CHARTER TOWNSHIP OF BLOOMFIELD
STATE OF MICHIGAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year ended March 31, 2012

CHARTER TOWNSHIP OF BLOOMFIELD
STATE OF MICHIGAN

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JENKINS MAGNUS VOLK + CARROLL
Certified Public Accountants

A. H. Magnus, Jr., CPA • Thomas D. Carroll, CPA • Kathleen A. Jenkins, CPA • James M. McAuliffe, CPA

INDEPENDENT AUDITORS' REPORT

To the Township Board
Charter Township of Bloomfield, Michigan
State of Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Charter Township of Bloomfield, State of Michigan (the "Township"), as of and for the year ended March 31, 2012, 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 did not audit the financial statements of the Bloomfield Township Public Library which represents 100% of the assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund, road fund and public safety fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension trust and healthcare plan schedules on Pages 5-18 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements as a whole. The combining and individual fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

JENKINS, MAGNUS, VOLK & CARROLL, PC

Certified Public Accountants

Bloomfield Hills, Michigan
September 5, 2012, except as to Note XVI, which is as of October 19, 2012

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the *Township*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2012.

Financial Highlights

- The assets of the Township exceeded liabilities at the close of the most recent fiscal year by $97,369,317 (net assets). Total net assets decreased by $407,162 including prior period adjustment for past developer contributions as compared to the previous fiscal year. These amounts do not include fiduciary funds. Total assets increased by approximately $6.0 million largely the result of increases to current asset amounts; cash and investments and accounts receivable. Current assets increased by a little over $7.6 million while capital assets decreased by just over $1.5 million as accumulated depreciation increased by more than capital additions. Total liabilities increased by approximately $6.4 million mostly due to an increase of $4.9 million in post-employment benefit obligations.

- The major Township assets consist of $107,909,550 in capital assets net of related depreciation, $49,343,810 in cash and investments and $27,283,490 in receivables. Prepaid items and inventory total $1,291,871. The Township's assets are offset by related long and short-term debt liabilities totaling $66,505,944. Other liabilities include accounts payable, accrued payroll expense, deferred revenues and post employment benefits obligations combining to a total of $22,592,117.

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $40,208,924, an increase of $1,827,056 when compared with the previous fiscal year. The increase is the result of surplus operations within the various operating funds that fall in this category. All of these funds will be discussed in more detail later in the report. Of the ending balances totaling $40,208,924 only $1.3 million is categorized as non-spendable, $21.4 million is restricted as to how it can be used with most being for public safety, $7.6 million is assigned for either community enrichment or the building department and $9.9 million is unassigned and available for spending at management's discretion.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $9,868,340 representing an increase of $461,905 over last fiscal year. This fund balance is approximately one hundred seven percent (107%) of total general fund expenditures reported this fiscal year.

- The Township's total long-term debt decreased by $241,635 during the current fiscal year as the annual principal payments made on the various outstanding bonds were offset by new debt incurred on a county drain project and a small increase in debt for employees' compensated absences. The Township's long-term debt consists of county drain contracts, water and sewer system bonds, library construction bonds, Township campus construction bonds and employees' compensated absences.

- Net assets in the water and sewer fund increased by $2,458,711 for the year, the result of an increase to current assets. In particular cash and investments increased by over $5,000,000 the result of a $2,140,143 operating gain and the sale of $3,000,000 in new sewer system improvement bonds. The large increase of over $3,000,000 in liabilities was the result of the long-term debt taken on by the bond sale.

Overview of the Financial Statements

The Township's audited financial statements consist of three main components: 1) government-wide financial statements, 2) fund level financial statements by category, and 3) notes to the financial statements. The following discussion and analysis is intended to provide an introduction to these basic financial statements as presented in the audit report.

Government-Wide Financial Statements. These statements are designed to provide readers with a broad overview of the Township's finances.
The statement of net assets provides information on all of the Township's assets and liabilities, with the difference between the two reported as fund equity (net assets). Over time, changes in fund equity may serve as an important indicator of whether the financial position of the Township is improving or deteriorating.

The government-wide financial statements include all categories of Township government, which includes the *Governmental Fund Types, Proprietary Fund Types, Fiduciary Fund Types, Capital Assets and Long-term Debt.* The statement of net assets can be found on Page 21 of the accompanying audit report with the statement of activities on Pages 22 and 23.

Fund Financial Statements. A fund is a grouping of related accounts used to account for resources that have been accumulated for a specific activity or purpose. The Township uses fund accounting to demonstrate compliance with finance-related laws as is required of all state and local governments. All Township funds fall into one of three major categories: governmental funds, proprietary funds, or fiduciary funds.

> ***Governmental Funds*** consist of the Township's main operating funds, which include the general fund, special revenue funds, capital projects fund and debt service funds. The general fund is used to account for revenue and expenses for general Township government that would not fall under any other fund category. Revenues collected for a specific purpose and their corresponding expenditures are accounted for in special revenue funds. This category of funds consists of the public safety fund (police, fire and dispatch), the road fund, the senior services fund, the lake improvement fund, the cable TV fund, the safety path fund, the drug law enforcement fund, the building department fund, Bloomfield Village police and fire funds and the improvement and revolving fund. The Campus Construction Fund is a capital projects fund used to account for the construction of major capital facilities and improvements. The Township maintains three debt service funds to account for revenue collected for the purpose of retiring various bond issues for county drain projects, a major library renovation and major improvements to the Township campus and two fire stations.
>
> In all, the Township has sixteen individual governmental funds. Individual balance sheets and statements of revenues and expenditures for each of these funds are presented in this report. These statements allow the reader to gain a much narrower focus on Township financial activity than the government wide statements. Also, these statements make it possible to analyze near term financial decisions made by Township managers.
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> ***Proprietary Funds.*** The Township has one *proprietary fund*, which is the water and sewer fund. The main feature distinguishing a proprietary fund from a governmental fund is the source of revenue. The governmental funds receive their primary funding from taxes and intergovernmental revenues, while the proprietary funds recover all or a significant portion of their costs from user fees and charges (business-type activities).
>
> ***Fiduciary Funds.*** The Township has three *fiduciary funds*. Fiduciary funds are used to account for resources held by the Township for the benefit of parties other than the governmental entity. These funds are not available to be used for Township programs. The majority of the resources in this fund group are set aside to satisfy the pension liability to Township employees.

Statement of Net Assets Financial Analysis

Net assets are one indicator of a government's financial condition either at a given point in time or as compared over a period of time. At the close of the most recent fiscal year, Bloomfield Township's assets exceeded liabilities by $97,369,317. For the purpose of this analysis, the fiduciary funds and the component unit are not included as these resources are not available to support Township programs.

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 62.6	$ 60.4	$ 16.1	$ 10.7	$ 78.6	$ 71.1
Capital assets	59.2	60.8	48.7	48.6	107.9	109.4
Total assets	121.8	121.2	64.8	59.3	186.5	180.5
Long-term liabilities	64.3	62.1	16.6	13.9	80.8	76.0
Other liabilities	5.5	4.2	2.8	2.5	8.3	6.7
Total liabilities	69.8	66.3	19.5	16.4	89.3	82.7
Net assets:						
Invested in capital assets, net of related debt	33.2	34.1	33.4	34.9	66.6	69.0
Restricted	7.9	3.8	9.5	5.4	17.4	9.2
Unrestricted	10.9	17.0	2.5	2.6	13.4	19.6
Total net assets	$ 52.0	$ 54.9	$ 45.4	$ 42.9	$ 97.4	$ 97.8

It is important to note that a large portion of the Township's net assets consists of investments in capital assets (land, buildings, vehicles, equipment and infrastructure) and not in cash or cash investments; therefore the majority of these assets are not available to be used for day-to-day operations. At the close of the most recent fiscal year, 57.8% of the Township's total assets consisted of capital assets with the remainder consisting mostly of cash, cash investments, and accounts receivable less accounts payable and accrued expenses.

A portion of the Township's net assets, $17,438,424, consists of fund balances or net assets subject to restrictions as to how they may be used. The unrestricted portion of net assets that is available to the Township to meet ongoing obligations within the various funds totaled $13,315,483 at the close of the most recent fiscal year. The net assets that are invested in capital assets net of related debt totaled $66,615,410.

As of the end of the fiscal year, the Township has positive balances in all fund types and in each of the individual funds within the fund types. Four years ago the campus construction fund received $26,000,000 in cash from the sale of the related bonds. This bond transaction resulted in a significant increase to the investment and non-current liability accounts on the statement of net assets that year.

As mentioned, during the current fiscal year, net assets of the Township decreased by $1,025,086. This net decrease is reflected by an increase in the proprietary fund (water and sewer) of $1,840,293 and a decrease in the governmental fund types of $2,865,873. Changes in proprietary fund net assets are analyzed on Page 33 of the accompanying audit report. Changes to governmental fund type net assets are discussed briefly in this section of the report.

Table 2
Changes in Net Assets
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	$ 7.9	$ 6.9	$ 19.3	$ 18.8	$ 27.2	$ 25.7
General revenues:						
Property taxes	35.4	37.6	-	-	35.4	37.6
Grants	.2	.9	.4	-	.6	.9
State shared revenue	2.8	2.7	-	-	2.8	2.7
Reimbursements	.9	.9	-	-	.9	.9
Investment earnings	.7	.4	.1	-	.8	-
Contributions from dev.	-	-	.4	-	.4	-
Other	.4	-	-	.4	.4	.8
Total revenues	48.3	49.4	20.2	19.2	68.5	68.6
Program expenses						
Judicial	1.9	1.7	-	-	1.9	1.7
General government	9.4	12.1	-	-	9.4	12.1
Public safety	28.0	27.8	-	-	28.0	27.8
Public works	6.0	3.3	-	-	6.0	3.3
Comm. enrichment	3.8	3.4	-	-	3.8	3.4
Debt service	2.0	2.8	-	-	2.0	2.8
Other	.1	.2	-	-	.1	.2
Water & Sewer	-	-	18.3	17.1	18.3	17.1
Total expenses	51.2	51.3	18.3	17.1	69.5	68.4
Excess rev. over (under) exp. before transfers	(1.9)	(1.9)	1.9	2.1	-	.2
Transfers in (out)	-	-	-	-	-	-
Increase (decrease) net assets	(1.9)	(1.9)	1.9	2.1	(0.0)	.2
Net assets, beginning, Restated	54.9	56.8	43.5	40.8	98.4	97.6
Net assets, ending	$ 52.0	$ 54.9	$ 45.4	$ 42.9	$ 97.4	$ 97.8

Governmental fund type. Net assets decreased by about $2.9 million as a result of activities within these funds. Current assets finished the year $2.2 million greater than last year reflecting the surplus in operating revenues and expenditures for the year. So the decrease to net assets was caused by a decrease of about $1.6 million in capital assets as accumulated depreciation was greater than capital additions and an increase of over $3.5 million in liabilities being driven by the increase to our postemployment benefits liability.

- Property tax revenues decreased by about 6.0% as the Township's taxable value decreased by approximately 7.5% as compared to last fiscal year. There was no Headlee rollback to property tax rates as a result of the decrease to property values. The declining property values experienced this year were not as significant as last year (12%) as the impact of the housing market decline on local government revenue has begun to subside somewhat. Overall taxable values have declined by about 21% from their peak levels in 2008 and 2009. The Township expects to lose another 2% of the tax base next year with home values expected to slowly increase after that.

- The major operating funds in this category (General Fund, Road Fund and Public Safety Fund) experienced generally modest decreases in revenues collected as compared to the previous year. Helping to offset some of the property tax decrease state shared revenue increased slightly for the first time in many years hopefully signaling the end of the consistent deep cuts that have occurred over the past decade. Also, investment income increased as compared to last year although anemic interest rates have kept this source of revenue well below its long-term average. Overall revenues in the governmental funds were down about 3.0% from the previous year the main culprit being lower property tax revenue. As mentioned earlier, property tax revenue decreased quite significantly as compared to last year, however next fiscal year we expect a much smaller decrease in property tax revenue as the housing market begins to bottom out and slowly improve.

- Expenditures as reported in the government-wide statement have changed very little when compared to last year at $46.6 million as compared to $46.4 million last year. It is important to focus on the three major operating funds within the group when analyzing expenditures. The largest fund, public safety, saw expenditures remain the same as last year at 23.9 million to provide police, fire, EMS and dispatch services. General Fund expenditures, exclusive of transfers, were almost identical to last fiscal year at about $9.2 million as compared to $9.3 million last year. Road expenditures increased by about $420,000 over last year however the $3,476,000 total expenditures leaves the fund operating at a much smaller size and scope than prior to the housing market decline. The road fund will be discussed in more detail later in the MDA. Expenditures were held steady in almost all major categories. Wages have been controlled through pay and hiring freezes and health insurance cost increases have been contained via the implementation of a new high deductible consumer directed health plan initiated for all active employees beginning January 1, 2010. Pension costs decreased last year by over 10% and will be contained going forward as the result of a change to the actuarial method being used to determine the employer's cost. The significant increases to pension costs experienced in prior years have been mostly the result of anemic investment returns caused by extremely low interest rates and a very volatile and weak equity market. The recent new campus construction has helped to control capital outlay expenditures by significantly reducing the age of several very expensive capital assets. This year's court expenditures were somewhat higher than last year at $1.9 million. The judicial category revenues and expenses tend to rise or decline in tandem with each other from one year to the next as the Township case load fluctuates in comparison to the other three municipalities that share the court so the increased expense was offset by a similar increase in judicial revenue. Overall fund balances for the governmental funds experienced an increase of approximately $1.8 million from the previous year. Most of this increase was the result of surplus operation outside of the three major operating funds. Even as the Township's taxable values begin to slowly recover, it is imperative that management continue to pursue cost-cutting and cost containment strategies moving forward. Legal restrictions to property tax increases in the State of Michigan will not allow property tax revenues to be restored at anywhere near the pace at which they have declined. On a positive note our residents approved a new 1.30 mill tax proposal in February, 2010 to help offset some of the property tax revenue losses that will and have already occurred. Also positive is the fact that the major operating fund balances at year end are reasonably healthy and have been improving over the past several years.

Fiduciary fund type. Net assets increased in these funds by $3,854,076, making the total net assets at the end of the current fiscal year $124,202,438. This increase resulted mostly from an increase in the assets of the Township's Retirement System Pension Trust Fund. The Township also holds $2,468,395 in escrow for various purposes other than the pension fund. Factors related to the increase in net assets within this fund type are summarized below.

- Contributions and earnings within the Township's Pension Trust Fund were greater than payments made to retirees from the fund by $2,417,205.

- The retiree health care trust fund received a transfer from the Township general fund of $1,000,000 increasing net assets in the fund to $1,137,548.

- Monies held in escrow by the Township decreased by about $46,000 to now total $2,468,395.

- The newer defined contribution plan assets increased by $499,218 to total $2,498,662.

Proprietary fund type. These business-type activities increased the Township's net assets by $1,840,291 as compared to last year. Major elements of the net asset change for this group of funds are the following:

- Water and sewer sales finished the year very close to budgeted projections indicating that we experienced a relatively normal summer season. In fact overall revenue in the water and sewer fund came in almost exactly to what had been budgeted. Fund expenditures finished the year about 10% below budget allowing for a needed operating gain of over $1.8 million for the year. Operating expenses did increase as compared to last year almost exclusively due to higher sewage treatment costs the result of a new method of calculating the cost implemented by Oakland County. Continued pay freezes and the recent changes reducing the cost of employee benefits allowed for a small decrease in the total cost of Township personnel. Personnel costs account for less than 10% of the overall expenditures in the fund.

- Overall the water and sewer fund balance sheet is in very good condition. The balance sheet has improved over the last two years in an area where it was in most need of improvement; total current assets. The fund has experienced an operating profit for the second year in a row, finally helping to offset several years of operating losses. This year the operating profit in the fund was $2,140,244 and the net gain from all activity within the fund was $1,840,291.

Financial Analysis of Individual Government Fund Types

The funds within this group provide information on near-term inflows, outflows and balances for the Township's main operating funds. The information contained in these funds is useful in determining the financing requirements of the Township, particularly as related to their major revenue source - property taxes. Unreserved fund balance is a very useful measure of a government's net resources available for spending at the end of the fiscal year. However, it is important to remember that these audited financial statements represent a snapshot as of one point in time and the financial picture changes constantly throughout a fiscal year. This is especially significant when analyzing the Township's financial data because property taxes are collected very late in the fiscal year (final due date is February 14th); meaning most of the cash and fund balances as of the fiscal year end exist because this major revenue source has just been collected. For this reason, a snapshot as of March 31st may be misleading as to the financial strength of this particular group of funds. Certainly small fund balances, although positive, would not necessarily represent a healthy financial position at this particular point in time. The cash on hand is necessary to meet expenses for the following nine months of operation before the next year's tax bills can be sent out. However, the current fund balances have been steadily improving in recent years and are considered to be sufficient and appropriate to meet the ongoing obligations of the funds.

General Fund. The general fund is a key operating fund of Bloomfield Township. Several major revenue sources flow through the general fund including some property taxes, state revenue sharing funds and interest income on investments. At the end of the current fiscal year, the total fund balance of the general fund was $10,968,077. The majority of the general fund balance is unassigned ($9,868,340), the exception being inventory and prepaid items. Consequently, most of the balance is available for spending at the administration's discretion and that would include being used to transfer money to supplement other Township funds.

During the current fiscal year, the fund balance of the Township's general fund increased by $461,905 over the past year. The fund did however transfer $4,950,000 to supplement operations in other Township funds with most of the money transferred to the public safety fund. The fund did also transfer $1,000,000 to the retiree health care trust fund, had this transfer not been made the fund would have ended the year with a fund balance increase of $1,461,905. This increase was less than last year but that was expected as the 7.5% decline in taxable value led to a $561,000 reduction in property tax revenue but more importantly decreased tax revenue to the funds that depend upon money transferred from the general fund surplus. This fund actually recorded slightly more in revenue this year as compared to last with increases in investment income, district court revenue and a significant return on insurance premium from the insurance pool offsetting the loss in property tax revenue. State revenue sharing also increased by a small amount (about $90,000) for the first time in many years. This revenue still remains far below what it was about a decade ago. The fund expenditures would have finished the year at about 92.5% of the budget projection representing a little over $1.0 million budgeted dollars unspent but it was decided to take that surplus and move the dollars to the retiree health care trust fund to be available in the future to help mitigate some of the cost for those benefits. The favorable budget variances were spread throughout many of the activities accounted for in this fund with the largest favorable variance being $195,000 not spent for capital outlay. The current economic volatility is making long-term budget forecasting much more problematic. The good news is that through the volatility Township management has been able to follow the five year strategic plan established in 2008 and used a combination of revenue replacement and reduced expenditures to maintain a balanced financial situation while maintaining services at the high level residents have expected.

This fund is currently in very good to excellent financial shape but does face several significant challenges going forward. Property tax revenue as mentioned earlier is expected to decline at least one more time next year as the housing market hopefully reaches the bottom of an extended decline which has resulted in a steep reduction to taxable property values. Also, in the near term it appears there is no relief in sight from the extremely low interest rate returns on invested tax dollars. Investment income has for several years now been quite a bit below historical averages the result of extremely low interest rates being paid on certificates of deposit and money market funds. As recently as fiscal year ended March, 2008 we generated over $1.6 million in investment income. In recent fiscal years and going forward it has been and will be difficult to achieve even one third of that amount per year. The difficult financial situation at the state level does seem to be starting to slowly recover but state shared revenue payments to local governments still have a long ways to go to recover to the levels paid in the past.

Expenditures in this fund are not as dominated by personnel costs as some of the other major operating funds; still over 65% of the fund's costs derive from salaries and fringe benefits of staff. This leaves the fund vulnerable to health care, pension and other fringe benefit expenditure costs that historically have increased at a greater pace than the fund's revenues. Management has been working aggressively for well over a decade to control these costs. Recent examples of major changes implemented toward this goal include pension plan changes requiring that all employees hired after 2005 are enrolled in a new defined contribution pension plan, which should over time reduce pension costs considerably as compared to the old defined benefit plan. Also, beginning in January 2010, all active employees were enrolled in a high deductible consumer driven health care plan that in its first year reduced health care expenditures by over $1.5 million. Management has also recently ended promising retiree health care to all new hires. The Township administration remains committed to the education and involvement of all employees of the organization in an effort to contain fringe benefit costs. We also regularly meet with our consultants and vendors involved in the employee benefit programs to explore present and future potential solutions to lower and/or contain these costs.

In summary, the three main sources of revenue to the general fund are property taxes, state revenue sharing and investment income and all three sources have been seriously depleted in recent years. The fund has benefitted greatly from a millage proposal passed in 2010 and spread for the first time last year. Historically general fund revenues have not increased at a rate greater than the consumer price index over the long-term. This problem has been recently compounded by a very weak state economy and the significant slump in the housing market. Consequently, over time the major sources of revenue to this fund have not been able to keep pace with expenditure increases. For many of the past several years the Township has been able to increase the general fund balance in accordance with long-term goals. These increases were planned for and much needed following several years of depletion prior to approval of a then new public safety millage in 2002. However, the steep reduction to the Township's tax base resulting from the recent housing market decline poses a very significant threat to the Township's major property tax based funds. Cost cutting measures and the replacement of some lost property tax revenue in accordance with our strategic plan have mitigated the threat a great deal. However this fund, as anticipated, will soon be transferring all of the new tax dollars to provide necessary support to the public safety fund as that fund has been hit the hardest by the decreased property tax revenue.

Road Fund. The road fund is the third ranking in size and scope of operation of the three major governmental operating funds. At the end of the current fiscal year, fund balance of the road fund was $2,319,863. The overall fund balance remained virtually unchanged as compared to the prior fiscal year with the general fund transferring the amount of funding needed to balance the budget. Presently this fund balance amount provides sufficient cash resources to meet operating expenses until the property tax revenue is received toward the end of the subsequent fiscal year. With the decline in property taxes however, fund revenues have consistently fallen short of expenditures in recent fiscal years requiring contracted maintenance work to be cut back or eliminated. In most years, the general fund must supplement the road fund in order to maintain an adequate level of service. In this fiscal year the supplement amounted to $500,000 as compared to $400,000 last year. The general fund would need to provide a much greater supplement to the road fund if not for the significant reductions that have been made in recent years to maintenance work in an effort to cut overall costs in anticipation of the steep decline to property tax revenue that has occurred. The general millage passed in February, 2010 should help alleviate some of the stress on the fund but the projected tax revenue decline is so severe that keeping pace with the needed road work will continue to be very difficult. Without the general fund support, the road fund cannot cover annual operating expenses. If in the future general fund support is no longer possible, services will have to decrease or other revenue sources will have to be obtained. Although it is becoming more of a challenge with each passing year, it does appear that for at least the next couple of years the general fund will be able to continue to support road fund operations.

Currently, the major revenue sources of the fund include property taxes of $2,253,608, the general fund transfer of $500,000 and Oakland County Road Commission contract repayments totaling $634,337. Limitations on how much these revenues could increase going forward, especially in light of property value declines, will make it difficult for the fund to maintain the same level of service provided in the past. To help control costs, road department employees have agreed to the same health care and pension changes as the general fund employees as well as the pay freezes in 2009, 2010, 2011 and 2012. The option to postpone road maintenance projects becomes less and less viable as time passes and road conditions deteriorate to unacceptable levels. The combination of deteriorating road conditions, dependence upon property tax revenue and the need for general fund support make this the most vulnerable of the three major operating funds. The new general operating millage passed in February, 2010 and levied for the first time this year will help some but most of those funds are earmarked for maintaining police and fire services. As a last resort the responsibility for maintaining the roadways could be returned to the Oakland County Road Commission. At present though, the fund is in reasonable financial condition and the management is committed to continue providing high quality road maintenance services to the Township residents.

Public Safety Fund. This special revenue fund is by far the largest within the governmental fund type category. The costs associated with providing police services, fire services and dispatch services are all expensed in this fund. At the end of the current fiscal year, the restricted fund balance of the public safety fund was $13,236,608. As with the road fund the total fund balance remained about the same as the previous year with the general fund providing the funding necessary to balance the budget. This fund has been able to operate at a surplus for the past few years because of the voter approval of a new public safety property tax millage in November of 2002. The new property tax revenue provided much needed relief to the fund as it was experiencing significant operating deficits prior to the approval. The millage also relieved much of the burden on the General Fund to subsidize the deficits. The public safety fund derives over 90% if its revenue for operations from property taxes, thus this fund has taken a hard financial hit from the recent decline in taxable property values. As a result the fund once again requires supplementation from the general fund. The general fund transfer has gone from nothing in fiscal year 2010 to $2.2 million in fiscal year 2011 to $3.15 million this year. If you exclude the transfer the fund's total revenues declined by almost $1.8 million this year with reduced property tax revenue accounting for over $1.5 million of that amount. In fact property tax revenue to this fund has declined by over $5,000,000 since fiscal year ended March of 2009. Overall expenditures within the fund were about the same as last year and came in very close (98%) to the budget projection. The fund revenues for the year also came in at 98% of budget with property tax revenue lower than projected and we transferred less than we budgeted due to the favorable expense variance. Each department within the fund operated at or near their budgeted manpower level. The expenditures within the fund ended the year at 98% of budget leaving a favorable variance of just over $545,000. All three departments finished the year at 98% of budget. Budget variances were for the most part minor and spread throughout the accounts that make up the fund. The typical expenditure was made to replace police vehicles and the fire department made final payment on a ladder truck, two EMS vehicles and had their SOAR vehicle modifications completed.

The historical trend for this fund has seen fringe benefit expenditures increase at a greater rate than fund revenue that comes mostly from the public safety property tax millage. This trend over time cannot be sustained. Management must continue to take action that will stop or reverse this trend. This problem has been especially challenging given the recent severe decline in property values causing significant reduction in revenue to this fund. To offset some of the lost revenue a 1.30 mill proposal was passed in February of 2010. Most of the tax collected from this millage will be used to maintain police and fire services as closely as possible to current levels. Despite this new source of revenue management must take action to contain cost increases to this fund. With over 85% of this fund's expenses related to salary and employee benefit costs, management has targeted these expenditures in particular for cost containment. Presently the Township spends over $4,700,000 on life and health insurance for active and retired police and fire department personnel. The fund spends an additional $3,499,000 for pension benefits. In an effort to begin to contain these costs the Township implemented a defined contribution plan for new hires within the 2005 police and fire contracts that will reduce retirement plan expenditures from present levels in the long-term. In addition, the police and fire unions agreed to reduce and share in the cost of health care benefits within the same contracts. The police and dispatch agreements incorporated these changes in fiscal 2006-07. The fire department incorporated the changes in the summer of 2008. We have negotiated pay freezes for the public safety employees that were not already under contract for 2009. We then negotiated pay freezes for all public safety employees in 2010, 2011 and 2012. Recently negotiated contracts have eliminated the retiree health care benefit for all new hires, replacing it with a much less expensive health savings account. The administration also implemented a new high deductible, consumer directed health care plan for all active Township employees eligible for medical benefits beginning in January 2010. The new plan has reduced health care costs for active employees in this fund alone by over $1,000,000 in the first two years of the plan.

The legal restrictions on a local government's ability to increase property tax revenues in the state of Michigan make it very difficult for this or any fund that relies almost exclusively on property tax revenue to absorb expenditure increases greater than the consumer price index for an extended period of time. Consequently, even though the present financial position of the public safety fund is very good and it appears we may have finally reached to bottom of property value declines, management must continue to find ways to permanently contain and/or reduce the rate at which fund expenditures increase. Failure to do so would almost certainly lead to a reduction in the work force hampering the department's ability to provide critical services in a timely manner.

Drain Fund. This fund accounts for all principal and interest payments made on the Township portion of Oakland County Debt obligations for Chapter 20 drains within the Township. The Township is authorized to levy whatever tax rate is necessary to pay the annual principal and interest payments on all debt obligations within the fund. Principal and interest payments totaling $1,1109,260 were made during the fiscal year. The fund ended the year with a fund balance of $485,587. At the end of the fiscal year the remaining unpaid debt totaled $6,861,095 on the eight separate drain contracts accounted for within the fund.

Library Debt Retirement Fund. This fund was established in 2004 to account for the bonded debt taken on behalf of the Bloomfield Township Public Library (component unit) to pay for a major addition and renovation to their building. The original bond sale was for $22,875,000 with the final payment due on May 1, 2024. The bonds are backed by the full faith and credit of Bloomfield Township and the Township is authorized to levy whatever tax rate is necessary to make the annual principal and interest payments. After making the $950,000 principal installment this year the remaining unpaid debt at March 31, 2010 was $17,675,000. The fund had a year-end fund balance of $1,353,310 with that money necessary to make the principal and interest payments due prior to the next tax levy.

Campus Construction Debt Fund. This fund was established in 2007 to account for revenues and expenditures related to the sale of $26,000,000 in bonds to pay for the constructions of a new maintenance facility, new central fire station, a new senior center and a major renovation to another fire station. The bonds were sold in November of 2007 and are backed by the full faith and credit of Bloomfield Township. This fund accounts for property tax revenue and principal and interest payments related to the bonds. The required debt retirement levy this year was 0.48 mills in order to make the scheduled principal and interest payments of $1,580,725. After making the $500,000 principal installment this year the bond debt remaining outstanding is $24,500,000. The fund had a year end fund balance of $1,492,590 with that money necessary to make the principal and interest payments due prior to the next tax levy. All construction on the campus projects is now complete.

Other Government Funds. The remaining government funds are generally special revenue funds that are much smaller in scope than the major funds. These funds derive their revenue from special assessments, user fees or unique, specifically designated sources such as cable franchise fees or drug forfeiture cash. All these funds must spend within the means of their revenue sources. Should these non-major funds have financial difficulties the likely solution would be to discontinue the fund and any lower priority service they might provide. Each of the funds is in good to excellent financial condition as of the end of the current fiscal year. The total fund balances for these funds increased by $1,427,169 this fiscal year ending the year at $10,352,889.

Proprietary Funds. The Township's proprietary fund is the water and sewer fund. The main source of revenue to this fund is user fees to customers to cover the cost of water purchased from Detroit and sewage treatment charges paid to Oakland County. These fees also are used to cover the administrative expenses related to providing these services as well as costs to repair and maintain the water and sewer system. There is also some allowance made in the rates to provide resources for future capital improvements and major repair and maintenance of infrastructure. The water and sewer rates also cover the cost of debt retirement payments payable each fiscal year on water and sewer system improvements financed by the sale of bonds.

The net assets in the water and sewer fund increased by $2,840,291 as a result of activity within the fund during the fiscal year. The increase was mainly the result of an operating gain for the year of $2,140,344. The main factors that contributed to the operating gain were favorable budget variances for water purchased and sewage treatment charges while budgeted revenues came in at 100% of the budget projections. The water purchased variance was largely the result of changing our vendor from the City of Detroit to Southeast Oakland County Water Authority (SOCWA). The SOCWA rates were substantially less and the Township recently received membership into this group allowing us to take advantage of the cost savings. The sewage treatment charges variance consists of two components, first being a change in billing method and second a relatively dry year compared to average. In the past sewage treatment was billed based on water consumption, now the sewage is actually metered as it passes through the system. This new method complicates our budgeting process because we cannot meter sewer consumption at the individual properties so we still must bill the sewer portion of our customer's bill based upon their water use while the Township is billed from Oakland County based upon a metered calculation. This new metering method brings the unpredictability of weather into the equation because rainfall and melting snow will leak into the sanitary sewer system causing weather related fluctuations, sometimes significant; in the amount the Township is billed. We hope that as time passes and we get more history pertaining to the sewer billing that we will be able to budget this expense with improving accuracy. In the meantime management considers it prudent to be conservative in budgeting this expense with the knowledge that high amounts of precipitation in the future could easily have a detrimental effect on the fund's operating results. The Township administration continues to make it a priority to cover more of the infrastructure depreciation expense with the annual water and sewer rates than has been done in the past. Prior to the past two fiscal years several consecutive years of operating losses had taken their toll on the fund's operating cash balance, however the operating gains achieved the past two fiscal years have significantly improved the cash position of the fund. Management remains proactive and is taking the steps necessary to contain costs and mitigate the possibility of future operating losses. Some of these steps include lowering expected consumption estimates and making part of the rate structure a fixed fee, not subject to use, to match changes made by the supplier. Also, to contain cost increases the employees expensed to the fund have been and are subject to pay freezes in 2009, 2010, 2011 and 2012. They also have had their health plan changed to the high deductible plan that all other employees have accepted as of January 10, 2010 and like the other funds new hires will no longer be eligible for retiree health care but rather a much less expensive retiree health care savings account.

Management also understands it has a significant responsibility to maintain and replace aging infrastructure. In 2002, a reliability study was conducted to assess the Township's water supply system. In summary, the study modeled the water system during peak hour demand and fire flow conditions. The study found some areas deficient in maintaining the necessary pressures required complying with Safe Drinking Water Act (SDWA) criteria for providing sufficient water pressure. The recommended system improvements have been prioritized to include the replacement of smaller sized (6 inches or less) underground piping as needed in the areas where the system was constructed prior to SDWA. In addition, most of the larger transmission water piping within the Township is over 40 years old. As with any aging infrastructure, water supply piping becomes less reliable to provide adequate flows due to long-term wear on the internal pipe lining and operational valve components.

The Township's sanitary sewer system has been designated as in non-compliance as per a 1989 Pollution Abatement Order from the Michigan Department of Environmental Quality (MDEQ) for exceeding the Township's allocated capacity contribution to the Evergreen-Farmington Sewage Disposal System's (EFSDS) sanitary sewer overflows. The MDEQ is requiring the Township to find and eliminate sources of inflow and infiltration by way of sewer metering, video inspection and pipe rehabilitation. The Township is well into this process and the successful elimination of such sources will potentially reduce the Township's contribution to the EFSDS regional sanitary sewage retention basin.

The water supply infrastructure concerns mentioned above have been prioritized and broken into a four-phase capital improvement program designed to replace about $20,000,000 of water main. The process to sell bonds for Phase 1 began early in fiscal 2005-06. These bonds amounting to $4,470,000 were sold in May 2006. Phase II bonds amounting to $4,750,000 were sold in March 2008 at the same time as a $4,000,000 bond sale for sewer system improvements. These bonds are being repaid by a combination of consumption-based user fees and flat rate debt service charges applied to customer bills. Phase III bonds will be sold early next fiscal year. Routine correction of the sewer infiltration/inflow is being funded with a $ .25 increase to the sewer bill rate. Dollars generated via this rate increase will be used for several sewer rehabilitation projects. This fund also has restricted replacement and improvement cash set aside for these types of projects.

Capital Assets. The Township's total capital assets for its governmental and business-type activities as of March 31, 2012, amounted to $107,909,550 (net of accumulated depreciation). This capital assets balance includes land, buildings, improvements to properties other than buildings, machinery and equipment, vehicles, infrastructure and Township share of county sewers. The total decrease in capital assets for the current fiscal year was about 1.4 percent (a 2.7 percent decrease for governmental activities and a 0.23 percent increase for business-type activities).

Some capital asset events that occurred during the current fiscal year included the following:

- Fire Department vehicles and equipment purchases at a cost of $456,800
- Improvements to water and sewer infrastructure costing $1,764,145
- Safety Path (sidewalk) construction at a cost of $1,121,580
- Police Department vehicles and equipment purchases at a cost of $217,262
- Road Department vehicles and equipment purchases at a cost of $194,016

Additional detail regarding capital assets can be found in section five of the notes to financial statements of this report.

Long-term Debt. At the end of the current fiscal year, the Township had total long-term debt outstanding, including amounts due within one year, of $66,505,944 which consists of $50,367,052 within the governmental activity funds and $16,138,892 within the business-type activity fund. During this fiscal year the water and sewer department took on an additional $3,000,000 in bond debt for sewer rehabilitation. The majority of the governmental debt consists of bonded debt of $17,675,000 to pay for the library addition and renovation and $24,500,000 to pay for campus additions and renovations. The remaining debt within the governmental funds reflects the Township's share of county debt for various storm sewer projects. All governmental activity debt is being paid for via ad valorem property tax levies. The bonded debt in the business-type activity fund consists of the Township share of county debt obligations for various sanitary sewer construction projects within the Township as well as debt issued by the Township related to the water and sewer system capital improvement programs. The water and sanitary sewer debt obligations are paid for using funds collected from customers on their quarterly bills. The remaining long-term debt reported consists of $1,427,385 for employee compensated absences in governmental activites and $97,522 in business-type activites..

The Township's long-term debt had a net decrease of $171,506 during fiscal 2012 with debt reductions totaling $2,873,719 offset by the one new debt issuenet of discount for $2,970,078 and decrease in employee compensated absences of $305,087..

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The Township currently is nowhere near having any issue with this limitation.

As a result of recent bond sales over the last five years amounting to over $65,000,000, much of the Township's major infrastructure and facility needs should be taken care of well into the future. However there are still some roadway, and water and sewer infrastructure challenges ahead in the near term.

Transfers of Funds. During the current fiscal year, the Township transferred $500,000 from the general fund to the road fund and $3,150,000 from the general fund to the public safety fund to assist those funds in meeting their financial obligations. The Township also transferred $300,000 from the general fund to the improvement and revolving fund to assist that fund in paying for several community projects. These projects included the beautification of road medians, storm drain maintenance, gypsy moth spraying and mosquito control. The general fund also transferred $1,000,000 to the retiree health care trust fund this year to be used in the future to help offset some of the cost of this post-employment benefit. The transfer to the road fund is somewhat less than the more typical transfer of about $1,000,000 made in previous fiscal years as fairly significant cost cutting has taken place in recent years within the road fund. Management is likely to continue to face a challenge in supplementing the road fund operation into the future with general fund transfers. The Township will be transferring most if not all of the revenue provided by the 2010 general property tax millage to supplement the public safety fund going forward. Additionally, rather than transfer general fund dollars to the improvement and revolving fund, in the future management is considering charging those expenditures mentioned above directly to the general fund budget.

Summary. The Township experienced a very good fiscal year financially in 2011-12 with the three major operating funds maintaining their equity positions despite a significant decline in taxable property values. This is possible as management continues to be proactive in managing the Township's financial strategic plan during these uniquely challenging times:

- State shared revenue payments have declined consistently over the past decade. Only recently has this revenue source started a slow recovery with the revenue remaining way below the amounts received a decade ago. This is a concern as this has historically been the Township's second highest source of revenue behind property taxes.

- Investment income revenue has declined significantly below historical averages as a result of steeply declining interest rates. Interest rates remain entrenched at record low levels and are projected to remain very low in the near term.

- Health insurance premiums have over the long-term been increasing at a rate substantially above our property tax revenue increase limitations. Even given the substantial changes made to our health insurance benefit plan the projected trend in health care premium increases remains higher than the CPI.

- The employer cost for the defined benefit pension plan remains a challenge due to low interest rates and inconsistent equity market returns on the underlying investments in the plan.

- The Township needs to take steps to ensure that operating expenditures do not increase at a rate greater than operating revenues. Approximately 75% of Township operating revenue is derived from property taxes. The Township has now reached the ten mill statutory limit for Charter Townships in the State of Michigan and can no longer increase the operating millage rate.

- One of the most serious challenges facing management has involved the weak local and national economy in particular the effect it has had on residential home values. With over 90% of the tax base being residential property, the decline in these values has for the first time in memory caused our major revenue source to decrease significantly. The greatest impact to the Township from declining property values is hopefully now behind us but this year we experienced the third straight year of decline to the tax base. The projected decline next year will hopefully be the last but when all is said and done the Township will have experienced about a 23% reduction to the tax base.

In response to these circumstances, the Township has taken several measures in an attempt to maintain a solid financial position into the future. Several of these measures are listed below:

- To prepare for the possible problems created by the housing market situation, management attended a two-day leadership training session in the summer of 2008. Attendance was mandatory for all department heads with the focus of the training and discussion on managing the Township in a declining revenue environment.

- As a result of the training session the Township has developed a comprehensive strategic plan designed to proactively anticipate and manage the very difficult financial forecast running from 2009 through 2014. The plan is updated on a quarterly basis and discussed at monthly department head meetings. The strategic plan is available on the Township's website.

- The strategic plan established four committees to study and recommend potential solutions to the problems anticipated as a result of severe reductions in operating revenues. Various elected officials and department heads have been assigned to these committees studying Township finances, infrastructure, personnel and resident/employee expectations.

- Negotiations continue with neighboring municipalities to explore areas where we could combine services with mutual benefit.

- In February, 2010 voters approved 1.30 new mills to replace a portion of the property tax revenue that will be lost as the result of the housing market decline. The Township projects to lose over $6.0 million in annual property tax revenue by the time the housing market reaches bottom, the new millage will replace about $4.0 million of that annual loss. Most, if not all of this revenue will be used in the public safety fund to enable the Township to maintain police, fire and EMS services as close as possible to previous levels.

- The Township continues to closely monitor and diversify as much as possible the investment portfolio in the pension fund in an effort to maximize long-term investment return projections. Management meets regularly with our actuary and financial advisors to monitor progress.

- The Township has now negotiated to have a defined contribution pension plan replace the defined benefit plan for all new hires in all departments. The eventual elimination of past service expense will allow our pension costs in the future to be fixed, lower and much more predictable. The change will also make it more likely that future cost increases for this benefit can stay within similar range as our revenue increases.

- The Township continues to closely monitor the health insurance plan. New retirees continue to increase the number of covered employees on the plan as well as the average age of the participants. Those facts, in combination with health care cost trends that have been significantly above the CPI, caused the health claims' experience to more than double in just five years (2000-2005). Since that time health plan changes have been negotiated that increase the deductibles and co-pays for all active employees. Also, for the first time, all active employees are paying a portion of their health insurance premium.

- Most recently, effective January, 2010, management implemented a new high deductible consumer directed HRA style health insurance plan for all eligible active employees. The plan in its first two years saved the Township over $2.3 million in health care benefit costs for active employees as compared to the plan it replaced. The new plan is also designed to help contain the rate of future annual premium increases.

- Effective in 2011, new hires will no longer be eligible to receive health care benefits from the Township when they retire. Instead, the Township and the employee will make contributions annually to a Retiree Health Savings Account (RHS). Over time, this will slowly reduce and eventually eliminate the Township's post-employment benefits liability.

- The Township has contracts in place with all union and non-union employees in effect through March 31, 2017. These agreements extend the pay freezes that were put into place in 2008 and 2009 through at least March 31, 2013.

The Township's present financial condition in both the governmental and the business-type funds is very good. By far the most pressing financial concern is the current condition of the residential housing market and its detrimental effect on property tax revenues. Add to that concern stagnant and/or declining state revenue sharing along with extremely poor investment returns and we have been experiencing quite a financial storm with our three largest sources of revenue likely to be a challenge for potentially a significant period of time. Management's ability to somehow increase revenues or contain expenditures in this challenging financial environment will determine the long-term outlook for the Township's ability to provide services. Opportunities exist and are being explored within the Township's strategic plan to resolve many of these problems, however quite often the greater the potential benefit the more difficult the change becomes. The area of greatest opportunity to reduce expense would be to combine services with other governments to gain economies of scale that do not currently exist. These types of solutions continue to present very serious complications and challenges making it almost impossible for a quick solution. Township management is committed to taking a proactive approach in the anticipation and resolution of each and every challenge we presently face. The ultimate goal is to continue to provide services in the public sector with as much local control and access as possible. Management remains confident that the employees and elected officials of Bloomfield Township possess the capability, foresight and resolve necessary to successfully meet these challenges.

Requests for Information

Questions concerning any of the information contained in this report or requests for additional financial information should be addressed to the Bloomfield Township Finance Director, 4200 Telegraph Road, Bloomfield Hills, MI 48302. The Township's comprehensive strategic plan and current budget information are available on the Township website: www.bloomfieldtwp.org

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF NET ASSETS

March 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 4,170,071	$ 1,316,714	$ 5,486,785	$ 4,895,705
Marketable securities	33,421,865	10,435,160	43,857,025	4,226,220
Receivables	23,275,870	4,007,620	27,283,490	241
Due from component unit	497,844	-	497,844	-
Prepaid items	750,424	-	750,424	31,033
Inventory	417,210	124,237	541,447	-
TOTAL CURRENT ASSETS	62,533,284	15,883,731	78,417,015	9,153,199
NONCURRENT ASSETS				
CAPITAL ASSETS				
Nondepreciable assets				
Land	828,648	-	828,648	131,015
Other	-	2,973,200	2,973,200	-
Depreciable assets				
Land improvements	21,467,851	-	21,467,851	-
Building	45,182,750	-	45,182,750	26,677,568
Machinery, furniture and equipment	20,698,966	1,513,511	22,212,477	4,408,310
Library books & audiovisual materials	-	-	-	4,682,950
Investment in system	12,697,390	79,117,035	91,814,425	-
Less accumulated depreciation	(41,706,797)	(34,863,004)	(76,569,801)	(8,444,481)
TOTAL CAPITAL ASSETS	59,168,808	48,740,742	107,909,550	27,455,362
OTHER ASSETS				
Bond issue costs	-	140,813	140,813	-
TOTAL OTHER ASSETS	-	140,813	140,813	-
TOTAL NONCURRENT ASSETS	59,168,808	48,881,555	108,050,363	27,455,362
TOTAL ASSETS	121,702,092	64,765,286	186,467,378	36,608,561
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	3,268,311	2,204,704	5,473,015	185,658
Unearned revenue	27,574	37,080	64,654	-
Due to primary government	-	-	-	497,844
Amounts due within one year	2,175,642	545,626	2,721,268	160,193
TOTAL CURRENT LIABILITIES	5,471,527	2,787,410	8,258,937	843,695
NONCURRENT LIABILITIES				
Postemployment benefit obligations	16,035,838	1,018,610	17,054,448	861,973
Amounts due in more than one year	48,191,410	15,593,266	63,784,676	254,126
TOTAL NONCURRENT LIABILITIES	64,227,248	16,611,876	80,839,124	1,116,099
TOTAL LIABILITIES	69,698,775	19,399,286	89,098,061	1,959,794
NET ASSETS				
Invested in capital assets net of related debt	33,199,670	33,415,740	66,615,410	27,455,362
Restricted for:				
Debt service	3,235,060	333,831	3,568,891	-
Roads and safety paths	2,860,011	-	2,860,011	-
Public safety	1,699,473	-	1,699,473	-
Community enrichment	147,312	-	147,312	-
Water & Sewer improvements	-	9,162,737	9,162,737	-
Gifts	-	-	-	165,627
Unrestricted assets	10,861,791	2,453,692	13,315,483	7,027,778
TOTAL NET ASSETS	$ 52,003,317	$ 45,366,000	$ 97,369,317	$ 34,648,767

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF ACTIVITIES
Year Ended March 31, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenue Charges for Services	Net (Expense) Revenue
PRIMARY GOVERNMENT			
Governmental activities:			
Legislative	$ 18,668	$ -	$ (18,668)
Judicial	1,885,944	1,849,687	(36,257)
General government	9,440,795	2,605,247	(6,835,548)
Public works	6,000,831	43,048	(5,957,783)
Public safety	28,007,647	1,163,392	(26,844,255)
Community enrichment and development	3,758,052	2,276,174	(1,481,878)
Debt service	2,038,049	-	(2,038,049)
Other	100,865	-	(100,865)
TOTAL GOVERNMENTAL ACTIVITIES	51,250,851	7,937,548	(43,313,303)
Business-type activities:			
Water & Sewer	18,317,259	19,251,419	934,160
TOTAL PRIMARY GOVERNMENT	$ 69,568,110	$ 27,188,967	$ (42,379,143)
COMPONENT UNIT			
Library	$ 6,326,807	$ 14,380	$ (6,312,427)

continued…

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF ACTIVITIES (CONCLUDED)
Year Ended March 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
CHANGES IN NET ASSETS				
Net (expense) revenue	$ (43,313,303)	$ 934,160	$ (42,379,143)	$ (6,312,427)
General revenues:				
Taxes and assessments	35,354,777	-	35,354,777	4,547,004
Circulation revenue	-	-	-	126,327
Federal grants	234,587	354,975	589,562	-
State shared revenue	2,834,066	-	2,834,066	17,296
Reimbursements	928,583	4,749	933,332	-
Miscellaneous	424,655	15,388	440,043	204,847
Unrestricted investment earnings	674,069	116,589	790,658	148,443
Contributions from developers	-	411,122	411,122	-
Transfers	(3,307)	3,307	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	40,447,430	906,130	41,353,560	5,043,917
CHANGE IN NET ASSETS	(2,865,873)	1,840,290	(1,025,583)	(1,268,510)
NET ASSETS, beginning of year	54,869,190	42,907,289	97,776,479	35,917,277
PRIOR PERIOD ADJUSTMENT	-	618,421	618,421	-
NET ASSETS, beginning of year as restated	54,869,190	43,525,710	98,394,900	35,917,277
NET ASSETS, end of year	$ 52,003,317	$ 45,366,000	$ 97,369,317	$ 34,648,767

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2012

	General	Road	Public Safety	Drain at-Large	Library Debt Retirement	Campus Construction Debt Retirement	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 768,705	$ 272,465	$ 1,632,424	$ 53,866	150,123	$ 154,876	$ 1,137,612	$ 4,170,071
Marketable securities	6,160,939	2,183,725	13,083,387	431,721	1,203,187	1,241,287	9,117,619	33,421,865
Receivables (net)								
Delinquent taxes	1,668,395	-	-	-	-	-	-	1,668,395
Component unit	497,844	-	-	-	-	-	-	497,844
Special assessment, voted millage	-	-	-	-	17,675,000	24,500,000	-	42,175,000
Other	1,259,712	8,213	35,526	-	-	-	388,593	1,692,044
Prepaid items	750,421	-	-	-	-	-	-	750,421
Inventory	233,065	184,145	-	-	-	-	-	417,210
Intangibles & other assets	-	-	-	-	-	96,427	-	96,427
TOTAL ASSETS	$ 11,339,081	$ 2,648,548	$ 14,751,337	$ 485,587	$ 19,028,310	$ 25,992,590	$ 10,643,824	$ 84,889,277
LIABILITIES								
Accounts payable and accrued expenses	$ 371,004	$ 328,685	$ 1,514,729	-	$ -	$ -	$ 290,935	$ 2,505,353
Deferred revenue	-	-	-	-	17,675,000	24,500,000	-	42,175,000
TOTAL LIABILITIES	371,004	328,685	1,514,729	-	17,675,000	24,500,000	290,935	44,680,353
FUND BALANCES								
Nonspendable:								
Inventory and prepaid items	$ 983,487	$ 184,145	$ -	$ -	$ -	$ -	$ -	$ 1,167,632
Long-term advances receivable	116,250	-	-	-	-	-	-	116,250
Restricted:								
Debt service	-	-	-	485,587	1,353,310	1,492,590	-	3,331,487
Roads and safety paths	-	2,135,718	-	-	-	-	1,673,540	3,809,258
Public safety	-	-	13,236,608	-	-	-	885,851	14,122,459
Community enrichment	-	-	-	-	-	-	147,312	147,312
Assigned:								
Community enrichment	-	-	-	-	-	-	6,915,706	6,915,706
Building inspection	-	-	-	-	-	-	730,480	730,480
Unassigned	9,868,340	-	-	-	-	-	-	9,868,340
TOTAL FUND BALANCES	10,968,077	2,319,863	13,236,608	485,587	1,353,310	1,492,590	10,352,889	40,208,924
TOTAL LIABILITIES AND FUND BALANCES	$ 11,339,081	$ 2,648,548	$ 14,751,337	$ 485,587	$ 19,028,310	$ 25,992,590	$ 10,643,824	$ 84,889,277

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS

March 31, 2012

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 40,208,924
Amounts reported for governmental activities in the statement of net assets are different because:	
Adjustments required to convert balances to full accrual basis from modified accrual basis.	
Add: service receivable	15,609
Add: Special Assessment receivable	19,899,822
Deduct: Accounts payable	(4,713)
Deduct: Accrued interest payable	(758,242)
Deduct: deferred revenue	(27,574)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add: capital assets	100,875,605
Deduct: accumulated depreciation	(41,706,797)
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct: contracts and loans payable	(50,463,479)
Deduct: postemployment benefit obligations	(16,035,838)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 52,003,317

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

Year Ended March 31, 2012

	General	Road	Public Safety	Drain at-Large	Library Debt Retirement	Campus Construction Debt Retirement	Other Governmental Funds	Total Governmental Funds
REVENUE								
Taxes and assessments	$ 7,255,564	$ 2,253,608	$ 19,582,814	$ 1,194,507	$ 1,508,965	$ 1,508,877	$ 3,077,160	$ 36,381,495
Grants	134,586	-	24,845	-	-	-	75,202	234,633
Road fund repayments	-	666,237	-	-	-	-	-	666,237
State shared revenues	2,834,066	-	-	-	-	-	-	2,834,066
Charges for services	589,773	1,950	1,103,127	-	-	-	319,964	2,014,814
Licenses, permits and fees	67,091	41,098	13,941	-	-	-	2,847,350	2,969,480
Investment	674,069	-	-	-	-	-	-	674,069
Fines and forfeitures	1,856,912	-	-	-	-	-	46,923	1,903,835
Rent	734,289	-	-	-	-	-	-	734,289
Fees	-	-	-	-	-	-	310,038	310,038
Reimbursements	150,331	15,303	61,375	-	-	-	35,337	262,346
Miscellaneous	354,169	3,944	54,534	-	-	-	38,240	450,887
TOTAL REVENUE	14,650,850	2,982,140	20,840,636	1,194,507	1,508,965	1,508,877	6,750,214	49,436,189
EXPENDITURES								
Operating:								
Legislative	18,667	-	-	-	-	-	-	18,667
Judicial	1,885,944	-	-	-	-	-	-	1,885,944
General government	6,370,575	-	-	-	-	-	744,691	7,115,266
Public works	-	3,232,873	-	-	-	-	92,753	3,325,626
Public safety	371,021	-	23,200,810	-	-	-	444,101	24,015,932
Community enrichment and development	346,408	-	-	-	-	-	2,861,428	3,207,836
Debt service	-	-	-	7,277	10,992	16,240	-	34,509
Other	100,865	-	-	-	-	-	-	100,865
Capital outlay:								
Capital outlay	145,465	243,127	777,492	-	-	-	1,378,863	2,544,947
Debt service:								
Principal retirement	-	-	-	858,385	950,000	500,000	-	2,308,385
Interest and fiscal charges	-	-	-	250,875	719,556	1,080,725	-	2,051,156
TOTAL EXPENDITURES	9,238,945	3,476,000	23,978,302	1,116,537	1,680,548	1,596,965	5,521,836	46,609,133
REVENUES OVER (UNDER) EXPENDITURES	5,411,905	(493,860)	(3,137,666)	77,970	(171,583)	(88,088)	1,228,378	2,827,056
OTHER FINANCING SOURCES (USES)								
Transfers in	-	500,000	3,150,000	-	-	101,209	300,000	4,051,209
Transfers out	(4,950,000)	-	-	-	-	-	(101,209)	(5,051,209)
TOTAL OTHER FINANCING SOURCES (USES)	(4,950,000)	500,000	3,150,000	-	-	101,209	198,791	(1,000,000)
NET CHANGE IN FUND BALANCES	461,905	6,140	12,334	77,970	(171,583)	13,121	1,427,169	1,827,056
FUND BALANCES, beginning of year	10,506,172	2,313,723	13,224,274	407,617	1,524,893	1,479,469	8,925,720	38,381,868
FUND BALANCES, end of year	$ 10,968,077	$ 2,319,863	$ 13,236,608	$ 485,587	$ 1,353,310	$ 1,492,590	$ 10,352,889	$ 40,208,924

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended March 31, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 1,827,056
Amounts reported for governmental activities in the statement of activities are different because:		
Adjustments required to convert balances to full accrual basis from modified accrual basis.		
Add: service receivables		10,551
Add: deposits and accrued expenses		4,669
Deduct: Special assessment receivables		(1,026,718)
Deduct: deferred revenue		(5,503)
Add: accrual for interest		47,615
Deduct: prepaid interest and fiscal charges		(4,717)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Add: capital outlay	2,259,284	
Net additions		2,259,284
Deduct: depreciation expense		(3,878,976)
Deduct: disposals	(29,542)	
Net disposals		(29,542)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets.		
Add: principal payments on long term liabilities, net of forgiveness		2,308,385
Add: decrease in the accrual for compensated absences		286,476
Deduct: increase in the accrual for post employment benefits		(4,664,453)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (2,865,873)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
GENERAL FUND
Year Ended March 31, 2012

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Taxes and assessments	$ 7,378,000	$ 7,378,000	$ 7,255,564	$ (122,436)
State shared revenues	2,700,000	2,700,000	2,834,066	134,066
Charges for services	611,200	611,200	589,773	(21,427)
Licenses, permits and fees	52,000	52,000	67,091	15,091
Investment	250,000	250,000	674,069	424,069
Fines and forfeitures	1,608,000	1,608,000	1,856,912	248,912
Rent	727,489	727,489	734,289	6,800
Reimbursements	100,000	100,000	150,331	50,331
Miscellaneous	53,000	53,000	488,755	435,755
TOTAL REVENUE	13,479,689	13,479,689	14,650,850	1,171,161
EXPENDITURES				
Operating				
Legislative	21,000	21,000	18,667	(2,333)
Judicial	1,875,000	1,875,000	1,885,944	10,944
General government	6,532,100	6,532,100	6,370,575	(161,525)
Public safety	419,000	419,000	371,021	(47,979)
Community enrichment and development	365,000	365,000	346,408	(18,592)
Other	157,000	157,000	100,865	(56,135)
Capital outlay	340,500	340,500	145,465	(195,035)
TOTAL EXPENDITURES	9,709,600	9,709,600	9,238,945	(470,655)
REVENUES OVER (UNDER) EXPENDITURES	3,770,089	3,770,089	5,411,905	1,641,816
OTHER FINANCING SOURCES (USES)				
Transfers in	800,000	800,000	-	(800,000)
Transfers out	(4,550,000)	(4,550,000)	(4,950,000)	(400,000)
TOTAL OTHER FINANCING SOURCES (USES)	(3,750,000)	(3,750,000)	(4,950,000)	(1,200,000)
NET CHANGE IN FUND BALANCES	20,089	20,089	461,905	441,816
FUND BALANCES, beginning of year	10,506,172	10,506,172	10,506,172	-
FUND BALANCES, end of year	$ 10,526,261	$ 10,526,261	$ 10,968,077	$ 441,816

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
ROAD FUND
Year Ended March 31, 2012

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
REVENUE				
Taxes	$ 2,294,000	$ 2,294,000	$ 2,253,608	$ (40,392)
Street lighting income	35,000	35,000	41,098	6,098
Road commission repayments	640,000	640,000	681,540	41,540
Sale of assets	20,000	20,000	2,613	(17,387)
Charges for services	2,000	2,000	1,950	(50)
Other revenues	3,000	3,000	1,331	(1,669)
TOTAL REVENUE	2,994,000	2,994,000	2,982,140	(11,860)
EXPENDITURES				
Public works				
Salaries and wages	1,021,000	1,021,000	1,010,753	(10,247)
Payroll taxes	78,000	78,000	77,859	(141)
Life and health insurance	216,000	216,000	198,312	(17,688)
Retirement plan	312,000	312,000	306,189	(5,811)
Retiree health care	228,000	228,000	217,700	(10,300)
Matching funds-road improvements	50,000	50,000	3,240	(46,760)
Street lighting/traffic signals	50,000	50,000	142,885	92,885
Workers compensation insurance	26,000	26,000	18,988	(7,012)
Sick pay accrual	15,000	15,000	399	(14,601)
Other employee fringe benefits	1,000	1,000	729	(271)
Office supplies	5,000	5,000	2,188	(2,812)
Operating supplies	14,500	14,500	20,318	5,818
Professional services	93,000	93,000	171,715	78,715
Communications	12,000	12,000	10,550	(1,450)
Transportation	115,000	115,000	89,628	(25,372)
Insurance and bonds	60,000	60,000	39,477	(20,523)
Repairs and maintenance supplies	883,000	883,000	697,918	(185,082)
Training expenses	6,000	6,000	4,917	(1,083)
Contracted repairs and maintenance	303,000	303,000	182,564	(120,436)
Miscellaneous	41,000	41,000	36,544	(4,456)
Capital outlay	187,500	187,500	243,127	55,627
TOTAL EXPENDITURES	3,717,000	3,717,000	3,476,000	(241,000)
REVENUES OVER (UNDER) EXPENDITURES	(723,000)	(723,000)	(493,860)	229,140
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	500,000	(250,000)
NET CHANGE IN FUND BALANCES	27,000	27,000	6,140	(20,860)
FUND BALANCES, beginning of year	2,313,723	2,313,723	2,313,723	-
FUND BALANCES, end of year	$ 2,340,723	$ 2,340,723	$ 2,319,863	$ (20,860)

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
PUBLIC SAFETY FUND
Year Ended March 31, 2012

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
REVENUE				
Taxes	$ 19,935,000	$ 19,935,000	$ 19,582,814	$ (352,186)
Liquor license rebates	17,000	17,000	13,941	(3,059)
Charges for services	1,088,000	1,088,000	1,103,127	15,127
Federal grants	-	-	24,845	24,845
Reimbursements	-	-	61,375	61,375
Other revenues	115,000	115,000	54,534	(60,466)
TOTAL REVENUE	21,155,000	21,155,000	20,840,636	(314,364)
EXPENDITURES				
Public safety				
Salaries and wages	11,939,000	11,939,000	11,880,369	(58,631)
Payroll taxes	913,900	913,900	906,342	(7,558)
Life and health insurance	4,924,000	4,924,000	4,618,697	(305,303)
Retirement plan	3,440,000	3,440,000	3,499,467	59,467
Workers compensation insurance	281,000	281,000	252,646	(28,354)
Sick pay accrual	163,500	163,500	158,437	(5,063)
Other employee fringe benefits	9,000	9,000	10,313	1,313
Office supplies	30,000	30,000	27,665	(2,335)
Operating supplies	290,100	290,100	254,907	(35,193)
Professional services	160,600	160,600	152,956	(7,644)
Communications	53,000	53,000	46,770	(6,230)
Transportation	365,000	365,000	351,089	(13,911)
Insurance and bonds	320,000	320,000	345,371	25,371
Repair and maintenance	344,800	344,800	362,929	18,129
Training expenses	105,000	105,000	75,152	(29,848)
Public utilities	70,000	70,000	66,441	(3,559)
Miscellaneous	254,000	254,000	191,259	(62,741)
Capital outlay	852,500	852,500	777,492	(75,008)
TOTAL EXPENDITURES	24,515,400	24,515,400	23,978,302	(537,098)
REVENUES OVER (UNDER) EXPENDITURES	(3,360,400)	(3,360,400)	(3,137,666)	222,734
OTHER FINANCING SOURCES (USES)				
Transfers in	3,400,000	3,400,000	3,150,000	(250,000)
NET CHANGE IN FUND BALANCES	39,600	39,600	12,334	(27,266)
FUND BALANCES, beginning of year	13,224,274	13,224,274	13,224,274	-
FUND BALANCES, end of year	$ 13,263,874	$ 13,263,874	$ 13,236,608	$ (27,266)

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF NET ASSETS
PROPRIETARY FUND
March 31, 2012

	Water & Sewer
ASSETS	
CURRENT ASSETS	
Cash, cash equivalents and investments	
Restricted	$ 1,316,714
Marketable Securities	
Unrestricted	2,166,249
Restricted	8,268,911
Receivables (net)	
Customers	3,940,497
Other	67,123
Inventory	124,237
TOTAL CURRENT ASSETS	15,883,731
CAPITAL ASSETS	
Machinery and equipment	1,513,511
Investment in system	82,090,235
	83,603,746
Less accumulated depreciation	(34,863,004)
NET CAPITAL ASSETS	48,740,742
OTHER ASSETS	
Bond issue costs	140,813
TOTAL OTHER ASSETS	140,813
TOTAL ASSETS	$ 64,765,286
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 2,204,704
Unearned revenue	37,080
Current portion of long term debt	545,626
TOTAL CURRENT LIABILITIES	2,787,410
NONCURRENT LIABILITIES	
Amounts due in more than one year	15,593,266
Postemployment benefit obligation	1,018,610
TOTAL NONCURRENT LIABILITIES	16,611,876
TOTAL LIABILITIES	19,399,286
NET ASSETS	
Invested in capital assets, net of related debt	33,415,740
Restricted	9,496,568
Unrestricted	2,453,692
TOTAL NET ASSETS	$ 45,366,000

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year Ended March 31, 2012

	Water & Sewer
OPERATING REVENUES	
Water sales	$ 9,131,617
Sewer usage	8,500,396
Debt service charges	1,137,849
Privilege fees	125,000
Tap sales	15,200
Meter material and service sales	97,519
Water capital charges	18,100
Late payment penalties	225,739
Federal grants	354,975
TOTAL OPERATING REVENUES	19,606,395
DIRECT COSTS	
Water purchased	5,986,973
Treatment charges	6,026,589
Depreciation	1,662,950
Tap costs	14,185
Meter, materials and service costs	46,445
TOTAL DIRECT COSTS	13,737,142
OPERATING AND ADMINISTRATIVE EXPENSES	3,728,909
OPERATING PROFIT	2,140,344
NONOPERATING REVENUES (EXPENSES)	
Interest	116,589
Miscellaneous	15,388
Reimbursements	4,749
Interest	(851,208)
TOTAL NONOPERATING REVENUES (EXPENSES)	(714,482)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,425,862
CAPITAL ASSET TRANSFERS	3,307
CONTRIBUTIONS FROM DEVELOPERS	411,122
CHANGE IN NET ASSETS	1,840,291
NET ASSETS, beginning of year	42,907,288
PRIOR PERIOD ADJUSTMENT	618,421
NET ASSETS, beginning of year as restated	43,525,709
NET ASSETS, end of year	$ 45,366,000

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended March 31, 2012

	Water & Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 18,476,693
Receipts from miscellaneous	836,203
Payments to employees and suppliers	(15,320,601)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,992,295
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to other governments	(18,971)
Receipts from other governments	30,935
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	11,964
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
General obligation contracts with County	
Principal payments	(574,590)
Interest and fiscal charges	(607,701)
New borrowings	3,000,000
Bond costs	(74,243)
Purchase of capital assets	(807,488)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	935,978
CASH FLOWS FROM INVESTING ACTIVITIES	
Prior period adjustment for developer contributions	62,382
Purchase of investments	(10,435,160)
Investment income	116,589
Transfer in (out)	3,307
Miscellaneous	20,137
NET CASH USED IN INVESTING ACTIVITES	(10,232,745)
NET DECREASE IN CASH, EQUIVALENTS AND INVESTMENTS	(5,292,508)
CASH, EQUIVALENTS AND INVESTMENTS, beginning of year	6,609,222
CASH, EQUIVALENTS AND INVESTMENTS, end of year	$ 1,316,714
STATEMENT OF NET ASSETS CLASSIFICATION OF CASH, EQUIVALENTS AND INVESTMENTS	
Restricted	1,316,714
TOTALS	$ 1,316,714

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF CASH FLOWS (CONCLUDED)
PROPRIETARY FUND
Year Ended March 31, 2012

	Water & Sewer
RECONCILIATION OF OPERATING PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating profit	$ 2,140,344
Adjustments to reconcile operating profit to net cash provided by operating activities:	
Depreciation	1,662,950
(Increase) decrease in:	
Receivables from customers	(296,270)
Receivables from others	4,161
Inventory	30,727
Increase (decrease) in:	
Accounts payable and accrued expenses	207,679
Unearned revenue	(1,060)
Postemployment benefits	243,764
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,992,295

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of $411,122 were acquired through contributions from developers.

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
March 31, 2012

	Pension & Other Employee Benefit Trust Funds	Agency Fund
ASSETS		
Cash	$ 1,137,548	$ 2,468,395
Contribution receivable	198,627	
Investments		
Mutual funds	2,498,662	-
Insurance company guaranteed investment mutual fund	108,867,732	-
Insurance company stock mutual funds	11,499,869	-
TOTAL ASSETS	$ 124,202,438	$ 2,468,395
LIABILITIES		
Employees' compensated absences	$ -	$ 2,080,507
Accounts payable and withholdings	-	10,467
Deposits and other liabilities		
Escrow deposits	-	130,798
Developer deposits	-	72,234
Other	-	174,389
TOTAL LIABILITIES	-	$ 2,468,395
NET ASSETS		
Held in trust for pension and other employee benefits	124,202,438	
TOTAL NET ASSETS	$ 124,202,438	

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended March 31, 2012

	Pension & Other Employee Benefit Trust Funds
ADDITIONS	
Dividend income	$ 397,648
Interest income	5,701,085
Contributions and forfeitures	6,368,434
Decrease in fair value	(511,362)
TOTAL ADDITIONS	11,955,805
DEDUCTIONS	
Distributions	8,039,382
Administrative fees	62,347
TOTAL DEDUCTIONS	8,101,729
CHANGE IN NET ASSETS	3,854,076
NET ASSETS, beginning of year	120,348,362
NET ASSETS, end of year	$ 124,202,438

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Bloomfield, County of Oakland, State of Michigan (the "Township") are prepared in accordance with 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 Township.

A. Financial Reporting Entity

1. Description of Reporting Entity

The Charter Township of Bloomfield, County of Oakland, State of Michigan was organized in 1827 as a common law township and was known as Bloomfield Township until October 14, 1993. On October 15, 1993, the State of Michigan recognized the incorporation of the Township and it is now known as the Charter Township of Bloomfield, Michigan.

The Township covers an area of approximately 25 square miles. Operations are governed by an elected board of seven trustees, including a full time supervisor, clerk and treasurer. The Township's government provides legislative, judicial, public safety, public works, community enrichment and development and general government services to approximately 41,000 residents.

In accordance with GAAP and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township (the primary government) and its component unit, an entity for which the Township is considered to be financially accountable. The Component unit discussed below is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township.

2. Discretely Presented Component Unit – Bloomfield Township Public Library

The Bloomfield Township Public Library (the "Library") was organized in 1963. The Library operates under an autonomous library board and provides library services to the residents of the Township. The Library Board is required to report to the Township Board of Trustees regarding the expenditures of funds and other information about Library operations. The Library may not issue debt or levy a tax without the approval of the Township's Board of Trustees. If approval is granted, the Library taxes are levied under the taxing authority of the Township, as approved by the Township's electors, and would be included as part of the Township's total tax levy, as well as reported in a Library revenue fund. Financial statements of the Library may be obtained from the Township's Clerk's office.

3. Bloomfield Village Association

Bloomfield Village Association (the "Association") (presented as "Bloomfield Village" in the financial statements) is a subdivision association located within the Township. Residents who live within the Association's boundaries have consented to be a special assessment district within the Township. The special assessment is to provide extra police and fire services to the residents of the Association over and above the Township's general public safety services. This assessment activity is shown as special revenue funds of the Township. This is not a component unit of the Township.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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 non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental* activities, which normally are 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.

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*s.

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.

C. 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, except for agency funds, which do not have a measurement focus. Revenues are 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 revenues 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

General

The G*eneral fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road

The R*oad fund* is a special revenue fund which provides street improvement and maintenance services to the Township's residents.

Public Safety

The P*ublic Safety fund* is a special revenue fund to account for a tax levy for the purpose of providing police and fire protection services to the Township's residents.

Drain at Large

The *Drain at Large fund* is a debt service fund used to collect funds for retirement of debt related to construction, repair, and maintenance of drains.

Library Debt Retirement

The *Library Debt Retirement fund* is a debt service fund used to collect funds for retirement of debt related to library construction bonds.

Campus Construction Debt Retirement

The *Campus Construction Debt Retirement fund* is a debt service fund used to collect funds for retirement of debt related to campus construction bonds.

The government reports the following major proprietary fund:

Water and Sewer

The W*ater and Sewer fund* accounts for the activities of the government's water distribution, sewage disposal and related treatment systems.

Additionally, the government reports the following other fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes, not including major capital projects.

The *Campus Construction Fund* is a capital projects fund used to account for the construction of major capital facilities and improvements

The *retirement system pension trust* is used to account for pension assets reserved for future pension obligations.

The *retiree health care fund* is used to account for assets reserved for future health care costs of retirees.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The *defined contribution plan* is used to account for future retirement benefits for eligible employees.

The *agency funds* account for assets held for other governments in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues 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 revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Fund Equity

1. Cash, Cash Equivalents and Investments

   a. For purposes of the statement of cash flows, demand deposits and short-term investments with an original maturity of three months or less are considered to be cash equivalents. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

   b. Investments are stated at fair value based on quoted market prices.

   c. Investment income from cash and cash equivalents is assigned to the water and sewer fund based on the average amount invested by this fund during the year. The remainder of the investment income is assigned to the general fund. Income is recorded when received which is not materially different from the modified accrual basis.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

3. Inventory

Inventory is recorded at the lower of cost or market, with cost determined on a first-in, first-out basis. Market is based on the lower of replacement cost or realizable value. Inventory, which consists of materials and supplies, is recorded as expenditures (in the governmental fund types) and expenses (in the proprietary fund type) when used.

4. Prepaid Items

Prepaid items are costs incurred during the current fiscal year for which benefit will be received in a future fiscal year and are recorded in both the government-wide and fund financial statements.

5. Restricted Assets

In the Special Revenue, Debt Service and Water and Sewer Funds, certain resources set aside for the repayment of bonds are classified as restricted assets on the balance sheet or statement of net assets because their use is limited by applicable bond covenants. Also, certain resources of the Water and Sewer Fund have been set aside to fund capital asset replacements.

6. Capital Assets

Capital assets of all funds and the component unit are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets, which include property, plant equipment and infrastructure assets (e.g., sidewalks and drains) are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Interest costs are incurred by the proprietary fund when debt proceeds are used to finance the construction of assets. It is the Township’s policy that such costs be expensed rather than capitalized as part of the cost of the assets constructed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	15
Buildings	40
Vehicles	3-20
Machinery & equipment	10
Infrastructure & water and sewer system improvements	15-50

7. Long term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other non-current obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Compensated Absences and Sick Pay Funding

Full-time permanent employees are granted vacation and sick pay benefits in varying amounts up to specified maximums. Township employees have the option of accumulating earned and unused sick and vacation pay. There are certain limits on the amount of sick and vacation pay which can be accumulated; these limits vary and depend on tenure and/or department. Employees are entitled to their accrued vacation leave and, in certain circumstances, a portion of their sick pay upon termination. Employees are entitled to a portion of their sick pay balance upon retirement.

Each year, cash is transferred to the Agency Fund for accumulated sick pay at the end of the fiscal year. The sick pay liability is reported as a compensating balance to the cash restricted in the fund for payment of sick pay benefits.

As of March 31, 2012, accrued payroll taxes on sick pay and accrued vacation pay were not funded. Consequently, these unfunded amounts are shown as a liability for employees' compensated absences and are included in long term liabilities on the government-wide financial statements.

9. Fund Balance Flow Assumptions

It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the Township's highest level of decision making authority. The Township's Board of Trustees (Board) is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township's Board has by resolution authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Reclassifications

Certain amounts in the Library's (Component Unit) financial statements have been reclassified in order to conform to the presentation of the Township's (Reporting Entity) financial statements.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The Board of Trustees holds budget hearings in November and a final budget must be adopted prior to April 1. The budget document presents information by fund, function, department and line items. The funds for which budgets are required are adopted on a fund basis.

Encumbrance accounting is not employed in governmental funds. If encumbrance accounting were employed, encumbrances (e.g., purchase orders, contracts) outstanding at year end would be reported

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

as assigned fund balances and would not constitute expenditures or liabilities because the goods or services had not been received as of year end; the commitments would be reappropriated and honored during the subsequent year.

Instead, 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.

III. CASH, CASH EQUIVALENTS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated five banks for the deposit of Township funds. The investment policy adopted by the board has authorized investment in the certificates of deposit of local banks, bonds, securities, and other direct obligations of the United States, certain fixed income securities, and United States Treasury bills, but not the remainder of the State statutory authority as listed above.

The Township's retirement system investments are held in trust by the investment fiduciary, Prudential Financial. Michigan Compiled Laws, Section 38.1132, authorizes the Township's retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contract obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system. However, all of the Township's retirement system investments are in an insurance mutual fund or in insurance company separate accounts, and therefore, are uncategorized as to risk.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government	Component Unit
Cash & Cash Equivalents	$ 4,170,071	$1,316,714	$3,605,943	$ 9,092,728	$4,895,705
Investments	33,421,865	10,435,160	-	43,857,025	4,226,220
Total	$37,591,936	$11,751,874	$3,605,943	$52,949,753	$9,121,925

III. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. The bank balance of the primary government's deposits is $9,146,846, of which $250,000 is covered by federal depository insurance and the remainder of $8,896,846 is uninsured and uncollateralized. The component unit had bank deposits (certificates of deposit, checking, and savings accounts) of $3,102,322 that were uninsured and uncollateralized.

Credit Risk

State law limits investments in commercial paper to the two highest classifications rated by the two standard rating agencies. Furthermore, the Township's investment policy states that investments in fixed income securities must be AAA rated by Standard & Poor's, have maturities of five years or less, be readily marketable issues, and have significant trading volume within a continuous market and are within the parameters of MCL 41.77 and MCL 129.91. The following is an illustration, with the level of investment displayed as a percentage of total investments exposed to credit risk.

Credit Quality Distribution of Securities
With Credit Exposure as a Percentage of Total Investments

Primary Government Investment			
Money market funds	$ 137,857	Not Rated	.314%
Fixed income mutual funds	$ 35,315,329	AAA	80.524%
	$ 146,507	AA	0.334%
	$ 1,257,332	Not Rated	2.867%
Certificates of deposit	$ 7,000,000	Not Rated	15.961%
Component Unit Investment			
Money market funds	$ 119	Not Rated	0.003%
Fixed income mutual funds	$ 4,226,101	AAA/AA	99.997%

III. CASH, CASH EQUIVALENTS 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. As a means of limiting its exposure to fair value losses arising from interest rates, the Township's investment policy restricts investment maturities of fixed income securities to five years or less. At year end, the Township had the following investments and maturities.

		Investment Maturities (in Years)	
Primary Government Investment Type	Fair Value	Less Than 1	1 - 5
Money market funds	$ 137,857	$ 137,857	$ -
Fixed income mutual funds*	$ 36,719,168	$ 763,583	$ 35,955,585
Certificates of deposit	$ 7,000,000	$ 7,000,000	$ -

* Determined based on the average weighted duration of the mutual fund

Component Unit Investment Type	Fair Value	Less Than 1	1 - 5
Money market	$ 119	$ 119	$ -
Fixed income mutual funds	$ 4,226,101	$ -	$ 4,226,101

IV. RECEIVABLES

Receivables as of year-end for the government's individual major, non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road	Public Safety	Drain at Large	Library Debt Retirement	Campus Construction Debt Retirement	Water & Sewer	Non Major & Other	Total
Delinquent taxes	$ 1,668,395	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,668, 395
Accounts receivable	-	-	-	-	-	-	4,007,620	-	4,007,620
Component unit	497,844	-	-	-	-	-	-	-	497,844
Special assessment, voted millage	-	-	-	2,224,822	17,675,000	-	-	-	19,899,822
Interest & other receivables	1,259,712	8,213	35,526	-	-	-	-	404,202	1,707,653
Net receivables	$ 3,425,951	$ 8,213	$ 35,526	$ 2,224,822	$17,675,000	$ -	$ 4,007,620	$ 404,202	$ 27,781,334
Amounts not scheduled for collection during subsequent year	$ -	$ -	$ -	$ -	$ 16,675,000	$ -	$ -	$ -	$ 40,675,000

Government funds report deferred revenue in connection with receivables for revenue that are 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
Special Assessments	$ 19,899,822	$ -

V. CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 828,648	$ -	$ -	$ 828,648
Subtotal	828,648	-	-	828,648
Capital assets being depreciated				
Buildings	45,168,249	14,501	-	45,182,750
Improvements other than buildings	20,346,271	1,121,580	-	1,467,851
Machinery and equipment	20,242,140	1,123,203	(666,377)	20,698,966
Infrastructure	12,697,390	-	-	12,697,390
Subtotal	98,454,050	2,259,284	(666,377)	100,046,957
Less accumulated depreciation for				
Buildings	8,933,736	1,112,339	-	10,046,075
Improvements other than buildings	8,253,343	1,366,768	-	9,620,111
Machinery and equipment	14,953,898	1,145,768	(636,835)	15,462,831
Infrastructure	6,323,679	254,101	-	6,577,780
Subtotal	38,464,656	3,878,976	(636,835)	41,706,797
Net capital assets being depreciated	59,989,394	(1,619,692)	(29,542)	58,340,160
Governmental activities total Capital assets - net of depreciation	$ 60,818,042	$ (1,619,692)	$ (29,542)	$ 59,168,808
Business-Type Activities				
Capital assets not being depreciated				
Improvements to systems	$ 2,417,161	$ 556,039	$ -	$ 2,973,200
Subtotal	2,417,161	556,039	-	2,973,200
Capital assets being depreciated				
Improvements to systems	49,728,892	1,208,106	-	50,936,998
Machinery and equipment	1,503,008	13,810	(3,307)	1,513,511
Township share of county sewers	28,180,037	-	-	28,180,037
Subtotal	79,411,937	1,221,916	(3,307)	80,630,546
Less accumulated depreciation for				
Improvements to systems	19,409,959	1,003,461	-	20,413,420
Machinery and equipment	1,032,417	95,887	-	1,128,304
Township share of county sewers	12,757,679	563,601	-	13,321,280
Subtotal	33,200,055	1,662,949	-	34,863,004
Net capital assets being depreciated	46,211,882	(441,033)	(3,307)	45,767,542
Business-type activities total Capital assets - net of depreciation	$ 48,629,043	$ 115,006	$ (3,307)	$48,740,742

V. CAPITAL ASSETS (Continued)

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

Governmental Activities	
General government	$ 536,284
Public safety	798,038
Public works	2,317,783
Community enrichment and development	226,871
Total Governmental Activities	$3,878,976
Business-Type Activities	
Water & Sewer	$1,662,950

Capital asset activity of the Component Unit was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 131,015	$ -	$ -	$ 131,015
Capital assets being depreciated				
Buildings	26,677,568	-	-	26,677,568
Furniture and equipment	4,342,504	106,146	(40,340)	4,408,310
Library books and audiovisual materials	4,361,594	590,460	(269,104)	4,682,950
Subtotal	35,381,666	696,606	(309,444)	35,768,828
Less accumulated depreciation	(7,243,983)	(1,492,036)	291,538	(8,444,481)
Net capital assets being depreciated	28,137,683	(795,430)	(17,906)	27,324,347
Net capital assets	$28,268,698	$ (795,430)	$ (17,906)	$27,455,362

Capital assets, including library books, are recorded at cost. Depreciation expense was $1,492,036 for the year ended March 31, 2012.

VI. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Township reports interfund balances between many of its funds. The sum of all balances presented in the tables below agrees with the sum of interfund balances presented in the statements of net assets/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	Receivable	Payable
Due from/to other funds:		
General Fund	$ 497,844	$ -
Library Fund	-	497,844
	$ 497,844	$ 497,844

	Transfers In	Transfers Out
Interfund transfers		
General Fund	$ -	$ 4,950,000
Road Fund	500,000	-
Public Safety Fund	3,150,000	-
Campus Construction Fund	-	101,209
Debt Service Fund	101,209	-
Non-major Governmental Funds	300,000	-
Fiduciary Fund	1,000,000	-
	$ 5,051,209	$ 5,051,209

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VII. LONG TERM DEBT

The government 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 government. 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 government 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. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions	(Reductions)	Ending Balance	Due within One Year
Governmental Activities							
County Drain Contracts	2-7%	2025	$ 7,719,480	$ -	$ (858,385)	$ 6,861,095	$ 675,642
Library Construction bond	2-5%	2025	18,625,000	-	(950,000)	17,675,000	1,000,000
General Construction bond	5.5%	2032	24,898,792	-	(495,220)	24,403,572	500,000
Employees compensated absences	N/A	N/A	1,713,861	-	(286,476)	1,427,385	-
Total Governmental Activities			$52,957,133	$ -	$(2,590,081))	$50,367,052	$ 2175,642
Business-Type Activities							
County water & sewer contract	2-7%	2026	$13,641,405	$2,970,078	$ (570,114)	$16,041,370	$ 545,626
Employees compensated absences	N/A	N/A	78,911	18,611	-	97,522	-
Total Business-Type Activities			$13,720,316	$2,988,689	$ (570,114)	$16,138,892	$ 545,626
Component Unit							
Employees compensated absences	N/A	N/A	$ 384,818	$ 253,344	$ (223,843)	$ 414,319	$ 160,193
Total Component Unit			$ 384,818	$ 253,344	$ (223,843)	$ 414,319	$ 160,193

VII. LONG TERM DEBT (Continued)

Annual debt service requirements to maturity for the above obligations are as follows:

	Governmental Activities		Business-Type Activities	
Year End March 31	Principal	Interest	Principal	Interest
2013	$ 2,175,642	$ 2,016,974	$ 545,626	$ 594,545
2014	2,490,008	1,934,777	736,345	572,023
2015	2,504,389	1,848,876	743,667	549,058
2016	2,685,278	1,752,724	743,667	523,613
2017	2,630,461	1,649,532	795,343	497,917
2018 – 2022	12,029,746	6,783,908	4,325,000	2,063,565
2023 – 2027	11,856,960	4,064,449	6,000,000	1,107,801
2028 – 2032	10,163,611	1,825,017	2,225,000	138,082
2033 – 2037	3,826,223	56,250	-	-
	$50,362,318	$21,932,417	$16,114,648	$6,046,604

VIII. COMMITMENTS

A. Franchise Agreements

The Township has entered into an agreement with Comcast under which it granted that company a non-exclusive franchise to provide cable television services in the Township. This agreement, which expires October 14, 2014, provides that the cable provider pay an annual franchise fee of 5% of gross annual revenues to the Township.

The Township has also entered into an agreement with AT&T Michigan which it granted that company a non-exclusive franchise to construct, operate and maintain a cable television system within the Township. This agreement which expires April 25, 2022, provides for a franchise fee of 5% of gross annual revenues.

Total franchise fees recognized under these agreements during the current year were $881,162.

B. Lessor Agreements

The General Fund rents the use of the Courthouse under a lease expiring October 31, 2016 to the State of Michigan 48th Judicial District Court. Rent income for the year was $529,847.

The General Fund leases land for mobile telecommunications broadcast towers under four separate agreements. Each agreement expires July 31, July 31, December 31 and January 31 and required annual rental payments of $21,985, $21,637, $23,005 and $22,816 respectively. These agreements all have predetermined extension terms which call for 5% annual increases.

VIII. COMMITMENTS (Continued)

B. Lessor Agreements (concluded)

Lease commitments, for lease income, for the next five years ending March 31 are as follows:

	General
2013	$ 621,335
2014	529,847
2015	529,847
2016	529,847
2017	529,847
	$ 2,740,723

C. Lessee Agreements

The Township has entered into a triple net lease agreement with BFD Office Associates, LLC to lease facilities for Adult Day Care Service. The lease term began on February 1, 2006, and expired on April 30, 2011. Rent expense for the year was $2,097.

D. Interfund Lease Agreements

The Cable Television Special Revenue Fund uses a Township owned building and automobile. The General Fund is reimbursed for the use. This agreement is cancelable at any time. Rental income related to this agreement was $115,000 for the year ended March 31, 2012.

IX. RETIREMENT PLAN – PENSION TRUST

A. Plan Description

The Township contributes to the Township of Bloomfield Retirement Income Plan (the “Plan”), which is a single-employer defined benefit plan. It is the responsibility of the Township pension employees’ retirement system (PERS) to function as the investment and administrative agent for the Township with respect to the pension plan. A stand-alone financial report of the plan has not been issued. Information shown for the plan is as of January 1, 2012, the date of the plan’s latest actuarial valuation.

Based on state statutes, all full-time employees must be allowed to participate in city or municipal pension plans. However, as a defined contribution plan was created and effective April 1, 2005, new hires are no longer allowed to participate in the defined benefit plan. Under the provision of the Township’s pension plan, pension benefits vest after eight years of full-time employment, except for the Township’s police officers who vest after ten years of service. The plan pays upon retirement a benefit (depending on department) of 2.1 to 3.0% of final yearly earnings multiplied by years of credited service. Maximum benefits vary by department and tenure and range from 80 to 90% of final earnings. Retirement ages also vary by department and range from age 50 to age 55. Employees are also eligible for early retirement at reduced benefits. Retirement plan benefits for some departments are negotiated as part of collective bargaining agreements and may vary pursuant to these agreements.

IX. RETIREMENT PLAN – PENSION TRUST (Continued)

Membership in the Plan consisted of the following at January 1, 2012, the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	243
Terminated and inactive plan members entitled to but not yet receiving benefits	10
Active plan members	221
Total	474

B. Basis of Accounting

The Plan's financial statements are prepared using information as of December 31, 2011, which approximates the date of the plan's latest actuarial report. The Plan's financial statements include contributions received and benefits paid through that date.

C. Method Used to Value Investments

The Plan's investments are in the general accounts or mutual funds of a life insurance company and are reported at stated contract value or market value. Administrative fees are paid from investment earnings.

D. Funding Policy

The obligation to contribute to and maintain the Plan for the Township's employees was established by Board resolution.

Under provisions of the Plan, Library and Bloomfield Village Police Department employees contribute 5% of their gross earnings to the pension plan. All other employees may contribute between 1% and 3.5% of their gross earnings to the Plan. In addition, the Township must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by the Plan.

E. Annual Pension Cost

For plan year 2012, the Township's annual pension cost net of employee contributions of $5,179,678 is equal to the Township's required and actual contributions. The required contribution was determined as part of a January 1, 2012, actuarial valuation using the projected unit credit level dollar funding method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increase of 3% per year, (c) cost of living adjustment of 1.00% and (d) estimated expenses of $30,000 per year. Assets are invested in the general accounts or mutual funds of an insurance company and are valued at the stated contract value (the sum of contributions plus interest less withdrawals).

F. Three-Year Trend Information

Year Ended December 31	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2010	$5,944,448	100%	-0-
2011	$5,152,066	100%	-0-
2012	$5,179,678	100%	-0-

IX. RETIREMENT PLAN – PENSION TRUST (Continued)

G. Contributions Required and Contributions Made

Total contributions to the pension plan for the plan year beginning January 1, 2012, amounted to $5,563,807, of which $5,179,678 and $370,605 were made by the Township and its employees, respectively. Contributions made during the plan year beginning January 1, 2012 were $4,825,877 and contributions made during plan year beginning January 1, 2011 were $724,406. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of January 1, 2012. The pension contributions represent funding for normal cost. Contributions made by the Township and its employee's represent 33.8% and 2.5%, respectively, on covered payroll of $15,338,979 for the 2012 calendar year.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

H. Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial date, the plan was 80.86% funded. The actuarial accrued liability for benefits was $152,669,192, and the actuarial value of assets was $123,454,716, resulting in an unfunded actuarial accrued liability (UAAL) of $29,214,476. The covered payroll (annual payroll of active employees covered the plan) was $15,338,979, and the ratio of the UAAL to the covered payroll was 190.46%.

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

X. RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN

A. Plan Description – Defined Contribution Plan

The Charter Township of Bloomfield 401(a) Plan is a defined contribution pension plan established by the Township to provide benefits at retirement for eligible employees. The plan was effective April 1, 2005 for new Township hires. At March 31, 2012 there were 40 plan members. A stand-alone financial report of the plan has not been issued.

B. Contributions Required and Contributions Made – Defined Contribution Plan

The Township may make discretionary contributions of not more than 10% of the total compensation for all active participants for all plan members except Bargained Employees. Township contributions for Bargained Employees will be made in accordance with the Collective Bargaining Agreement. Contributions are to be made monthly. For the year ended March 31, 2012, contributions in the amount of $244,198 were made to the plan by the Township. In addition, discretionary contributions in the amount of $27,080 were made to the plan by Township employees.

XI. DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan, available to all Township employees, permits them to defer a portion of their current salary until the employee's termination, retirement, death, or unforeseeable emergency.

As required by GASB 32, this plan's assets are held in a separate trust and thus are not included in the financial statements of the Township.

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. The Township provides contributory and noncontributory medical, dental, vision and basic life insurance coverage for eligible retirees and their spouses. The benefits are paid to four groups of employees who are eligible for different retiree benefits based on their date of hire. Additionally, benefits for bargaining employees are specified by union contract while the Board of Directors establishes those for non-bargaining employees. Bargaining and non-bargaining employees who retire at or after age 50 with at least 15 years of service are eligible for medical, dental and vision coverage. Bargaining and non-bargaining employees who retire at the appropriate attained age with at least 15 years of service are eligible for life insurance coverage in the amount of $6,000-$37,500 depending on their bargaining/non-bargaining status.

B. **Funding Policy and Annual OPEB Cost**

For this plan, contribution requirements of the plan members and the Township are established and may be amended by union contract for bargaining employees and for non-bargaining employees by the Board of Directors. The Township's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Township's annual OPEB cost for the current year and the related information for the plan are as follows:

Contribution rates:	Primary Government	Component Unit
Township – Actuarially determined	0.0%	0.0%
Plan members	N/A	N/A
Annual required contribution	$ 7,716,000	$ 349,000
Interest on net OPEB obligation	910,967	47,736
Adjustment to annual required contribution	(821,800)	(43,064)
Annual OPEB cost	7,805,167	353,672
Expected OPEB payouts	-	-
Contributions made	(2,896,950)	(128,183)
Increase in net OPEB obligation	4,908,21 7	225,489
Net OPEB obligation – beginning of year	12,146,231	636,484
Net OPEB obligation – end of year	$ 17,054,448	$ 861,973

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended March 31, 2012, for the plan is as follows:

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
3/31/2012	**$ 8,158,839**	37%	**$ 17,916,421**
Township	$ 7,805,167	37%	$ 17,054,448
Component Unit	$ 353,672	36%	$ 861,973

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Funding Policy and Annual OPEB Cost (Continued)

	Township		Component Unit		Total	
	Annual OPED Cost	Net OPED Obligation	Annual OPED Cost	Net OPED Obligation	Annual OPED Cost	Net OPED Obligation
3/31/2012	$ 7,805,167	$17,054,448	$ 353,672	$ 861,973	$ 8,158,839	$17,916,421
3/31/2011	$ 7,321,860	$12,146,231	$ 394,498	$ 636,484	$ 7,716,358	$12,782,715
3/31/2010	$ 6,117,675	$ 6,940,742	$ 298,090	$ 374,478	$ 6,415,765	$ 7,315,220

C. Funded Status and Funding Progress

The funded status of the plan as of March 31, 2012, was as follows:

Actuarial accrued liabilities (a)	$86,765,000
Actuarial value of plan assets (b)	1,138,000
Unfunded actuarial accrued liability (funding excess) (a) – (b)	$ **85,627,000**
Township	$ 82,320,000
Component Unit	$ 3,307,000
Funded ratio (b) / (a)	1.31%
Covered payroll (c)	$ 15,522,000
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) – (b)] / (c))	551.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. 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 to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Concluded)

D. Actuarial Methods and Assumptions.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	07/01/11
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Percent of Payroll
Remaining amortization period	21 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.0%
Healthcare inflation rate	5.8% in 2011 Grading to 4.4% in 2060

XIII. CONTINGENCIES

The Township is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

XIV. OTHER INFORMATION

A. Risk Management

The Township is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages its risk exposures and provides certain employee benefits through a combination of risk management pools, commercial insurance policies and excess coverage policies. Following is a summary of the Township's risk management.

The Township participates with the Michigan Municipal Risk Management Authority (MMRMA), a self-insured association with a membership of approximately 270 Michigan local governmental units, for general and automobile liability, motor vehicle physical damage, judicial tenure defense and property damage coverages. Members include cities, counties, townships and special purpose governments. The MMRMA is organized under the laws of the State of Michigan and is governed by a Board of Directors elected by the membership. The MMRMA provides risk management, claims administration, legal defense and reinsurance services to its members.

The Township makes annual contributions to MMRMA based upon underwriting criteria and guidelines approved by the Board of Directors of MMRMA. Underwriting guidelines may be based upon net operating expenditures, number of employees, size of payroll, size and complexity of operations, loss experience, loss control efforts and any other relevant risk related criteria. These contributions are paid from the Township's General Fund and costs are allocated to the Township's other Funds.

XIV. OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Contributions received by MMRMA to pay administrative expenses, excess insurance, stop loss insurance, reinsurance and all other necessary MMRMA obligations are paid into the MMRMA General Fund. The Board of Directors of MMRMA has also established a minimum amount of funds each member must maintain on deposit with MMRMA.

The Member's Funds on Deposit are used to pay losses and allocated loss adjustment costs that fall within the Township's self-insured retention limits along with certain other member specific costs.

Accordingly, the Township records in the General Fund an asset for funds on deposit in the member retention fund of the MMRMA and a liability for incurred claims and allocated claims adjustment not paid as estimated by MMRMA. At March 31, 2012, the balance of the Township's funds payable in the Member Retention Fund of the MMRMA was $(472) and the claims incurred and allocated claims adjustment accrued was $165,111.

The Township's self-insured retention limits must be fully satisfied before the MMRMA will assume any responsibility for payment of losses. The Township participates in MMRMA's Stop Loss Program. The stop loss program limits the self-insured retention limit payments made on behalf of the Township in the MMRMA's fiscal year. The Township's aggregate cash payments for its self-insured retention limited obligations must exceed $256,000 before the stop loss program will become responsible for making further self-insured retention limit payments on behalf of the Township.

The Township's self-insured retention limits are as follows:

Coverage	Self-Insured Retention
Liability	$150,000
Vehicle Physical Damage $1,000 Member deductible	$15,000 per vehicle $30,000 per occurrence
Property and Crime $1,000 deductible per occurrence	10% of the next $100,000
Sewage System Overflow No deductible	$150,000 per occurrence
Employee Benefits – Commercial Insurance Provider	
Workers' Compensation – Commercial Insurance Provider	

At March 31, 2012, there were no claims which exceeded insurance coverage for any of the past five fiscal years. The Township had no significant reduction in insurance coverage from previous years.

The Township has an experience-rated group health insurance reserve for the employee heath care benefit plan.

The insurance carrier maintains a separate Premium Stabilization Reserve (PSR) in addition to the carrier's insurance reserves funded and maintained pursuant to applicable insurance laws and sound underwriting practice.

XIV. OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The PSR is funded with experience-rated margins from the insurance carrier. Interest earned on the PSR is used to offset the carrier's cost of maintaining the Plan.

The PSR may be reduced in any policy year for the excess claims paid, reserve adjustments and expenses including (risk charges over) premiums paid, and any premium increases that would otherwise be funded by the Township.

The carrier determines the PSR balance yearly. This balance decreases or increases in value depending on claims paid in comparison to premiums. Any decrease or increase is booked directly to the reserve and has no impact on the Township's financial statements.

Library

The library is exposed to risks of loss related to theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library's general liability and property damage insurance is included in the Township's plan. Employee benefits and workers' compensation is obtained through commercial insurance providers through the Township.

At March 31, 2012, there were no claims which exceeded insurance coverage for any of the past four fiscal years. The Library had no significant reduction in insurance coverage from previous years.

B. Property Taxes

Delinquent Property Taxes Receivable

a. Property taxes are assessed as of December 31 and the resulting property taxes become a lien on December 1 of the following year for the township taxes.

b. The tax levy dates and the budget years are as follows:

Budget Year	Tax Levy Date
County – October 1, 2010 through September 30, 2011	6-1-2011
Township – April 1, 2011 through March 31, 2012	12-1-2011

c. The 2011 tax levy is summarized as follows:

	Taxable Value	Rate Per $1,000	Levy
Township			
General	$ 3,143,677,326	2.2947	$ 7,213,796
Senior services	$ 3,143,677,326	.2439	766,743
Public safety – voted	$ 3,143,677,326	6.2293	19,582,909
Roads – voted	$ 3,143,677,326	.7169	2,253,702
Library-operating – voted perpetual	$ 3,143,677,326	1.4590	4,586,625
Library debt service	$ 3,143,677,326	.4800	1,508,965
Drain debt service	$ 3,143,677,326	.3800	1,194,597
Capital Improvements	$ 3,143,677,326	.4800	1,508,965
Safety Path voted	$ 3,143,677,326	.4839	1,521,225
Total Township		12.7677	$40,137,527

XIV. OTHER INFORMATION (Concluded)

B. Property Taxes (Continued)

Delinquent Property Taxes Receivable

County			
Transportation – voted	$ 3,143,677,326	.5900	$ 1,854,770
Special assessments			
Bloomfield Village Association			
Fire	$ 293,615,480	3390	$ 99,536
Police	$ 293,615,480	1.3450	$ 394,913
Total Bloomfield Village		1.6620	$ 494,449

XV. PRIOR PERIOD ADJUSTMENT

Net assets in the Water and Sewer fund at the beginning of the year has been adjusted to record capital assets received through developer contributions in the amount of $618,421 in previous years. The adjustment had no effect on income in the current year.

XVI. REVISIONS

The financial statements were revised to correct for clerical errors of the classification presentation of the net assets of business-type activities on the Proprietary Fund statement of net assets and the inclusion of the amount of the prior period adjustment on the statement of activities.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited - not covered by audit opinion)

Charter Township of Bloomfield, Michigan

GASB STATEMENT 25 REQUIRED SUPPLEMENTARY INFORMATION

Year ended March 31, 2012

RETIREMENT PLAN - PENSION TRUST

SIX YEAR TREND INFORMATION

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
1/1/2007	$ 102,369,075	$ 111,011,543	$ 8,642,468	92.2%	$ 15,641,216	55.3%
1/1/2008	$ 108,776,953	$ 117,185,820	$ 8,408,867	92.8%	$ 15,858,763	53.0%
1/1/2009	$ 112,100,502	$ 125,144,852	$ 13,044,350	89.6%	$ 16,136,224	80.8%
1/1/2010	$ 115,269,769	$ 136,577,300	$ 21,307,531	84.4%	$ 15,562,765	136.9%
1/1/2011	$ 119,693,077	$ 148,403,066	$ 28,709,989	80.7%	$ 15,522,940	185.0%
1/1/2012	$ 123,455,000	$ 152,669,000	$ 29,214,000	80.9%	$ 15,338,979	190.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
3/31/2006	$ 4,538,471	$ 4,538,471	100%
3/31/2007	$ 4,738,081	$ 4,738,081	100%
3/31/2008	$ 5,228,482	$ 5,228,482	100%
3/31/2009	$ 5,894,448	$ 5,894,448	100%
3/31/2010	$ 5,152,066	$ 5,152,066	100%
3/31/2011	$ 5,179,678	$ 5,179,678	100%

Charter Township of Bloomfield, Michigan

GASB STATEMENT 45 REQUIRED SUPPLEMENTARY INFORMATION

Year ended March 31, 2012

RETIRED EMPLOYEES HEALTHCARE PLAN

THREE YEAR TREND INFORMATION

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
7/1/2007	$ -	$ 60,646,000	$ 60,646,000	0%	16,136,224	375.8%
7/1/2009	$ 137,000	$ 87,953,000	$ 87,816,000	0.16%	15,522,940	565.7%
7/1/2011	$ 1,138,000	$ 86,765,000	$ 85,627,000	1.31%	15,522,000	551.6%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
3/31/2010	$ 6,117,675	$ 2,321,933	38%
3/31/2011	$ 8,265,000	$ 2,929,997	34%
3/31/2012	$ 8,065,000	$ 3,269,045	41%

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE
(unaudited - not covered by audit opinion)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE
(unaudited - not covered by audit opinion)
March 31, 2012

A. Tax Levies and Collections

YEAR	TAX LEVY	COLLECTIONS TO MARCH 1 OF FOLLOWING YEAR	
2011	$41,694,060	$40,098,080	96.17%
2010	44,116,202	42,167,507	95.58%
2009	44,505,638	42,147,621	94.70%
2008	45,382,069	42,433,483	93.50%
2007	44,913,928	42,327,344	94.24%
2006	40,831,652	38,659,606	94.68%
2005	40,077,547	38,234,099	95.40%
2004	37,486,906	35,656,378	95.12%
2003	33,797,608	32,140,571	95.10%
2002	23,530,927	22,275,924	94.67%

The Township's taxes are due and payable and a lien created upon the assessed property on December 1 each year. Taxes remaining unpaid on the following March 1 are turned over to the County Treasurer for collection. If all real property taxes are not paid by May 1 two years following return to the County Treasurer, the property is sold for taxes.

B. History of Property Valuations*

	State Equalized Valuation	Taxable Value
2011	$ 3,226,628,090	$ 3,155,385,640
2010	3,485,076,600	3,404,549,680
2009	4,115,224,310	3,878,712,490
2008	4,492,380,886	3,948,259,831
2007	4,696,964,620	3,934,123,580
2006	4,499,786,770	3,732,884,300
2005	4,358,891,740	3,531,875,030
2004	4,159,870,180	3,380,624,306
2003	4,005,952,600	3,236,501,438
2002	3,816,576,370	3,115,293,208

*Beginning in 1995, the Taxable Value and not the State Equalized Value is used to calculate the tax levy.

C. Michigan Property Tax and School Finance Reform

See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information Repositories regarding this topic.

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE (CONTINUED)
(unaudited - not covered by audit opinion)
March 31, 2012

D. Tax Rate Limitations

The Township Charter provides tax rate limitations as follows:

Purpose	Rate (Per $1,000 of State) Equalized Valuation	Maximum Permitted Rate*
General Operating	$ .9961	$ .9961

The Township may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

Purpose	Authority	Rate (per $1,000 of State) Equalized Valuation
Refuse Collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	$ 3.00
Police & Fire Pension Requirements	Act 345, P.A. of Michigan 1937, as amended	Amount required to make contribution

In addition, Article IX, Section 6 of the Michigan Constitution of 1963, as amended, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978, or tax supported issues, which have been approved by the voters.
2. Operating purposes for a specific period of time provided that said increase is approved by a majority of the qualified electors of the local unit.

*The Michigan Constitution provides for tax rate limitations. See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information repositories regarding these limitations.

E. Labor Agreements

The Township has three employee bargaining units which have negotiated comprehensive salary, wage, fringe benefits and working conditions contracts with the Township.

The duration of these agreements are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
Firefighters	58	March 31, 2017
Police Employees (Command Officers)	13	March 31, 2017
Police Employees (Patrolmen)	50	March 31, 2017

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE (CONCLUDED)
(unaudited - not covered by audit opinion)
March 31, 2012

F. General Fund - Fund Balance

The Township's General Fund balance for the last ten years has been as follows:

Fiscal Year Ending March 31	Fund Balance
2012	$ 10,968,077
2011	10,506,172
2010	8,056,659
2009	8,156,480
2008	7,822,356
2007	6,757,558
2006	4,874,045
2005	3,702,360
2004	3,249,920
2003	3,313,751

Source: Charter Township of Bloomfield audited financial statement

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
March 31, 2012

	NON MAJOR SPECIAL REVENUE FUNDS										CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable TV	Total	Campus Construction	Total
ASSETS												
Cash and cash equivalents	$ 274,064	$ 55,949	$ 19,972	$ 16,075	$ 9,651	$ 83,448	$ 28,612	$ 188,686	$ 461,155	$ 1,137,612	$ -	$ 1,137,612
Marketable securities	2,196,539	448,415	160,070	128,838	77,350	668,811	229,320	1,512,261	3,696,015	9,117,619	-	9,117,619
Receivables (net)												-
Other	-	-	-	8,059	41	6,190	-	-	374,303	388,593	-	388,593
TOTAL ASSETS	$ 2,470,603	$ 504,364	$ 180,042	$ 152,972	$ 87,042	$ 758,449	$ 257,932	$ 1,700,947	$ 4,531,473	$ 10,643,824	$ -	$ 10,643,824
LIABILITIES												
Liabilities:												
Accounts payable and accrued expenses	$ 69,833	$ 47,091	$ 2,544	$ 5,660	$ 46,541	$ 27,969	$ 6,852	$ 27,407	$ 57,038	$ 290,935	$ -	$ 290,935
TOTAL LIABILITIES	69,833	47,091	2,544	5,660	46,541	27,969	6,852	27,407	57,038	290,935	-	290,935
FUND BALANCES												
Restricted:												
Roads and safety paths	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,673,540	$ -	$ 1,673,540	$ -	$ 1,673,540
Public safety	-	457,273	177,498	-	-	-	251,080	-	-	885,851	-	885,851
Community enrichment	-	-	-	147,312	-	-	-	-	-	147,312	-	147,312
Assigned:												
Community enrichment	2,400,770	-	-	-	40,501	-	-	-	4,474,435	6,915,706	-	6,915,706
Building inspection	-	-	-	-	-	730,480	-	-	-	730,480	-	730,480
TOTAL FUND BALANCES	2,400,770	457,273	177,498	147,312	40,501	730,480	251,080	1,673,540	4,474,435	10,352,889	-	10,352,889
TOTAL LIABILITIES AND FUND BALANCES	$ 2,470,603	$ 504,364	$ 180,042	$ 152,972	$ 87,042	$ 758,449	$ 257,932	$ 1,700,947	$ 4,531,473	$ 10,643,824	$ -	$ 10,643,824

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended March 31, 2012

	NON MAJOR SPECIAL REVENUE FUNDS										CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable TV	Total	Campus Construction	Total
REVENUES												
Taxes and assessments	$ 766,648	$ 394,908	$ 99,530	$ 294,944	$ -	$ -	$ -	$ 1,521,130	$ -	$ 3,077,160	$ -	$ 3,077,160
Grants	75,202	-	-	-	-	-	-	-	-	75,202	-	75,202
Charges for services	314,207	-	-	-	-	-	-	-	5,757	319,964	-	319,964
Licenses, permits and fees	-	-	-	-	-	1,206,268	-	-	1,641,082	2,847,350	-	2,847,350
Fines and forfeitures	-	-	-	599	-	-	46,324	-	-	46,923	-	46,923
Fees	310,038	-	-	-	-	-	-	-	-	310,038	-	310,038
Reimbursements	-	-	-	35,337	-	-	-	-	-	35,337	-	35,337
Miscellaneous	18,894	-	-	-	-	9,193	-	-	10,153	38,240	-	38,240
TOTAL REVENUES	1,484,989	394,908	99,530	330,880	-	1,215,461	46,324	1,521,130	1,656,992	6,750,214	-	6,750,214
EXPENDITURES												
Operating:												
General government	-	-	-	-	-	744,691	-	-	-	744,691	-	744,691
Public works	-	-	-	-	-	-	-	92,753	-	92,753	-	92,753
Public safety	-	369,382	73,317	-	-	-	1,402	-	-	444,101	-	444,101
Community enrichment & development	1,256,734	-	-	319,919	387,794	-	-	-	896,981	2,861,428	-	2,861,428
Capital outlay:												
Capital outlay	44,690	24,716	42,354	-	-	487	14,336	1,121,581	130,699	1,378,863	-	1,378,863
TOTAL EXPENDITURES	1,301,424	394,098	115,671	319,919	387,794	745,178	15,738	1,214,334	1,027,680	5,521,836	-	5,521,836
REVENUES OVER (UNDER) EXPENDITURES	183,565	810	(16,141)	10,961	(387,794)	470,283	30,586	306,796	629,312	1,228,378	-	1,228,378
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	300,000	-	-	-	-	300,000	-	300,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(101,209)	(101,209)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	300,000	-	-	-	-	300,000	(101,209)	198,791
NET CHANGE IN FUND BALANCES	183,565	810	(16,141)	10,961	(87,794)	470,283	30,586	306,796	629,312	1,528,378	(101,209)	1,427,169
FUND BALANCES, beginning of year	2,217,205	456,463	193,639	136,351	128,295	260,197	220,494	1,366,744	3,845,123	8,824,511	101,209	8,925,720
FUND BALANCES, end of year	$ 2,400,770	$ 457,273	$ 177,498	$ 147,312	$ 40,501	$ 730,480	$ 251,080	$ 1,673,540	$ 4,474,435	$ 10,352,889	$ -	$ 10,352,889

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended March 31, 2012

	Balance at April 1, 2011	Additions	Deductions	Balance at March 31, 2012
ASSETS				
Cash	$ 2,514,688	$ 17,073,135	$ 17,119,428	$ 2,468,395
LIABILITIES				
Employees' compensated absences	$ 2,011,677	$ 68,830	$ -	$ 2,080,507
Accounts payable & withholdings	59,323	17,806,786	17,855,642	10,467
Deposits & other liabilities				
Escrow deposits	212,583	131,947	213,732	130,798
Developer deposits	79,500	112,334	119,600	72,234
Other	151,605	300,835	278,051	174,389
TOTAL LIABILITIES	$ 2,514,688	$ 18,420,732	$ 18,467,025	$ 2,468,395

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
March 31, 2012

	Retiree Health Care Fund	Retirement System Pension Trust	Defined Contribution Plan	Total
	March 31, 2012	December 31, 2011	March 31, 2012	
ASSETS				
Cash	$ 1,137,548	$ -	$ -	$ 1,137,548
Receivable	-	198,627	-	198,627
Investments				
Mutual funds	-	-	2,498,662	2,498,662
Insurance company guaranteed investment mutual fund	-	108,867,732	-	108,867,732
Insurance company stock mutual funds	-	11,499,869	-	11,499,869
TOTAL ASSETS	1,137,548	120,566,228	2,498,662	124,202,438
NET ASSETS				
Held in trust for pension benefits	1,137,548	120,566,228	2,498,662	124,202,438
TOTAL NET ASSETS	$ 1,137,548	$ 120,566,228	$ 2,498,662	$ 124,202,438

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
Year Ended March 31, 2012

	Retiree Health Care Fund	Retirement System Pension Trust	Defined Contribution Plan	Total
	Year Ended March 31, 2012	Year Ended December 31, 2011	Year Ended March 31, 2012	
ADDITIONS				
Dividend income	$ -	$ 372,189	$ 25,459	$ 397,648
Interest income	-	5,701,085	-	5,701,085
Contributions and forfeitures	3,897,098	4,825,877	542,557	9,265,532
Decrease in fair value	-	(541,563)	30,201	(511,362)
TOTAL ADDITIONS	3,897,098	10,357,588	598,217	14,852,903
DEDUCTIONS				
Distributions	2,897,098	7,940,383	98,999	10,936,480
Administrative fees	-	62,347	-	62,347
TOTAL DEDUCTIONS	2,897,098	8,002,730	98,999	10,998,827
CHANGE IN NET ASSETS	1,000,000	2,354,858	499,218	3,854,076
NET ASSETS, beginning of year	137,548	118,211,370	1,999,444	120,348,362
NET ASSETS, end of year	$ 1,137,548	$ 120,566,228	$ 2,498,662	$ 124,202,438