CHARTER TOWNSHIP OF BLOOMFIELD
STATE OF MICHIGAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year ended March 31, 2011

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

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, 2011, 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, 2011, and the respective changes in financial position and cash flows where applicable 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.

The Management's Discussion and Analysis on Pages 5-18 and the Required Supplementary Information on Pages 63 and 64 are not required parts of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements and schedules and the statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Township. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jenkins, Magnus, Volk & Carroll, PC

Certified Public Accountants

Bloomfield Hills, Michigan
September 16, 2011

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, 2011.

Financial Highlights

- The assets of the Township exceeded liabilities at the close of the most recent fiscal year by $97,776,479 (net assets). Total net assets increased by $207,985 as compared to the previous fiscal year. These amounts do not include fiduciary funds. Total assets increased by approximately $5.4 million largely the result of increases to current asset amounts; cash and investments and accounts receivable. Total liabilities increased by an amount similar to the assets, about $5.2 million mostly due to an increase of $5,205,489 in post-employment benefit obligations.
- The major Township assets consist of $109,447,085 in capital assets net of related depreciation, $40,650,123 in cash and investments and $28,797,716 in receivables. Prepaid items and inventory total $1,326,222. The Township's assets are offset by related long and short-term debt liabilities totaling $66,747,579. Other liabilities include accounts payable, accrued payroll expense, deferred revenues and post employment benefits obligations combining to a total of $15,938,145.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $38,381,869, an increase of $4,477,074 when compared with the previous fiscal year. The increase is mostly the result of surplus operations within the Township's three major operating funds; General, Road and Public Safety. These funds will be discussed in more detail later in the report. Of the ending balances totaling $38,381,869, reported as undesignated and available for spending at management's discretion is $33,419,260 and the remaining $4,962,609 is restricted, largely in debt service funds.
- At the end of the current fiscal year, undesignated fund balance for the general fund was $9,487,995 an increase of $1,524,244 over last fiscal year. This fund balance is approximately one hundred two percent (102%) of total general fund expenditures reported this fiscal year.
- The Township's total long-term debt decreased by $231,688 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 $2,144,470 for the year, almost entirely the result of an increase to cash. The net asset increase was generated by an operating gain of $1,880,775 plus non-operating revenues exceeded expenditures by $263,695.

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.

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 $97,776,479. 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	$60.4	$55.3	$10.7	$7.4	$71.1	$62.7
Capital assets	60.8	62.6	48.6	49.6	109.4	112.2
Total assets	121.2	117.9	59.3	57.0	180.5	174.9
Long-term liabilities	62.1	57.1	13.9	14.2	76.0	71.3
Other liabilities	4.2	4.0	2.5	2.1	6.7	6.1
Total liabilities	66.3	61.1	16.4	16.3	82.7	77.4
Net assets:						
Invested in capital assets, net of related debt	34.1	31.0	34.9	35.4	69.0	66.4
Restricted	3.8	4.0	5.4	4.9	9.2	8.9
Unrestricted	17.0	21.8	2.6	.4	19.6	22.2
Total net assets	$54.9	$56.8	$42.9	$40.7	$97.8	$97.5

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, 61% 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, $9,197,771, 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 $19,515,787 at the close of the most recent fiscal year.

As of the end of the current fiscal year, the Township has positive balances in all fund types and in each of the individual funds within the fund types. Three 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 increased by $207,987. This net increase is reflected by an increase in the proprietary fund (water and sewer) of $2,144,470 and a decrease in the governmental fund types of $1,936,482. 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	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	$4.8	$2.8	$18.8	$15.8	$23.6	$18.6
Fines and forfeitures	2.1	2.5	-	-	2.1	2.5
General revenues:						
Property taxes	37.6	37.4	-	-	37.6	37.4
Federal grants	-	-	-	-	-	-
Other grants	.9	.6	-	-	.9	.6
State shared revenue	2.7	2.8	-	-	2.7	2.8
Reimbursements	.9	.8	-	-	.9	.8
Other general revenues	.4	.1	.4	.2	.8	.3
Total revenues	49.4	47.0	19.2	16.0	68.6	63.0
Program expenses						
General government	13.8	10.1	-	-	13.8	10.1
Public safety	27.8	28.6	-	-	27.8	28.6
Public works	3.3	4.8	-	-	3.3	4.8
Comm. development	3.4	4.1	-	-	3.4	4.1
Interest - long-term debt	2.8	2.1	-	-	2.8	2.1
Other general expense	.2	.1	-	-	.2	.1
Water & Sewer	-	-	17.1	17.4	17.1	17.4
Total expenses	51.3	49.8	17.1	17.4	68.4	67.2
Excess rev. over (under) exp. before transfers	(1.9)	(2.8)	2.1	(1.4)	.2	(4.2)
Transfers in (out)	-	.2	-	(.2)	-	-
Increase (decrease) net assets	(1.9)	(2.6)	2.1	(1.6)	.2	(4.2)
Net assets, beginning, restated	56.8	59.4	40.8	42.4	97.6	101.8
Net assets, ending	$54.9	$56.8	$42.9	$40.8	$97.8	$97.6

Governmental fund type. Net assets decreased by $1,936,482 as a result of activities within these funds. An increase of $5,072,294 in current assets was more than offset by an increase of over $3.0 million in accumulated depreciation and an increase of over $4.9 million in our postemployment benefits liability.

- Property tax revenues increased slightly (about 1.70%) even though the Township's taxable value decreased by approximately 12% as compared to last fiscal year. The decline in taxable value was offset by the passage of 1.30 new mills voted for in February of 2010 and spread for the first time in this 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 reflect the beginning of the significant impact of the housing market decline on local government revenue. Overall taxable values have declined by about 15% from their peak levels in 2008 and 2009. The Township expects to lose as much as 25% of the tax base by the time the real estate market finally hits bottom in 2011 and 2012.

- The major operating funds in this category (General Fund, Road Fund and Public Safety Fund) experienced generally modest increases in revenues collected as compared to the previous year. The one exception being charges for services; this revenue increased significantly with the fire department now providing hospital transport services as opposed to the service being provided by a private ambulance company. State shared revenue declined only slightly this year hopefully ending the consistent deep cuts that have occurred over the past decade. Investment income remained about the same as last year as anemic interest rates keep this source of revenue well below its long-term average. As mentioned earlier, property tax revenue increased by a very modest amount as compared to last year, however next fiscal year a significant decrease in property tax revenue is expected due to another fairly large reduction in property values.

- Expenditures as reported in the government-wide statement appear to have decreased significantly over the past year; however this is somewhat deceiving because of the large decrease in expenditures within the campus construction fund as the projects draw to conclusion. However, even when the construction fund is excluded from the analysis, there is still a decline in expenditures within this fund group for fiscal 2010-11. Again, it is important to focus on the three major operating funds within the group when analyzing expenditures. The three funds combined saw expenditures decrease by $660,497 or about 2% as compared to last fiscal year. General Fund expenditures, exclusive of transfers, were almost identical to last fiscal year at about $9.3 million. Road expenditures declined by $439,203 or about 12.5%. Public Safety expenditures decreased by a modest $224,878 or about 1.0%. Expenditures were reduced or held steady in almost all major categories. Wages have been controlled through pay and hiring freezes and health insurance costs have been reduced via the implementation of a new high deductible consumer directed health plan initiated for all active employees beginning January 1, 2010. Pension costs decreased by over 10% the result of a change to the actuarial method being used to determine the employer's cost. The significant increases to pension costs in recent 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 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 similar to last year at $1.7 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. Excluding the campus construction fund from the analysis, overall fund balances for the governmental funds experienced an increase of approximately $3.4 million from the previous year. Most of this increase was the result of surplus operation in the three major operating funds. However, with the certainty that the Township's taxable values will decline considerably again next year, it is imperative that management continue to pursue aggressive cost-cutting strategies. On a positive note, the Township 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 $5,749,811, making the total net assets at the end of the current fiscal year $119,348,640. This increase resulted mostly from an increase in the assets of the Township's Retirement System Pension Trust Fund. The Township also holds $2,514,688 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 $5,492,640.
- The Agency Fund liability for unused paid sick leave increased by $97,793, resulting in additional dollars being transferred into trust to fund this liability at $2,011,677.
- Others monies held in escrow by the Township decreased by about $76,000 to now total $503,011.
- The newer defined contribution plan assets increased by $257,171 to total $999,722 and the retiree health care trust fund remains on the books at $137,548.

Proprietary fund type. These business-type activities increased the Township's net assets by $2,144,470 as compared to last year. Major elements of the net asset change for this group of funds are the following:

- We experienced a relatively cool wet summer season in 2010 and therefore water and sewer sales fell a little below our budget projections which are based upon long-term average consumption amounts. In all, actual fund revenue was approximately $1.1 million under the budget projection but budgeted expenditures were also under projections by about $2.7 million contributing to a decent operating gain of almost $1.9 million for the fiscal year. Operating and administrative costs did decrease as compared to last year, however it must be kept in mind that two-thirds of those are direct costs for water purchases and sewer treatment charges so fluctuations from year to year are very much related to those consumption accounts. That being said, expenditures did decrease in several of the non-consumption accounts. For instance, health insurance and pension expenditures decreased by about 20% as compared to last year due to changes made by the Township administration designed to contain these costs.
- Overall the water and sewer fund balance sheet is in fairly good condition. The balance sheet has improved over last year in an area where it was in most need of improvement; total current assets. Cash, cash equivalents and investments improved by $2,564,930 over last year largely the result of the $1,880,775 operating profit, finally helping to offset several years of operating losses. Almost all of the net asset improvement of over $2.1 million is reflected in the $2,103,657 increase to unrestricted assets reflecting the much needed increase to the fund's unrestricted cash account.

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.

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 unreserved fund balance of the general fund was $9,487,995. The majority of the general fund balance is unreserved, 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 special revenue funds.

During the current fiscal year, the fund balance of the Township's general fund increased considerably by $2,449,513. The main reason for the large surplus was the significant increase in property tax revenue resulting from the millage proposal passed in February, 2010 that was levied for the first time this year. This fund recorded approximately $4.4 million more in revenue this year as compared to last with $3.9 million of the increase being from property tax revenue. Much of the remaining increase in revenue was generated by the district court activity. The two other major sources of revenue to the fund, state revenue sharing and investment income were about the same as last year. Were it not for the increase in property tax revenue the fund would obviously not had a surplus this year. The fund expenditures finished the year at 91% of the budget projection representing over $1.2 million budgeted dollars unspent. The favorable budget variances were mostly from three activities. Transfers to other funds came in $600,000 under budget largely because the road fund and public safety fund did not require the anticipated transfer as the two funds came in under budget on their expenditures. Capital expenditures were $110,000 under budget as some of the expected invoices to complete construction projects related to the campus improvement program were not approved and received on time and had to be pushed forward to next year. The district court expenditures were about $286,000 under budget as it is not possible to precisely predict what our case load ratio of expenditures will be in advance. The favorable expenditure variances of $1.2 million along with favorable revenue variances of about $400,000 combined with the original projection of about an $800,000 budget surplus generated the approximate $2.4 million addition to the fund balance. The favorable revenue variances came mostly from two areas, investment income $214,000 and other revenue $255,000. The other revenue sources were premium reimbursement from our auto, liability and building and contents policies with the MMRMA and reimbursement of retiree health care premiums from a temporary federal government program. We also received some money back in reimbursement of expenses we incurred related to an audit of our trash collection contractor, Rizzo. All of those miscellaneous revenue sources would be considered unusual in nature. The current economic volatility is making budget preparation much more problematic. The good news this year is that through the volatility Township management has been able to respond to significantly reduced revenues by similarly reducing expenditures; maintaining a balanced financial situation according to plan.

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 certain to experience a large decline next year as a result of another 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 recently been decimated by the 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 $400,000 per year. The difficult financial situation at the state level has yet to be resolved making it very possible that another fairly large revenue source, state shared revenue, will continue to stagnate or decline.

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. 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 these cost issues.

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 the millage proposal passed in 2010 and spread for the first time this 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 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 will be 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, unreserved fund balance of the road fund was $2,160,641. The overall fund balance increased $490,769 when compared to the prior fiscal year. Presently the fund balance provides sufficient resources to meet operating expenses until the property tax revenue is received toward the end of the fiscal year. 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 $400,000 as compared to $100,000 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 millage passed in February 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 $2,428,963, the general fund transfer of $400,000 and Oakland County Road Commission contract repayments totaling $639,460. 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. At the end of the current fiscal year, the unreserved fund balance of the public safety fund was $13,199,399. The total fund balance increased $875,762 over the previous year. This fund has been able to operate at a surplus for the past few years because of the voter approval of a new 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 the burden on the General Fund to subsidize the deficits, pay for public safety dispatch and pay the cost of the health insurance provided to retired public safety employees and their dependents. These costs are now more appropriately charged to this fund. 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. The fund balance increase was quite a bit larger than last year but it was only possible because the fund received a $2.2 million transfer from the General Fund as compared to no transfer last fiscal year. If you exclude the transfer the fund's total revenues declined by almost $1.9 million, this despite the fact that the fire department began transport services this year bringing in over $900,000 in new revenue. This $900,000 in new revenue was more than offset by a $3.0 million decline to property tax revenue resulting from declining property values. Overall expenditures within the fund decreased slightly as compared to last year and came in very close (99%) to the budget projection. The fund revenues for the year came in $437,352 over budget largely because we underestimated the amount of revenue we would receive from the transport services. The favorable revenue variance allowed for a reduction of the general fund transfer to the public safety fund from the estimated $2.5 million down to $2.2 million. Knowing that this fund will require transfers of general fund property tax revenues in future fiscal years it was decided to allow for the current year transfer to help build the public safety fund balance by the $875,762 mentioned earlier. Each department within the fund operated at or near their budgeted manpower level. The expenditure variances were relatively small in all but two accounts, the retirement plan at 93% of budget and transportation expense at 61% of budget. The retirement plan variance occurred because we made changes to the actuarial method used to calculate the annual expense to our defined benefit pension plan. The change resulted in a reduction to retirement expense in all of the funds that have participants in the defined benefit plan. Transportation expense finished the year significantly below budget largely because fuel expense was budgeted conservatively high to allow for possible unfavorable price volatility and vehicle repair parts in both the police and fire departments were lower than average for the year. Capital outlay expenditures for the year were also lower than the five year average although right about at the budget projection.

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, given time, has eventually led to operating deficits. In the past, in order to offset these deficits management asked for and had approved property tax rate increases in 1994 and 2002. Given the current condition of the economy, particularly the housing market, steps must be taken to stop or reverse this trend otherwise the fund will return to operating deficits that once again cannot be sustained. This problem has been exacerbated by the severe decline in property values significantly reducing revenue to this fund. To offset some of the lost revenue a 1.30 mill proposal was passed in February. 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 $4,800,000 on life and health insurance for active and retired police and fire department personnel. The fund spends an additional $3,487,000 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 likely reduce retirement plan expenditures 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 $500,000 at minimum; we expect the savings to be even greater upon final settlement for the year.

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. Management's problem has been further compounded by the unprecedented decline in the housing market. Consequently, even though the present financial position of the public safety fund is very good, management must find ways to permanently reduce the rate at which fund expenditures increase. If not, a reduction in the work force would most likely be necessary 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 $978,205 were made during the fiscal year. The fund ended the year with a fund balance of $407,617. A new $2.3 million bond obligation was added this year (CSO Drain – Series 2010) so at the end of the fiscal year the remaining unpaid debt totaled $7,719,481 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 $900,000 principal installment this year the remaining unpaid debt at March 31, 2010 was $18,625,000. The fund had a year-end fund balance of $1,524,893 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 0.46 mills in order to make the scheduled principal and interest payments of $1,608,222. After making the second $500,000 principal installment this year the bond debt remaining outstanding is $25,000,000. The fund had a year end fund balance of $1,479,469 with that money necessary to make the principal and interest payments due prior to the next tax levy. All significant 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 though some could be impacted in the near future by the weak overall economy.

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 pay for debt retirement payments on water and sewer system improvements paid for by the sale of bonds.

Unrestricted net assets of the water and sewer fund amounted to $2,561,061 at the end of the current fiscal year a very welcome and significant increase of over $2.1 million as compared to last year. The fund consequently also had a relatively large increase in total net assets of just about $2.1 million as compared to last year's report. The increase was mainly the result of an operating gain for the year of $1,880,775. The main factors that contributed to the operating gain were that actual consumption was much closer to average estimates than what has been experienced in recent years and we are not allowing any lag time between rate increases from the water and sewage treatment providers and our subsequent pass on increase to our customers. The Township administration is also making an effort to cover more of the infrastructure depreciation expense in the rates than has been done in the past. Total operating revenues were $18,440,721 which was below budget projections by about 6%, however direct costs and operating and administrative expenses (which include depreciation of infrastructure) totaled $16,559,946 about 14.0% under budget. The net result was the $1,880,775 operating gain. The combination of non-operating revenue and expenses along with contributed capital from developers added an additional $263,965 to net assets for the year. Several consecutive years of operating losses had taken their toll on the fund's unrestricted cash balance by the end of last year but as mentioned earlier this year's financial performance provided a much needed boost to the water and sewer fund balance sheet. Management remains proactive and is taking the steps necessary to contain costs and eliminate the possibility of future operating losses. Some of these steps include lowering expected consumption estimates and considering 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 charged to the proprietary 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. The 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 investment in capital assets for its governmental and business-type activities as of March 31, 2011, amounted to $109,447,085 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to properties other than buildings, machinery and equipment, infrastructure and Township share of county sewers. The total decrease in investment in capital assets for the current fiscal year was about 2.5 percent (a 3.0 percent decrease for governmental activities and a 2.0 percent decrease for business-type activities). In the case of both activities the decrease was the result of annual depreciation expense being greater than any additions made to the asset accounts during the fiscal year.

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

- Fire Department improvements, vehicles, and equipment purchases at a cost of $419,590
- Improvements to water and sewer infrastructure costing $544,483
- Safety Path (sidewalk) construction at a cost of $1,359,648
- Police Vehicles and equipment purchased costing $226,550

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 $66,747,579 which consists of $53,058,342 within the governmental activity funds and $13,689,237 within the business-type activity fund. During this fiscal year the county issued bonds of which the Township's share is $2,301,540 for county drain contracts. The majority of the governmental debt consists of bonded debt of $18,625,000 to pay for the library addition and renovation and $25,000,000 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 payments are made using funds collected from customers on their quarterly bills. The remaining long-term debt reported consists of $1,713,861 for employee compensated absences.

The Township's long-term debt had a net increase of $231,688 during fiscal 2011. The increase was due to the county bond issue less the annual required debt payments.

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 the five bond sales over the last four years amounting to over $62,000,000, 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 $400,000 from the general fund to the road fund and $2.2 million from the general fund to the public safety fund to assist those funds in meeting their financial obligations. The Township also transferred $150,000 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 $100,000 to the campus construction fund as the final installment of a $2.0 million commitment to the projects from various Township funds. Other funds making transfers to the campus construction fund in previous years were the public safety fund, the senior services fund and the water and sewer fund. The transfer to the road fund is much less than the typical transfer of about $1.0 million made in previous fiscal years as discussed in the road fund section earlier. The Township continues to face a significant challenge in supplementing the road fund obligations with general fund transfers. The Township will also being using most if not all of the revenue provided by the new general property tax millage to supplement the public safety fund going forward. The improvement and revolving fund transfer was much less than average; the general fund in the past has more typically moved from $300,000 to $500,000 to pay for the annual I&R projects. The campus fund transfers are unique, as mentioned the transfer made this year represents the remainder of the $2.0 million obligation made to the projects from outside sources.

Summary. The Township experienced an excellent fiscal year financially in 2010-11 with the three major operating funds experiencing substantial increases in 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 finances during these uniquely challenging times:

- State shared revenue payments continue to be stagnant or decrease annually. This is a concern as this has historically been the Township's second highest source of revenue behind property taxes.
- Investment income revenue has been declining significantly in recent years 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 continues to increase both over the long and short term despite aggressive efforts in recent years to lower the cost of this benefit.
- 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 involves the weak economy in Michigan and 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 the major revenue source to decrease. The greatest impact to the Township from declining property values will be experienced in this and the next fiscal year, but long term effects will also be a serious challenge. The Township has already lost over 20% of the tax base significantly reducing property tax revenue.

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 for the upcoming five years. The plan is updated on a quarterly basis and 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. Committee captains report to the entire group at department head meetings on a monthly basis.
- 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 to improve long-term investment return projections.

- 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 year saved the Township over $1.5 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.
- Early this fiscal year new contracts were negotiated with all employees extending pay freezes through at least March 31, 2013. In addition new hires will no longer be eligible to receive health benefits from the Township after they retire.

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 9,174,101	$ 1,781,200	$ 10,955,301	$ 4,862,392
Investments	24,866,800	4,828,022	29,694,822	4,339,362
Receivables	25,070,240	3,727,476	28,797,716	178
Other	-	-	-	7,447
Prepaid items	821,110	-	821,110	-
Inventory	350,148	154,964	505,112	-
TOTAL CURRENT ASSETS	60,282,399	10,491,662	70,774,061	9,209,379
NONCURRENT ASSETS				
CAPITAL ASSETS				
Nondepreciable assets				
Land	828,648	-	828,648	131,015
Other	-	2,417,161	2,417,161	-
Depreciable assets				
Land improvements	20,346,270	-	20,346,270	-
Building	45,168,249	-	45,168,249	26,677,568
Machinery, furniture and equipment	20,242,141	1,503,008	21,745,149	4,342,504
Library books & audiovisual materials	-	-	-	4,361,594
Investment in system	12,697,390	77,908,929	90,606,319	-
Less accumulated depreciation	(38,464,656)	(33,200,055)	(71,664,711)	(7,243,983)
TOTAL CAPITAL ASSETS	60,818,042	48,629,043	109,447,085	28,268,698
OTHER ASSETS				
Bond discount	101,209	-	101,209	-
Bond issue costs	-	139,848	139,848	-
TOTAL OTHER ASSETS	101,209	139,848	241,057	-
TOTAL NONCURRENT ASSETS	60,919,251	48,768,891	109,688,142	28,268,698
TOTAL ASSETS	121,201,650	59,260,553	180,462,203	37,478,077
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	1,880,666	1,851,041	3,731,707	267,163
Unearned revenue	22,067	38,140	60,207	-
Due to primary government	-	-	-	272,335
Amounts due within one year	2,266,784	574,590	2,841,374	168,064
TOTAL CURRENT LIABILITIES	4,169,517	2,463,771	6,633,288	707,562
NONCURRENT LIABILITIES				
Postemployment benefit obligations	11,371,385	774,846	12,146,231	636,484
Amounts due in more than one year	50,791,558	13,114,647	63,906,205	216,754
TOTAL NONCURRENT LIABILITIES	62,162,943	13,889,493	76,052,436	853,238
TOTAL LIABILITIES	66,332,460	16,353,264	82,685,724	1,560,800
NET ASSETS				
Invested in capital assets net of related debt	34,123,115	34,939,806	69,062,921	28,268,698
Restricted for:				
Capital projects	-	4,667,328	4,667,328	-
Debt service	3,411,979	739,094	4,151,073	-
Public safety	379,370	-	379,370	-
Gifts	-	-	-	115,053
Unrestricted assets	16,954,726	2,561,061	19,515,787	7,533,526
TOTAL NET ASSETS	$ 54,869,190	$ 42,907,289	$ 97,776,479	$ 35,917,277

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF ACTIVITIES
Year Ended March 31, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenue Charges for Services	Net (Expense) Revenue
PRIMARY GOVERNMENT			
Governmental activities:			
Legislative	$ 21,037	$ -	$ (21,037)
Judicial	1,703,963	-	(1,703,963)
General government	12,135,441	4,089,738	(8,045,703)
Public works	3,311,634	-	(3,311,634)
Public safety	28,357,285	2,784,491	(25,572,794)
Community enrichment and development	3,355,907	-	(3,355,907)
Miscellaneous	182,948	-	(182,948)
Interest on long-term debt	2,857,665	-	(2,857,665)
TOTAL GOVERNMENTAL ACTIVITIES	51,925,880	6,874,229	(45,051,651)
Business-type activities:			
Water & Sewer	17,129,902	18,873,081	1,743,179
TOTAL PRIMARY GOVERNMENT	$ 69,055,782	$ 25,747,310	$ (43,308,472)
COMPONENT UNIT			
Library	$ 6,314,422	$ 14,368	$ (6,300,054)

continued...

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

STATEMENT OF ACTIVITIES (CONCLUDED)
Year Ended March 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
CHANGES IN NET ASSETS				
Net (expense) revenue	$ (45,051,651)	$ 1,743,179	$ (43,308,472)	$ (6,300,054)
General revenues:				
Property taxes	37,654,388	-	37,654,388	4,889,001
Circulation revenue	-	-	-	136,527
Other grants	872,322	-	872,322	-
State shared revenue	2,744,955	-	2,744,955	15,835
Reimbursements	881,264	-	881,264	-
Miscellaneous	497,997	253,627	751,624	137,564
Unrestricted investment earnings	464,243	147,664	611,907	13,901
Transfers	-	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	43,115,169	401,291	43,516,460	5,192,828
CHANGE IN NET ASSETS	(1,936,482)	2,144,470	207,988	(1,107,226)
NET ASSETS, beginning of year	56,805,672	40,762,819	97,568,491	37,024,503
NET ASSETS, end of year	$ 54,869,190	$ 42,907,289	$ 97,776,479	$ 35,917,277

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, 2011

	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	$ 1,706,299	$ 590,826	$ 3,653,645	$ 109,854	$ 410,962	$ 398,720	$ 2,303,794	$ 9,174,100
Marketable securities	4,624,993	1,601,460	9,903,366	297,763	1,113,931	1,080,749	6,244,538	24,866,800
Receivables (net)								
Delinquent taxes	2,023,722	-	-	-	-	-	-	2,023,722
Component unit	273,235	-	-	-	-	-	-	273,235
Special assessment, voted millage	-	-	-	-	18,625,000	25,000,000	439,457	44,064,457
Other	1,185,375	71,058	145,794	-	-	-	-	1,402,227
Prepaid items	821,110	-	-	-	-	-	-	821,110
Inventory	197,067	153,083	-	-	-	-	101,209	451,359
Intangibles & other assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	$ 10,831,801	$ 2,416,427	$ 13,702,805	$ 407,617	$ 20,149,893	$ 26,479,469	$ 9,088,998	$ 83,077,010
LIABILITIES								
Accounts payable and accrued expenses	$ 325,629	$ 102,703	$ 478,530	$ -	$ -	$ -	$ 163,279	$ 1,070,141
Deferred revenue	-	-	-	-	18,625,000	25,000,000	-	43,625,000
TOTAL LIABILITIES	325,629	102,703	478,530	-	18,625,000	25,000,000	163,279	44,695,141
FUND BALANCES								
Reserved for inventory and prepaids	1,018,177	153,083	-	-	-	-	-	1,171,260
Reserved for debt service	-	-	-	407,617	1,524,893	1,479,469	-	3,411,979
Designated reported in:								
Special revenue funds	-	-	24,876	-	-	-	354,494	379,370
Undesignated reported in:								
General fund	9,487,995	-	-	-	-	-	-	9,487,995
Special revenue funds	-	2,160,641	13,199,399	-	-	-	8,470,016	23,830,056
Capital projects fund	-	-	-	-	-	-	101,209	101,209
TOTAL FUND BALANCES	10,506,172	2,313,724	13,224,275	407,617	1,524,893	1,479,469	8,925,719	38,381,869
TOTAL LIABILITIES AND FUND BALANCES	$ 10,831,801	$ 2,416,427	$ 13,702,805	$ 407,617	$ 20,149,893	$ 26,479,469	$ 9,088,998	$ 83,077,010

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, 2011

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 38,381,869
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.	
Deduct: service receivable	(21,677)
Deduct: Accrued interest payable	(805,857)
Add: deferred revenue	20,926,540
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add: capital assets	99,282,698
Deduct: accumulated depreciation	(38,464,656)
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	(53,058,342)
Deduct: postemployment benefit obligations	(11,371,385)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 54,869,190

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, 2011

	General	Road	Public Safety	Drain at-Large	Library Debt Retirement	Campus Construction Debt Retirement	Other Governmental Funds	Total Governmental Funds
REVENUE								
Taxes and assessments	$ 7,818,053	$ 2,428,963	$ 21,106,522	$ 948,629	$ 1,423,078	$ 1,558,518	$ 3,270,625	$ 38,554,388
Grants	34,914	-	122,816	-	-	-	713,791	871,521
Road fund repayments	-	639,460	-	-	-	-	-	639,460
State shared revenues	2,744,955	-	-	-	-	-	-	2,744,955
Charges for services	606,832	5,688	1,231,567	-	-	-	172,712	2,016,799
Licenses, permits and fees	53,643	38,607	13,897	-	-	-	1,965,759	2,071,906
Investment	464,243	-	-	-	-	-	-	464,243
Fines and forfeitures	1,733,615	-	-	-	-	-	39,094	1,772,709
Rent	720,721	-	-	-	-	-	-	720,721
Fees	-	-	-	-	-	-	277,967	277,967
Reimbursements	163,401	-	54,850	-	-	-	23,554	241,805
Miscellaneous	278,569	31,001	93,700	-	-	-	94,726	497,996
TOTAL REVENUE	14,618,946	3,143,719	22,623,352	948,629	1,423,078	1,558,518	6,558,228	50,874,470
EXPENDITURES								
Operating								
Legislative	21,037	-	-	-	-	-	-	21,037
Judicial	1,703,963	-	-	-	-	-	-	1,703,963
General government	6,419,938	-	-	-	-	-	714,812	7,134,750
Public works	-	3,039,324	-	-	-	-	55,676	3,095,000
Public safety	402,055	-	23,196,039	-	-	-	461,946	24,060,040
Community enrichment and development	384,498	-	-	-	-	-	2,757,863	3,142,361
Other	147,180	-	-	8,219	14,395	7,997	5,157	182,948
Capital outlay	240,762	13,626	751,551	-	-	-	1,832,653	2,838,592
Debt service							-	
Principal retirement	-	-	-	770,610	900,000	500,000	-	2,170,610
Interest and fiscal charges	-	-	-	199,376	748,494	1,100,225	-	2,048,095
TOTAL EXPENDITURES	9,319,433	3,052,950	23,947,590	978,205	1,662,889	1,608,222	5,828,107	46,397,396
REVENUES OVER (UNDER) EXPENDITURES	5,299,513	90,769	(1,324,238)	(29,576)	(239,811)	(49,704)	730,121	4,477,074
OTHER FINANCING SOURCES (USES)								
Transfers in	-	400,000	2,200,000	-	-	-	250,000	2,850,000
Transfers out	(2,850,000)	-	-	-	-	-	-	(2,850,000)
TOTAL OTHER FINANCING SOURCES (USES)	(2,850,000)	400,000	2,200,000	-	-	-	250,000	-
NET CHANGE IN FUND BALANCES	2,449,513	490,769	875,762	(29,576)	(239,811)	(49,704)	980,121	4,477,074
FUND BALANCES, beginning of year	8,056,659	1,822,955	12,348,513	437,193	1,764,704	1,529,173	7,945,598	33,904,795
FUND BALANCES, end of year	$ 10,506,172	$ 2,313,724	$ 13,224,275	$ 407,617	$ 1,524,893	$ 1,479,469	$ 8,925,719	$ 38,381,869

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, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 4,477,074
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		2,329
Add: deposits and accrued expenses		34,667
Deduct: deferred revenue		(926,736)
Deduct: accrual for interest		(805,857)
Deduct: prepaid interest and fiscal charges		(3,712)
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: transfers of capital assets	133,246	
Add: capital outlay	2,632,776	
Net additions		2,766,022
Deduct: depreciation expense		(3,880,729)
Deduct: disposals	(577,163)	
Deduct: transfers of capital assets	(133,246)	
Net disposals		(710,409)
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		2,170,610
Deduct: increase in the accrual for post employment benefits		(4,924,730)
Deduct: increase in the accrual for compensated absences		(135,011)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (1,936,482)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
GENERAL FUND
Year Ended March 31, 2011

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
REVENUE				
Taxes and assessments	$ 7,838,000	$ 7,838,000	$ 7,818,053	$ (19,947)
State shared revenues	2,700,000	2,700,000	2,744,955	44,955
Charges for services	510,000	510,000	606,832	96,832
Licenses, permits and fees	49,000	49,000	53,643	4,643
Investment	250,000	250,000	464,243	214,243
Fines and forfeitures	1,989,500	1,989,500	1,733,615	(255,885)
Rent	724,000	724,000	720,721	(3,279)
Reimbursements	90,000	90,000	163,401	73,401
Miscellaneous	68,000	68,000	313,483	245,483
TOTAL REVENUE	14,218,500	14,218,500	14,618,946	400,446
EXPENDITURES				
Operating				
Legislative	23,000	23,000	21,037	(1,963)
Judicial	1,990,000	1,990,000	1,703,963	(286,037)
General government	6,664,500	6,664,500	6,419,938	(244,562)
Public safety	412,000	412,000	402,055	(9,945)
Community enrichment and development	418,400	418,400	384,498	(33,902)
Other	158,500	158,500	147,180	(11,320)
Capital outlay	325,000	325,000	240,762	(84,238)
TOTAL EXPENDITURES	9,991,400	9,991,400	9,319,433	(671,967)
REVENUES OVER (UNDER) EXPENDITURES	4,227,100	4,227,100	5,299,513	1,072,413
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,450,000)	(3,450,000)	(2,850,000)	600,000
NET CHANGE IN FUND BALANCES	777,100	777,100	2,449,513	1,672,413
FUND BALANCES, beginning of year	8,056,659	8,056,659	8,056,659	-
FUND BALANCES, end of year	$ 8,833,759	$ 8,833,759	$ 10,506,172	$ 1,672,413

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, 2011

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
REVENUE				
Taxes	$ 2,437,000	$ 2,437,000	$ 2,428,964	$ (8,036)
Street lighting income	34,000	34,000	38,607	4,607
Road commission repayments	615,000	615,000	639,460	24,460
Sale of assets	20,000	20,000	14,010	(5,990)
Charges for services	1,000	1,000	5,688	4,688
Other revenues	3,000.0	3,000	16,990	13,990
TOTAL REVENUE	3,110,000	3,110,000	3,143,719	33,719
EXPENDITURES				
Public works				
Salaries and wages	1,112,000	1,112,000	952,356	(159,644)
Payroll taxes	85,100	85,100	73,584	(11,516)
Life and health insurance	208,200	208,200	207,241	(959)
Retirement plan	263,000	263,000	275,166	12,166
Retiree health care	185,000	185,000	209,005	24,005
Matching funds-road improvements	20,000	20,000	107,280	87,280
Street lighting/traffic signals	100,000	100,000	103,897	3,897
Workers compensation insurance	30,000	30,000	17,509	(12,491)
Sick pay accrual	20,000	20,000	112	(19,888)
Other employee fringe benefits	1,000	1,000	631	(369)
Office supplies	4,000	4,000	2,393	(1,607)
Operating supplies	19,000	19,000	16,878	(2,122)
Professional services	452,500	452,500	45,814	(406,686)
Communications	12,000	12,000	11,099	(901)
Transportation	418,000	418,000	81,884	(336,116)
Insurance and bonds	60,000	60,000	51,054	(8,946)
Repairs and maintenance supplies	594,000	594,000	679,152	85,152
Training expenses	4,000	4,000	3,488	(512)
Contracted repairs and maintenance	128,000	128,000	172,965	44,965
Miscellaneous	12,500	12,500	27,816	15,316
Capital outlay	25,000	25,000	13,626	(11,374)
TOTAL EXPENDITURES	3,753,300	3,753,300	3,052,950	(700,350)
REVENUES OVER (UNDER) EXPENDITURES	(643,300)	(643,300)	90,769	734,069
OTHER FINANCING SOURCES (USES)				
Transfers in	700,000	700,000	400,000	(300,000)
NET CHANGE IN FUND BALANCES	56,700	56,700	490,769	434,069
FUND BALANCES, beginning of year	1,822,955	1,822,955	1,822,955	-
FUND BALANCES, end of year	$ 1,879,655	$ 1,879,655	$ 2,313,724	$ 434,069

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, 2011

	Budgeted Amounts			Actual
	Original	Final	Actual	Actual Over (Under) Final Budget
REVENUE				
Taxes	$ 21,180,000	$ 21,180,000	$ 21,106,522	$ (73,478)
Liquor license rebates	16,000	16,000	13,897	(2,103)
Charges for services	815,000	815,000	1,231,567	416,567
Federal grants	20,000	20,000	122,816	102,816
Reimbursements	80,000	80,000	54,850	(25,150)
Other revenues	75,000	75,000	93,700	18,700
TOTAL REVENUE	22,186,000	22,186,000	22,623,352	437,352
EXPENDITURES				
Public safety				
Salaries and wages	11,895,000	11,895,000	11,812,056	(82,944)
Payroll taxes	909,900	909,900	898,684	(11,216)
Life and health insurance	4,836,300	4,836,300	4,827,047	(9,253)
Retirement plan	3,741,000	3,741,000	3,486,197	(254,803)
Workers compensation insurance	281,500	281,500	243,848	(37,652)
Sick pay accrual	164,000	164,000	127,542	(36,458)
Other employee fringe benefits	8,500	8,500	9,169	669
Office supplies	28,600	28,600	27,940	(660)
Operating supplies	224,800	224,800	282,778	57,978
Professional services	114,600	114,600	180,039	65,439
Communications	50,000	50,000	43,118	(6,882)
Transportation	400,000	400,000	245,709	(154,291)
Insurance and bonds	310,000	310,000	306,049	(3,951)
Repair and maintenance	245,500	245,500	295,029	49,529
Training expenses	139,000	139,000	99,129	(39,871)
Public utilities	70,000	70,000	68,691	(1,309)
Miscellaneous	9,000	9,000	243,014	234,014
Capital outlay	759,000	759,000	751,551	(7,449)
TOTAL EXPENDITURES	24,186,700	24,186,700	23,947,590	(239,110)
REVENUES OVER (UNDER) EXPENDITURES	(2,000,700)	(2,000,700)	(1,324,238)	676,462
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500,000	2,500,000	2,200,000	(300,000)
NET CHANGE IN FUND BALANCES	499,300	499,300	875,762	376,462
FUND BALANCES, beginning of year	12,348,513	12,348,513	12,348,513	-
FUND BALANCES, end of year	$ 12,847,813	$ 12,847,813	$ 13,224,275	$ 376,462

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF NET ASSETS
PROPRIETARY FUND
March 31, 2011

	Water & Sewer
ASSETS	
CURRENT ASSETS	
Cash, cash equivalents and investments	
Unrestricted	$ 1,202,800
Restricted	5,406,422
Receivables	
Oakland County	13,785
Customers	3,644,228
Other	69,463
Inventory	154,964
TOTAL CURRENT ASSETS	10,491,662
CAPITAL ASSETS	
Machinery and equipment	1,503,008
Investment in system	80,326,090
	81,829,098
Less accumulated depreciation	(33,200,055)
NET CAPITAL ASSETS	48,629,043
OTHER ASSETS	
Bond issue costs	139,848
TOTAL ASSETS	$ 59,260,553
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 1,851,041
Liens and unit charges	38,140
Current portion of long term debt	574,590
TOTAL CURRENT LIABILITIES	2,463,771
NONCURRENT LIABILITIES	
Long term debt due in more than one year	13,114,647
Postemployment benefit obligation	774,846
TOTAL NONCURRENT LIABILITIES	13,889,493
TOTAL LIABILITIES	16,353,264
NET ASSETS	
Invested in capital assets, net of related debt	34,939,806
Restricted	5,406,422
Unrestricted	2,561,061
TOTAL NET ASSETS	42,907,289

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, 2011

	Water & Sewer
OPERATING REVENUES	
Water sales	$ 9,558,242
Sewer usage	7,440,582
Debt service charges	964,955
Privilege fees	143,100
Tap sales	11,100
Meter material and service sales	110,823
Capital charges	16,925
Late payment penalties	194,994
TOTAL OPERATING REVENUES	18,440,721
DIRECT COSTS	
Water purchased	6,688,828
Treatment charges	4,410,706
Depreciation	1,651,010
Tap costs	10,075
Meter, materials and service costs	51,680
TOTAL DIRECT COSTS	12,812,299
OPERATING AND ADMINISTRATIVE EXPENSES	3,747,647
OPERATING PROFIT	1,880,775
NONOPERATING REVENUES (EXPENSES)	
Interest	147,664
Miscellaneous	253,627
Interest	(569,956)
TOTAL NONOPERATING REVENUES (EXPENSES)	(168,665)
INCOME BEFORE CONTRIBUTIONS	1,712,110
CONTRIBUTIONS FROM DEVELOPERS	432,360
CHANGE IN NET ASSETS	2,144,470
NET ASSETS, beginning of year	40,762,819
NET ASSETS, end of year	$ 42,907,289

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, 2011

	Water & Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 17,338,448
Receipts from miscellaneous	476,942
Payments to employees and suppliers	(14,357,253)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,458,137
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to other governments	(26,983)
Receipts from other governments	20,284
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(6,699)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
General obligation contracts with County	
Principal payments	(497,631)
Interest and fiscal charges	(569,956)
Bond costs	8,646
Purchase of capital assets	(228,858)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,287,799)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	147,664
Miscellaneous	253,627
NET CASH PROVIDED BY INVESTING ACTIVITIES	401,291
NET INCREASE IN CASH, EQUIVALENTS AND INVESTMENTS	2,564,930
CASH, EQUIVALENTS AND INVESTMENTS, beginning of year	4,044,292
CASH, EQUIVALENTS AND INVESTMENTS, end of year	$ 6,609,222
STATEMENT OF NET ASSETS CLASSIFICATION OF CASH, EQUIVALENTS AND INVESTMENTS	
Unrestricted	$ 1,202,800
Restricted	5,406,422
TOTALS	$ 6,609,222

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, 2011

	Water & Sewer
RECONCILIATION OF OPERATING PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating profit	$ 1,880,775
Adjustments to reconcile operating profit to net cash provided by operating activities:	
Depreciation	1,651,010
(Increase) decrease in:	
Receivables from customers	(613,570)
Receivables from others	1,285
Inventory	(10,008)
Increase (decrease) in:	
Accounts payable and accrued expenses	280,931
Unearned revenue	(13,045)
Postemployment benefits	280,759
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,458,137

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of $432,360 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, 2011

	Retiree Health Care Fund	Pension Trust Fund	Agency Fund
ASSETS			
Cash	$ 137,548	$ -	$ 2,514,688
Investments			
Mutual funds	-	999,722	-
Insurance company guaranteed investment mutual fund	-	109,101,117	-
Insurance company stock mutual funds	-	9,110,253	-
TOTAL ASSETS	137,548	119,211,092	$ 2,514,688
LIABILITIES			
Employees' compensated absences	-	-	$ 2,011,677
Accounts payable and withholdings	-	-	59,323
Deposits and other liabilities			
Escrow deposits	-	-	212,583
Developer deposits	-	-	79,500
Other	-	-	151,605
TOTAL LIABILITIES	-	-	$ 2,514,688
NET ASSETS			
Held in trust for pension and other employee benefits	137,548	119,211,092	
TOTAL NET ASSETS	$ 137,548	$ 119,211,092	

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, 2011

	Retiree Health Care Fund	Pension Trust Fund
ADDITIONS		
Dividend income	$ -	$ 5,197,907
Interest income	-	70,137
Contributions and forfeitures	-	7,268,654
Increase in fair value	-	1,266,256
TOTAL ADDITIONS	-	13,802,954
DEDUCTIONS		
Distributions	-	7,995,048
Administrative fees	-	58,095
TOTAL DEDUCTIONS	-	8,053,143
CHANGE IN NET ASSETS	-	5,749,811
NET ASSETS, beginning of year	137,548	113,461,281
NET ASSETS, end of year	$ 137,548	$ 119,211,092

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 44,500 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 *debt service fund* is used to account for the accumulation of resources for and the payment of principal and interest on long term general obligation debt of governmental funds not being financed by proprietary funds.

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.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 nonoperating 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 nonoperating 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

   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.

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 $1,000 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

6. Capital Assets (Continued)

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

8. Compensated Absences and Sick Pay Funding (Continued)

Each year, cash is transferred to the Sick Pay 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, 2011, 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 Equity

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

10. 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.

11. 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 was employed, encumbrances (e.g., purchase orders, contracts) outstanding at year end would be reported as reservations of 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	$ 9,174,101	$1,781,200	$2,652,236	$13,607,537	$4,862,392
Investments	24,866,800	4,828,022	-	29,694,822	4,339,362
Total	$34,040,901	$6,609,222	$2,652,236	$43,302,359	$9,201,734

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 $13,607,538 of which $250,000 is covered by federal depository insurance and the remainder of $13,357,538 is uninsured and uncollateralized. The component unit had bank deposits (certificates of deposit, checking, and savings accounts) of $3,004,833 that were uninsured and uncollateralized.

III. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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			
Fixed income mutual funds	$ 29,646,935	AAA	99.84%
	4,939	AA	.017%
	42,948	Not Rated	.145%
Component Unit Investment			
Money market	56,869	Not Rated	100%

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
Fixed income mutual funds*	$29,694,822	$2,164,219	$27,530,603

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

Component Unit Investment Type	Fair Value	Less Than 1	1 - 5
Fixed income mutual funds	$ 4,032,493	$ 700,377	$ 3,332,116
Money market	56,869	56,869	-

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	$ 2,023,722	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,023,722
Accounts receivable	-	-	-	-	-	-	3,727,476	-	3,727,476
Component unit	273,235	-	-	-	-	-	-	-	273,235
Special assessment, voted millage	-	-	-	2,301,541	18,625,000	-	-	-	20,926,541
Interest & other receivables	1,185,375	71,058	145,794	-	-	-	-	444,515	1,846,742
Less: Allowance for uncollectibles	-	-	-	-	-	-	-	-	-
Net receivables	$ 3,482,332	$ 71,058	$ 145,794	$ 2,301,541	$ 18,625,000	$ -	$ 3,727,476	$ 444,515	$28,797,716
Amounts not scheduled for collection during subsequent year	$ -	$ -	$ -	$ -	$ 17,675,000	$ -	$ -	$ -	$ 17,675,000

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**
Accounts receivable	-	$ 22,067
Total	-	$ -

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
Construction in progress	-	383,013	(383,013)	-
Subtotal	828,648	383,013	(383,013)	828,648
Capital assets being depreciated				
Buildings	44,933,371	234,878	-	45,168,249
Improvements other than buildings	18,986,623	1,359,648	-	20,346,271
Machinery and equipment	20,381,244	1,038,250	(1,177,354)	20,242,140
Infrastructure	12,697,390	-	-	12,697,390
Subtotal	96,998,628	2,632,776	(1,177,354)	98,454,050
Less accumulated depreciation for				
Buildings	7,805,885	1,127,851	-	8,933,736
Improvements other than buildings	6,983,313	1,270,030	-	8,253,343
Machinery and equipment	14,325,342	1,228,747	(600,191)	14,953,898
Infrastructure	6,069,578	254,101	-	6,323,679
Subtotal	35,184,118	3,880,729	(600,191)	38,464,656
Net capital assets being depreciated	61,814,510	(1,247,953)	(577,163)	59,989,394
Governmental activities total				
Capital assets - net of depreciation	62,643,158	(864,940)	(960,176)	60,818,042
Business-Type Activities				
Capital assets not being depreciated				
Improvements to systems	2,416,102	1,059	-	2,417,161
Subtotal	2,416,102	1,059	-	2,417,161
Capital assets being depreciated				
Improvements to systems	49,185,468	543,424	-	49,728,892
Machinery and equipment	1,386,273	116,735	-	1,503,008
Township share of county sewers	28,180,037	-	-	28,180,037
Subtotal	78,751,778	660,159	-	79,411,937
Less accumulated depreciation for				
Improvements to systems	18,421,202	988,757	-	19,409,959
Machinery and equipment	933,766	98,651	-	1,032,417
Township share of county sewers	12,194,078	563,601	-	12,757,679
Subtotal	31,549,046	1,651,009	-	33,200,055
Net capital assets being depreciated	47,202,732	(990,850)	-	46,211,882
Business-type activities total				
Capital assets - net of depreciation	49,618,834	(989,791)	-	48,629,043

V. CAPITAL ASSETS (Continued)

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

Governmental Activities	
General government	$ 599,061
Public safety	1,440,350
Public works	1,765,449
Community enrichment and development	75,869
Total Governmental Activities	$ 3,880,729
Business-Type Activities	
Water & Sewer	$ 1,651,010

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	277,375	-	26,677,568
Furniture and equipment	4,227,809	122,086	(7,391)	4,342,504
Library books and audiovisual materials	4,133,518	574,580	(346,504)	4,361,594
Subtotal	35,038,895	696,666	(353,895)	35,381,666
Less accumulated depreciation	(6,074,892)	(1,520,722)	351,631	(7,243,983)
Net capital assets being depreciated	28,964,003	(824,056)	(2,264)	28,137,683
Net capital assets	29,095,018	(824,056)	(2,264)	28,268,698

Capital assets, including library books, are recorded at cost. Depreciation expense was $1,520,722 for the year ended March 31, 2011.

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	$ 273,235	$ -
Library Fund	-	273,235
	$ 273,235	$ 273,235

	Transfers In	Transfers Out
Interfund transfers		
General Fund	$ -	$ 2,850,000
Road Fund	400,000	-
Public Safety Fund	2,200,000	
Non-major Governmental Funds	250,000	-
	$ 2,850,000	$ 2,850,000

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	$ 6,188,549	$2,301,540	$ (770,608)	$ 7,719,481	$ 816,784
Library Construction bond	2-5%	2025	19,525,000	-	(900,000)	18,625,000	950,000
General Construction bond	5.5%	2032	25,500,000	-	(500,000)	25,000,000	500,000
Employees compensated absences	-	N/A	1,578,850	135,011	-	1,713,861	-
Total Governmental Activities			$52,792,399	$2,436,551	$(2,170,608)	$53,058,342	$ 2,266,784
Business-Type Activities							
County water & sewer contract	2-7%	2026	$14,186,868	$ -	$ (497,631)	$13,689,237	$ 574,590
Total Business-Type Activities			$14,186,868	$ -	$ (497,631)	$13,689,237	$ 574,590
Component Unit							
Employees compensated absences	-	N/A	$ 395,741	$ 250,368	$ (261,291)	$ 384,818	$ 168,064
Total Component Unit			$ 395,741	$ 250,368	$ (261,291)	$ 384,818	$ 168,064

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
2012	$ 2,266,784	$ 2,079,776	$ 574,590	$ 493,862
2013	2,430,560	2,018,430	585,692	475,482
2014	2,457,244	1,936,282	546,279	455,211
2015	2,532,505	1,850,462	643,667	435,370
2016	2,741,861	1,754,418	643,667	413,176
2017 – 2021	11,714,459	7,290,521	3,595,343	1,707,904
2022 – 2026	12,895,528	4,613,018	4,900,000	935,576
2027 – 2031	9,305,539	2,274,689	2,200,000	78,475
2032 – 2036	6,713,862	223,438	-	-
	$53,058,342	$24,041,034	$13,689,238	$4,995,056

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 $860,645.

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 $523,996 .

The General Fund leases land for mobile telecommunications broadcast towers under four separate agreements. Two of these agreements expire July 31, 2012, and require annual rental payments of $21,985 each. The remaining two agreements expire November 30, 2012, and require annual rental payments of $23,759 each. These agreements all have predetermined extension terms.

VIII. COMMITMENTS (Continued)

B. Lessor Agreements (concluded)

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

	General
2012	$ 615,484
2013	620,058
2014	624,862
2015	629,905
2016	635,200
	$ 3,125,509

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 $51,600.

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

2012	$ 2,097
	$ 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, 2011.

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, 2011, 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.

Membership in the Plan consisted of the following at January 1, 2011, the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	241
Terminated and inactive plan members entitled to but not yet receiving benefits	11
Active plan members	223
Total	475

B. Basis of Accounting

The Plan's financial statements are prepared using information as of March 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.

IX. RETIREMENT PLAN – PENSION TRUST (Continued)

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 2011, the Township's annual pension cost of $5,152,066 was equal to the Township's required and actual contributions. The required contribution was determined as part of a January 1, 2011, 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
2008	$4,738,081	100%	-0-
2009	$5,228,482	100%	-0-
2010	$5,152,066	100%	-0-

G. Contributions Required and Contributions Made

Total contributions to the pension plan for the plan year beginning January 1, 2011, amounted to $5,524,777, of which $5,152,066 and $372,711 were made by the Township and its employees, respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of January 1, 2011. The pension contributions represent funding for normal cost. Contributions made by the Township and its employees represent 33.2% and 2.4%, respectively, on covered payroll of $15,522,940 for the 2011 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, 2010, the most recent actuarial date, the plan was 80.65% funded. The actuarial accrued liability for benefits was $148,403,066, and the actuarial value of assets was $119,693,077, resulting in an unfunded actuarial accrued liability (UAAL) of $28,709,989. The covered payroll (annual payroll of active employees covered the plan) was $15,522,940, and the ratio of the UAAL to the covered payroll was 184.95%.

IX. RETIREMENT PLAN – PENSION TRUST (Continued)

H. Funded Status and Funding Progress (continued)

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, 2011 there were 34 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, 2011, contributions in the amount of $200,740 were made to the plan by the Township. In addition, discretionary contributions in the amount of $24,136 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-$8,000 depending on their bargaining/non-bargaining status.

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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	$ 7,874,000	$ 391,000
Interest on net OPEB obligation	520,556	28,086
Adjustment to annual required contribution	(391,562)	(24,588)
Annual OPEB cost	8,002,994	394,498
Expected OPEB payouts	-	-
Contributions made	(2,797,505)	(132,492)
Increase in net OPEB obligation	5,205,489	262,006
Net OPEB obligation – beginning of year	6,940,742	374,478
Net OPEB obligation – end of year	$ 12,146,231	$ 636,484

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, 2011, for the plan is as follows:

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
3/31/2011	**$ 8,397,492**	35%	**$ 12,782,715**
Township	$ 8,002,994	35%	$ 12,146,231
Component Unit	$ 394,498	34%	$ 636,484

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Concluded)

C. Funded Status and Funding Progress

The funded status of the plan as of March 31, 2011, was as follows:

Actuarial accrued liabilities (a)	$ 87,953,000
Actuarial value of plan assets (b)	137,000
Unfunded actuarial accrued liability (funding excess) (a) – (b)	**$ 87,816,000**
Township	$ 84,159,000
Component Unit	$ 3,657,000
Funded ratio (b) / (a)	0.16%
Covered payroll (c)	$ 15,522,940
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) – (b)] / (c))	565.7%

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.

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	07/01/09
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Percent of Payroll
Remaining amortization period	23 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.0%
Healthcare inflation rate	6.6% in 2009 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.

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, 2011, the balance of the Township's funds payable in the Member Retention Fund of the MMRMA was $38,853 and the claims incurred and allocated claims adjustment accrued was $6,768.

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.

XIV. OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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, 2011, 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.

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, 2011, 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.

XIV. OTHER INFORMATION (Concluded)

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, 2009 through September 30, 2010	6-1-2010
Township – April 1, 2010 through March 31, 2011	12-1-2010

c. The 2010 tax levy is summarized as follows:

	Taxable Value	Rate Per $1,000	Levy
Township			
General	$ 3,388,280,525	2.2947	$ 7,775,087
Senior services	$ 3,388,280,525	.2439	826,402
Public safety – voted	$ 3,388,280,525	6.2293	21,106,616
Roads – voted	$ 3,388,280,525	.7169	2,429,058
Library-operating – voted perpetual	$ 3,388,280,525	1.4590	4,943,501
Library debt service	$ 3,388,280,525	.4200	1,423,078
Drain debt service	$ 3,388,280,525	.2800	948,719
Capital Improvements	$ 3,388,280,525	.4600	1,558,609
Safety Path voted	$ 3,388,280,525	.4839	1,639,589
Total Township		12.5877	$42,650,659
County			
Transportation – voted	$ 3,388,280,525	.5900	$1,999,086
Special assessments			
Bloomfield Village Association			
Fire	$ 301,156,680	.3310	99,683
Police	$ 301,156,680	1.3310	400,840
Total Bloomfield Village		1.6620	$ 500,523

XV. CONSTRUCTION IN PROGRESS

On August 8, 2006, voters approved a 25 year $26 million general obligation bond proposal that allowed the Township to fund a budgeted $29 million Capital Building Project. The Project consisted of the construction of a new senior center, new public services facility, and a new central fire station located at the Township's civic campus and the renovation to an existing fire station located elsewhere in the Township. The vote allowed for an estimated simple average annual millage of .3808 mills for the repayment of the bonds.

The Capital Building Project bonds were sold in November of 2007 and construction commenced April 9, 2008. Bond repayment began during the year ended March 31, 2010. As of March 31, 2011, all of the facilities have been placed in service and the Capital Building Project is complete.

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

Charter Township of Bloomfield, Michigan

GASB STATEMENT 25 REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLAN - PENSION TRUST

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)
1/1/2003	$ 86,045,340	$ 90,686,360	$ 4,641,020	94.9%	$ 13,994,471	33.2%
1/1/2004	89,490,925	86,288,099	(3,202,826)	103.7%	14,786,023	-21.7%
1/1/2005	93,667,303	92,970,370	(696,933)	100.7%	15,376,426	-4.5%
1/1/2006	97,918,915	99,935,092	2,016,177	98.0%	15,605,926	12.9%
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%

GASB STATEMENT 45 REQUIRED SUPPLEMENTARY INFORMATION

RETIRED EMPLOYEES HEALTHCARE PLAN

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%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed	Net OPEB Obligation
3/31/2009	$ 5,756,000	$ 2,611,000	45%	$ 3,145,000
3/31/2010	6,117,675	2,321,933	38%	6,940,742
3/31/2011	8,265,000	2,929,997	34%	12,782,715

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, 2011

A. Tax Levies and Collections

YEAR	TAX LEVY	COLLECTIONS TO MARCH 1 OF FOLLOWING YEAR	
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%
2001	21,973,351	20,784,593	94.59%

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
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
2001	3,515,424,250	2,952,304,218

*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, 2011

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, 2011

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
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
2002	2,950,118

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, 2011

	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	$ 607,767	$ 125,812	$ 54,550	$ 38,105	$ 34,549	$ 60,221	$ 59,424	$ 379,534	$ 943,832	$ 2,303,794	$ -	$ 2,303,794
Marketable securities	1,647,382	341,018	147,861	103,286	93,648.00	163,232	161,070	1,028,743	2,558,298	6,244,538		6,244,538
Receivables										-		-
Delinquent taxes	-	-	-	-	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	-	-	-	-	-	-
Special assessment, voted millage	-	-	-	-	-	-	-	-	-	-	-	-
Other	5,546	-	-	-	910	63,287	-	4,715	364,999	439,457	-	439,457
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Intangibles & other assets	-	-	-	-	-	-	-	-	-	-	101,209	101,209
TOTAL ASSETS	$ 2,260,695	$ 466,830	$ 202,411	$ 141,391	$ 129,107	$ 286,740	$ 220,494	$ 1,412,992	$ 3,867,129	$ 8,987,789	$ 101,209	$ 9,088,998
LIABILITIES												
Accounts payable	$ 43,491	$ 10,366	$ 8,772	$ 5,041	$ 812	$ 26,543	$ -	$ 46,248	$ 22,006	163,279	$ -	163,279
TOTAL LIABILITIES	43,491	10,366	8,772	5,041	812	26,543	-	46,248	22,006	163,279	-	163,279
FUND BALANCES												
Reserved for inventory and prepaids	-		-	-	-	-	-	-	-	-	-	-
Designated												
Special revenue funds	-	34,000	100,000	-	-	-	220,494	-	-	354,494	-	354,494
Undesignated												
Capital projects fund											101,209	101,209
Special revenue funds	2,217,204	422,464	93,639	136,350	128,295	260,197	-	1,366,744	3,845,123	8,470,016		8,470,016
	2,217,204	456,464	193,639	136,350	128,295	260,197	220,494	1,366,744	3,845,123	8,824,510	101,209	8,925,719
TOTAL LIABILITIES AND FUND BALANCES	$ 2,260,695	$ 466,830	$ 202,411	$ 141,391	$ 129,107	$ 286,740	$ 220,494	$ 1,412,992	$ 3,867,129	$ 8,987,789	$ 101,209	$ 9,088,998

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended March 31, 2011

	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												
Property taxes	$ 826,307	$ 400,834	$ 99,678	$ 304,312	$ -	$ -	$ -	$ 1,639,494	$ -	$ 3,270,625	$ -	$ 3,270,625
Charges for services	167,258	-	-	-	-	-	-	-	5,454	172,712	-	172,712
Licenses, permits and fees	-	-	-	-	-	929,264	-	-	1,036,495	1,965,759	-	1,965,759
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	468	-	-	38,626	-	-	39,094	-	39,094
Fees	277,967	-	-	-	-	-	-	-	-	277,967	-	277,967
Grants	91,517	-	-	-	-	-	-	-	622,274	713,791	-	713,791
Reimbursements	-	-	-	23,554	-	-	-	-	-	23,554	-	23,554
Miscellaneous	17,570	-	-	-	-	33,541	5,600	-	38,015	94,726	-	94,726
TOTAL REVENUES	1,380,619	400,834	99,678	328,334	-	962,805	44,226	1,639,494	1,702,238	6,558,228	-	6,558,228
EXPENDITURES												
Operating												
General government	-	-	-	-	-	714,812	-	-	-	714,812	-	714,812
Public works	-	-	-	-	-	-	-	55,676	-	55,676	-	55,676
Public safety	-	382,534	73,433	-	-	-	5,979	-	-	461,946	-	461,946
Community enrichment & development	1,323,429	-	-	311,746	292,111	-	-	-	830,577	2,757,863	-	2,757,863
Other	-	-	-	-	-	-	-	-	-	-	5,157	5,157
	1,323,429	382,534	73,433	311,746	292,111	714,812	5,979	55,676	830,577	3,990,297	5,157	3,995,454
Capital outlay	6,178	-	4,617	-	-	1,653	26,052	1,359,648	23,691	1,421,839	410,814	1,832,653
TOTAL EXPENDITURES	1,329,607	382,534	78,050	311,746	292,111	716,465	32,031	1,415,324	854,268	5,412,136	415,971	5,828,107
REVENUES OVER (UNDER) EXPENDITURES	51,012	18,300	21,628	16,588	(292,111)	246,340	12,195	224,170	847,970	1,146,092	(415,971)	730,121
OTHER FINANCING SOURCES (USES)												
Transfers in (out)	-	-	-	-	150,000	-	-	-	-	150,000	100,000	250,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	150,000	-	-	-	-	150,000	100,000	250,000
NET CHANGE IN FUND BALANCES	51,012	18,300	21,628	16,588	(142,111)	246,340	12,195	224,170	847,970	1,296,092	(315,971)	980,121
FUND BALANCES, beginning of year	2,166,192	438,164	172,011	119,762	270,406	13,857	208,299	1,142,574	2,997,153	7,528,418	417,180	7,945,598
FUND BALANCES, end of year	$ 2,217,204	$ 456,464	$ 193,639	$ 136,350	$ 128,295	$ 260,197	$ 220,494	$ 1,366,744	$ 3,845,123	$ 8,824,510	$ 101,209	$ 8,925,719

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended March 31, 2011

	Balance at April 1, 2010	Additions	Deductions	Balance at March 31, 2011
ASSETS				
Cash	$ 2,493,072	$ 22,113,517	$ 22,091,901	$ 2,514,688
LIABILITIES				
Employees' compensated absences	1,913,884	$ 97,793	$ -	$ 2,011,677
Accounts payable & withholdings	4,698	22,632,423	22,577,798	59,323
Deposits & other liabilities				
Escrow deposits	279,782	142,116	209,315	212,583
Developer deposits	133,000	126,016	179,516	79,500
Other	161,708	372,660	382,763	151,605
TOTAL LIABILITIES	$ 2,493,072	$ 23,371,008	$ 23,349,392	$ 2,514,688

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
March 31, 2011

	Retirement System Pension Trust	Defined Contribution Plan	Total
	December 31, 2010	**March 31, 2011**	
ASSETS			
Cash	$ -	$ -	$ -
Investments			
Mutual funds	-	999,722	999,722
Insurance company guaranteed investment mutual fund	109,101,117	-	109,101,117
Insurance company stock mutual funds	9,110,253	-	9,110,253
TOTAL ASSETS	118,211,370	999,722	119,211,092
NET ASSETS			
Held in trust for pension benefits	118,211,370	999,722	119,211,092
TOTAL NET ASSETS	$ 118,211,370	$ 999,722	$ 119,211,092

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
Year Ended March 31, 2011

	Retirement System Pension Trust	Defined Contribution Plan	Total
	Year Ended December 31, 2010	Year Ended March 31, 2011	
ADDITIONS			
Dividend income	$ 5,185,684	12,223	$ 5,197,907
Interest income	70,137	-	70,137
Contributions and forfeitures	7,043,778	224,876	7,268,654
Increase in fair value	1,167,172	99,084	1,266,256
TOTAL ADDITIONS	13,466,771	336,183	13,802,954
DEDUCTIONS			
Distributions	7,916,036	79,012	7,995,048
Administrative fees	58,095	-	58,095
TOTAL DEDUCTIONS	7,974,131	79,012	8,053,143
CHANGE IN NET ASSETS	5,492,640	257,171	5,749,811
NET ASSETS, beginning of year	112,718,730	742,551	113,461,281
NET ASSETS, end of year	$ 118,211,370	$ 999,722	$ 119,211,092