plan as of the most recent valuation date is as follows:

	Actuarial Valuation as of December 31, 2005
Actuarial value of assets	\$ 11,863,879
Actuarial accrued liability (AAL) (entry age normal)	\$ 39,115,164
Unfunded AAL (UAAL)	\$ 27,251,285
Funded ratio	30%
Covered payroll	\$ 18,897,337
UAAL as a percentage of covered payroll	144%

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.

Charter Township of West Bloomfield

**Notes to Financial Statements
December 31, 2007**

Note 12 - Other Postemployment Benefits (Continued)

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, 2005 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 12 percent for medical and 11 percent for prescription drugs for 2006, with this rate of increase decreasing by 1 percent per year through the years 2014 and 2013, respectively. Thereafter it is assumed to be 4.5 percent per year. The UAAL is being amortized as a level percentage of projected payroll over 28 years.

Contributions to the Postretirement Health Care Fund totaled \$3,100,275 for the year ended December 31, 2007.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending December 31, 2008.

Note 13 - Subsequent Event

In April 2008, the 2008 Water System Improvement Revenue Bonds in the amount of \$7,975,000 were issued on behalf of the Township by the State of Michigan Drinking Water Revolving Fund. The bonds are secured by the revenues of the water and sewer system and will be repaid over 20 years beginning in April 2009.

Required Supplemental Information

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2007

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Property taxes	\$ 13,243,000	\$ 13,293,600	\$ 13,302,355	\$ 8,755
Building permits	1,460,000	1,487,700	1,465,980	(21,720)
Cable franchise fees	864,000	938,900	919,180	(19,720)
State-shared revenue	4,925,000	4,778,600	4,834,067	55,467
Plan and site review	101,000	33,690	34,375	685
Fines and permits	299,000	369,370	405,943	36,573
Engineering fees	80,000	91,600	101,480	9,880
Administrative fees	811,000	811,000	833,262	22,262
District Court	1,215,795	1,442,700	1,578,057	135,357
Interest on investments	750,000	1,000,000	1,078,412	78,412
Contribution from Tri-Cities fire	658,543	658,544	658,544	-
EMS transport fees	913,000	1,173,000	1,152,213	(20,787)
Miscellaneous revenue	452,500	506,760	449,170	(57,590)
Total revenue	25,772,838	26,585,464	26,813,038	227,574
Expenditures				
Township board	42,060	41,680	35,847	5,833
Supervisor	238,395	235,324	229,312	6,012
Elections	37,800	80,120	1,322	78,798
General services	458,843	525,530	475,916	49,614
Finance	631,733	632,023	630,909	1,114
Information technology	745,952	789,300	701,323	87,977
Assessor	1,125,668	1,177,154	1,022,283	154,871
Clerk	943,428	919,909	888,912	30,997
Personnel	290,782	287,749	257,441	30,308
Treasurer	685,647	667,918	650,294	17,624
Town Hall building and grounds	205,225	151,845	167,081	(15,236)
Pension board	13,577	12,328	11,786	542
District Court	1,104,346	1,302,278	1,517,410	(215,132)
Police	6,790,202	6,837,087	6,656,927	180,160

(Continued on next page)

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2007

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (Continued)				
Fire	\$ 7,306,248	\$ 7,203,639	\$ 6,935,260	\$ 268,379
Building and inspection	1,223,557	1,128,165	1,109,536	18,629
Code enforcement	586,168	600,538	554,093	46,445
Engineering	662,066	455,767	439,646	16,121
Planning and zoning	510,308	439,514	402,069	37,445
Environmental	375,125	398,494	361,616	36,878
Development services	-	241,500	289,785	(48,285)
Community assistance	124,010	111,780	101,260	10,520
Cable TV administration	-	3,393	3,149	244
Total expenditures	<u>24,101,140</u>	<u>24,243,035</u>	<u>23,443,177</u>	<u>799,858</u>
Excess of Revenue Over Expenditures	1,671,698	2,342,429	3,369,861	1,027,432
Transfers Out - Postretirement, Grants, and Public Improvement Funds	(2,057,950)	(2,152,950)	(2,152,950)	-
Transfers In - Other funds	<u>50,000</u>	<u>53,393</u>	<u>59,332</u>	<u>5,939</u>
Total transfers	<u>(2,007,950)</u>	<u>(2,099,557)</u>	<u>(2,093,618)</u>	<u>5,939</u>
(Shortfall) Surplus	(336,252)	242,872	1,276,243	1,033,371
Fund Balance - Beginning of year	<u>3,698,883</u>	<u>5,151,760</u>	<u>5,151,760</u>	-
Fund Balance - End of year	<u><u>\$ 3,362,631</u></u>	<u><u>\$ 5,394,632</u></u>	<u><u>\$ 6,428,003</u></u>	<u><u>\$ 1,033,371</u></u>

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule Public Safety Fund Year Ended December 31, 2007

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 12,537,000	\$ 12,537,000	\$ 12,583,602	\$ 46,602
Grants	-	25,500	1,993	(23,507)
Interest on investments	473,000	525,000	518,718	(6,282)
Total revenue	13,010,000	13,087,500	13,104,313	16,813
Expenditures				
Police salaries, fringe benefits, and supplies	5,487,107	5,587,401	5,387,347	200,054
Fire salaries, fringe benefits, and supplies	5,663,387	5,608,352	5,477,514	130,838
Police equipment	309,404	309,404	233,521	75,883
Fire equipment	355,254	175,754	107,724	68,030
Police and fire facilities	9,000	9,000	-	9,000
Retiree health contribution	1,072,978	1,072,978	1,072,978	-
Other	15,000	15,000	4,001	10,999
Total expenditures	12,912,130	12,777,889	12,283,085	494,804
Excess of Revenue Over Expenditures	97,870	309,611	821,228	511,617
Transfers from Other Funds	168,150	168,150	169,541	1,391
Surplus	266,020	477,761	990,769	513,008
Fund Balance - Beginning of year	3,292,446	3,747,588	3,747,588	-
Fund Balance - End of year	<u>\$ 3,558,466</u>	<u>\$ 4,225,349</u>	<u>\$ 4,738,357</u>	<u>\$ 513,008</u>

Charter Township of West Bloomfield

Note to Required Supplemental Information December 31, 200

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 certain department expenses are recorded as operating transfers, rather than as 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 Township board 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: Town Hall building and grounds, District Court, and development services.

Other Supplemental Information

Charter Township of West Bloomfield

	Special Revenue Funds					
	Safety Paths	Grant Fund	Public	Drug	Special	Cable
			Improvement and Building	Enforcement	Assessment Districts	
Assets						
Cash and investments	\$ 857,935	\$ 19,118	\$ 704,232	\$ 1,250,089	\$ 28,643	\$ 841,288
Accounts receivable:						
Property taxes	392,314	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Other governmental units	-	10,416	1,026	-	15,058	-
Other	-	-	6,041	19,450	-	92,413
Due from other funds	34,000	-	-	8,325	-	-
Total assets	\$ 1,284,249	\$ 29,534	\$ 711,299	\$ 1,277,864	\$ 43,701	\$ 933,701
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 70,866	\$ 1,499	\$ 136,222	\$ 31,356	\$ 2,523	\$ 16,857
Due to other funds	-	9,576	67,110	-	787	425
Due to other governmental units	-	-	-	-	-	-
Deferred revenue	827,419	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total liabilities	898,285	11,075	203,332	31,356	3,310	17,282
Fund Balances - Unreserved	385,964	18,459	507,967	1,246,508	40,391	916,419
Total liabilities and fund balances	\$ 1,284,249	\$ 29,534	\$ 711,299	\$ 1,277,864	\$ 43,701	\$ 933,701

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

Debt Service Funds			Capital Projects Fund	Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment Districts	Nonmajor Governmental Funds
\$ 8,890	\$ 200,126	\$ 191,370	\$ 1,164,176	\$ 5,265,867
-	150,477	-	-	542,791
-	-	9,736	1,168,927	1,178,663
-	-	3,165	10,468	40,133
-	-	-	-	117,904
-	-	1,622	-	43,947
\$ 8,890	\$ 350,603	\$ 205,893	\$ 2,343,571	\$ 7,189,305

\$ -	\$ -	\$ 138	\$ 89,433	\$ 348,894
-	-	22,917	627,718	728,533
3,080	-	-	-	3,080
-	317,275	9,113	1,050,004	2,203,811
-	12,800	-	-	12,800
3,080	330,075	32,168	1,767,155	3,297,118
5,810	20,528	173,725	576,416	3,892,187
\$ 8,890	\$ 350,603	\$ 205,893	\$ 2,343,571	\$ 7,189,305

Charter Township of West Bloomfield

	Special Revenue Funds					
	Safety Paths	Grant Fund	Public	Drug	Special	Cable
			Improvement and Building	Enforcement	Assessment Districts	
Revenue						
Property taxes	\$ 794,661	\$ -	\$ -	\$ -	\$ -	\$ -
State-shared revenues	-	-	-	136,444	-	-
Federal sources	-	73,919	-	242,212	-	-
Interest	32,961	60	35,322	69,267	518	41,720
Special assessments	-	-	-	-	59,587	-
Cable franchise fees	-	-	-	-	-	402,655
Other	-	-	-	-	-	-
Total revenue	827,622	73,979	35,322	447,923	60,105	444,375
Expenditures						
Current:						
Police	-	1,745	-	51,702	-	-
Public works	-	-	546,603	-	65,083	-
Recreation and culture	542,311	-	-	-	-	442,308
Community assistance	-	83,482	-	-	-	-
Capital outlay	-	-	-	76,841	-	-
Debt service	-	-	-	-	-	-
Total expenditures	542,311	85,227	546,603	128,543	65,083	442,308
Excess of Revenue Over (Under)						
Expenditures	285,311	(11,248)	(511,281)	319,380	(4,978)	2,067
Other Financing Sources (Uses)						
Transfers in	-	45,000	250,000	-	-	-
Transfers out	(50,000)	(1,391)	-	(168,150)	-	(3,393)
Total other financing sources (uses)	(50,000)	43,609	250,000	(168,150)	-	(3,393)
Net Change in Fund Balances	235,311	32,361	(261,281)	151,230	(4,978)	(1,326)
Fund Balances - Beginning of year	150,653	(13,902)	769,248	1,095,278	45,369	917,745
Fund Balances - End of year	\$ 385,964	\$ 18,459	\$ 507,967	\$ 1,246,508	\$ 40,391	\$ 916,419

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2007

Debt Service Funds			Capital Projects Fund	Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment Districts	Nonmajor Governmental Funds
\$ -	\$ 200,512	\$ -	\$ -	\$ 995,173
-	-	-	-	136,444
-	-	-	-	316,131
3,754	7,111	9,065	56,052	255,830
-	-	27,803	286,264	373,654
-	-	-	-	402,655
<u>1,625,031</u>	<u>20,186</u>	<u>-</u>	<u>530</u>	<u>1,645,747</u>
1,628,785	227,809	36,868	342,846	4,125,634
-	-	-	-	53,447
-	-	1,545	119,250	732,481
-	-	-	-	984,619
-	-	-	-	83,482
-	230,508	-	-	307,349
<u>1,628,086</u>	<u>215,171</u>	<u>53,750</u>	<u>128,200</u>	<u>2,025,207</u>
<u>1,628,086</u>	<u>445,679</u>	<u>55,295</u>	<u>247,450</u>	<u>4,186,585</u>
699	(217,870)	(18,427)	95,396	(60,951)
-	-	-	-	295,000
-	-	(5,939)	-	(228,873)
-	-	(5,939)	-	66,127
699	(217,870)	(24,366)	95,396	5,176
<u>5,111</u>	<u>238,398</u>	<u>198,091</u>	<u>481,020</u>	<u>3,887,011</u>
<u>\$ 5,810</u>	<u>\$ 20,528</u>	<u>\$ 173,725</u>	<u>\$ 576,416</u>	<u>\$ 3,892,187</u>

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Net Assets Pension and Other Employee Benefit Trust Funds December 31, 2007

	Pension	Post- retirement Health Care	Totals
Assets			
Cash and investments:			
Cash equivalents	\$ 1,284,238	\$ 3,753,116	\$ 5,037,354
U.S. Agency bonds	-	1,499,280	1,499,280
Corporate bonds	5,482,855	-	5,482,855
Real estate	4,180,016	707,185	4,887,201
Stock	44,501,883	6,615,769	51,117,652
Other investments	19,098,851	5,231,068	24,329,919
Receivables	-	21,136	21,136
Due from other funds	-	261,097	261,097
Deposits	7,755	60,219	67,974
Total assets	74,555,598	18,148,870	92,704,468
Liabilities			
Accounts payable	91,040	21,067	112,107
Due to other governmental units	-	12,610	12,610
Total liabilities	91,040	33,677	124,717
Net Assets - Held in trust for Pension and Other Employee Benefits Trust Fund	<u>\$ 74,464,558</u>	<u>\$ 18,115,193</u>	<u>\$ 92,579,751</u>

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Assets and Liabilities Agency Funds December 31, 2007

	Trust and Agency	Parks and Recreation Fund	Bond Refund	Escrow	Totals
Assets					
Cash and investments	\$ 10,814,544	\$ 1,027,249	\$ 545,115	\$ 1,604,234	\$ 13,991,142
Receivables	-	-	-	6,763	6,763
Total assets	<u>\$ 10,814,544</u>	<u>\$ 1,027,249</u>	<u>\$ 545,115</u>	<u>\$ 1,610,997</u>	<u>\$ 13,997,905</u>
Liabilities					
Accrued and other liabilities	\$ 75,631	-	-	-	\$ 75,631
Due to other governmental units	10,738,913	1,027,249	-	-	11,766,162
Cash bonds and deposits	-	-	545,115	1,610,997	2,156,112
Total liabilities	<u>\$ 10,814,544</u>	<u>\$ 1,027,249</u>	<u>\$ 545,115</u>	<u>\$ 1,610,997</u>	<u>\$ 13,997,905</u>

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Changes in Net Assets Pension and Other Employee Benefit Trust Funds Year Ended December 31, 2007

	Pension	Postretirement Health Care	Totals
Additions			
Investment income:			
Interest and dividends	\$ 2,115,291	\$ 625,025	\$ 2,740,316
Net increase in fair value of investments	1,602,390	307,634	1,910,024
Less investment expenses	<u>(490,282)</u>	<u>(30,879)</u>	<u>(521,161)</u>
Net investment income	3,227,399	901,780	4,129,179
Contributions:			
Employer	4,264,332	3,100,275	7,364,607
Employee	<u>242,275</u>	<u>-</u>	<u>242,275</u>
Total contributions	<u>4,506,607</u>	<u>3,100,275</u>	<u>7,606,882</u>
Total additions	7,734,006	4,002,055	11,736,061
Deductions			
Benefit payments	2,760,865	875,558	3,636,423
Administrative expenses	<u>53,573</u>	<u>14,287</u>	<u>67,860</u>
Total deductions	<u>2,814,438</u>	<u>889,845</u>	<u>3,704,283</u>
Net Increase in Net Assets Held in Trust	4,919,568	3,112,210	8,031,778
Net Assets Held in Trust for Pension Benefits			
Beginning of year	<u>69,544,990</u>	<u>15,002,983</u>	<u>84,547,973</u>
End of year	<u>\$ 74,464,558</u>	<u>\$ 18,115,193</u>	<u>\$ 92,579,751</u>