CHARTER TOWNSHIP OF BLOOMFIELD
STATE OF MICHIGAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year ended March 31, 2010

CHARTER TOWNSHIP OF BLOOMFIELD
STATE OF MICHIGAN

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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, 2010, 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, 2010, 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 5-17 is not a required part 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.

As described in Note XVI to the financial statements, beginning fund balances of various governmental funds and beginning net assets of governmental activities were restated for the correction of errors related to transfers, and beginning net assets of business-type activities were restated for the proper treatment of capital assets and accumulated depreciation.

JENKINS, MAGNUS, VOLK & CARROLL, P.C.

Certified Public Accountants

Bloomfield Hills, Michigan
September 14, 2010

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, 2010.

Financial Highlights

- The assets of the Township exceeded liabilities at the close of the most recent fiscal year by $97,568,494 (net assets). Total net assets decreased by $4,182,209 as compared to the previous fiscal year. These amounts do not include fiduciary funds. Total assets decreased by approximately $4.5 million largely the result of asset depreciation, and total liabilities remained about the same increasing by approximately $266,000 with the reduction to long term debt being offset by a similar increase in the post-employment benefits obligation.
- The major Township assets consist of $112,261,992 in capital assets net of related depreciation, $34,962,659 in cash and investments and $27,210,567 in receivables. Other minor assets total $589,097. The fiscal year saw a shift of about $13 million in assets from investments to capital assets due to the completion of the campus building improvements and the continuation of the water and sewer capital improvement programs. The Township's assets are offset by related long and short-term debt liabilities totaling $66,979,267. Other liabilities include accounts payable, accrued payroll expense, deferred revenues and post employment benefits obligations combining to a total of $10,476,554.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $33,904,795, a decrease of $8,544,266 when compared with the previous fiscal year. The decrease is mostly the result of the Campus Construction Fund balance being reduced by over $8.4 million due to work completed on the projects accounted for within the fund during the fiscal year. The campus construction work done during the year is reported as an increase in the Township's capital assets detailed later in this report. Of the ending balances totaling $33,904,795, reported as undesignated and available for spending at management's discretion is $29,649,110 and the remaining $4,255,685 is restricted, largely in debt service funds.
- At the end of the current fiscal year, undesignated fund balance for the general fund was $7,963,751 about the same as last fiscal year. This fund balance is approximately eighty-six percent (86%) of total general fund expenditures reported this fiscal year.
- The Township's total long-term debt decreased by $2,510,040 during the current fiscal year as a result of making the annual principal payments due on the various outstanding bonds. There was no new debt incurred this year. Debt for employees' compensated absences increased slightly during the year by $9,006. The liability reported for post employment benefit obligations increased by $3,795,742. 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 decreased by $1,595,412 for the year, largely the result of an operating loss of $1,519,364 for the fiscal year. The fund also made a $250,000 transfer to the campus construction fund.

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 20 of the accompanying audit report with the statement of activities on pages 21-22.

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 $97,568,494. 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	
	2010	2009	2010	2009	2010	2009
Current and other assets	$55.3	$65.9	$7.4	$10.8	$62.7	$76.7
Capital assets	62.6	54.0	49.6	48.7	112.2	102.7
Total assets	117.9	119.9	57.0	59.5	174.9	179.4
Long-term liabilities	57.1	55.8	14.2	14.4	71.3	70.2
Other liabilities	4.0	5.1	2.1	1.9	6.1	7.0
Total liabilities	61.1	60.9	16.3	16.3	77.4	77.2
Net assets:						
Invested in capital assets, net of related debt	31.0	27.9	35.4	34.1	66.4	62.0
Restricted	4.0	4.3	4.9	6.9	8.9	11.2
Unrestricted	21.8	26.8	.4	2.2	22.2	29.0
Total net assets	$56.8	$59.0	$40.7	$43.2	$97.5	$102.2

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, 64% 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, $8,943,197, 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 $22,238,722 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. Two 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. A large portion of the construction has been completed this year resulting in a significant increase to the capital assets and a significant decrease to the investment account.

As mentioned, during the current fiscal year, net assets of the Township decreased by $4,182,209. This net decrease is reflected by a decrease in the proprietary fund (water and sewer) of $1,595,412 and a decrease in the governmental fund types of $2,586,797. Changes in proprietary fund net assets are analyzed on Page 32 of the accompanying audit report.

Table 2
Changes in Net Assets
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	$2.8	$3.9	$15.8	$15.1	$18.6	$19.0
Fines and forfeitures	2.5	1.9	-	-	2.5	1.9
General revenues:						
Property taxes	37.4	38.3	-	-	37.4	38.3
Federal grants	-	.2	-	-	.	.2
Other grants	.6	.5	-	-	.6	.5
State shared revenue	2.8	3.2	-	-	2.8	3.2
Reimbursements	.8	.8	-	-	.8	.8
Other general revenues	.1	2.6	.2	.1	.5	2.7
Total revenues	47.0	51.4	16.0	15.2	63.0	66.6
Program expenses						
General government	10.1	11.3	-	-	10.1	11.3
Public safety	28.6	27.7	-	-	28.6	27.7
Public works	4.8	5.9	-	-	4.8	5.9
Comm. development	4.1	3.5	-	-	4.1	3.5
Interest - long-term debt	2.1	2.4	-	-	2.1	2.4
Other general expense	.1	.2	-	-	.1	.2
Water & Sewer	-	-	17.4	15.6	17.4	15.6
Total expenses	49.8	51.0	17.4	15.6	67.2	66.6
Excess rev. over (under) exp. before transfers	(2.8)	.4	(1.4)	(.4)	(4.2)	-
Transfers in (out)	.2	-	(.2)	-	-	-
Increase (decrease) net assets	(2.6)	.4	(1.6)	(.4)	(4.2)	0.0
Net assets, beginning, restated	59.4	58.6	42.4	43.6	101.8	102.2
Net assets, ending	$56.8	$59.0	$40.8	$43.2	$97.6	$102.2

Governmental fund type. Net assets decreased by $2,586,797 as a result of activities within these funds mostly the result of the increase to accumulated depreciation of the capital assets.

- Property tax revenues declined slightly as the Township's taxable value decreased by approximately 2% as compared to last fiscal year. There was no Headlee rollback to property tax rates as a result of the decrease to property values. The declining property values represent the early effect of the housing market decline on local government revenue.

- The major operating funds in this category (General Fund, Road Fund and Public Safety Fund) experienced significant decreases in revenues collected as compared to the previous year. All major revenue sources experienced notable declines from the previous year. State shared revenue declined by over 15% due to the weak state economy. Investment income declined from $1.2 million last year to $483,000 this year reflecting the steep decline in interest rates. As mentioned earlier, property tax revenue was down about 2% representing more than an $800,000 decline. Furthermore, it is expected that these revenue sources will continue to decline most certainly in the near term with significant declines expected over at least the next two years in property tax revenue.

- 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 notable decline in expenditures within this fund group for fiscal 2009-10. Again, it is important to focus on the three major operating funds within the group when analyzing expenditures. All three funds, General, Road and Public Safety experienced decreases in expenditures as compared to last year. General Fund expenditures exclusive of transfers declined by over $750,000 or about 7.7%. Road expenditures declined over $1.1 million or about 24%. Public Safety expenditures decreased by over $650,000 or about 2.7%. Expenditures were reduced or held steady in almost all major categories. Wages have been controlled through pay and hiring freezes. 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. Capital outlay expenses within the three major operating funds have declined as a result of the new campus construction projects. District court revenues and expenditures both decreased this year as the Township's court case load percentage declined. The judicial category revenues and expenses 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. Pension costs did increase and remain a concern. Increased pension costs are mostly the result of anemic investment returns caused by extremely low interest rates and a very volatile and weak equity market. Excluding the campus construction fund from the analysis, overall fund balances for the governmental funds experienced a small decrease from the previous year. The three major operating funds however did end the year with modest increases in fund balance indicating a small surplus for those operations. With the certainty that the Township's taxable values will decline considerably in the next two fiscal years, 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 to help offset some of the property tax revenue losses that will occur. Also, 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 $6,550,314, making the total net assets at the end of the current fiscal year $113,598,829. This increase resulted mostly from an increase in the assets of the Township's Retirement System Pension Trust Fund. The Township also holds $2,493,072 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 $6,550,219.
- The Agency Fund liability for unused paid sick leave increased by $42,393, resulting in additional dollars being transferred into trust to fund this liability at $1,913,884.
- Others monies held in escrow by the Township remained about the same totaling $579,188.
- The new defined contribution plan assets increased by $407,911 to total $742,551 and the retiree health care trust fund increased in value by $95 to total $137,548.

Proprietary fund type. These business-type activities decreased the Township's net assets by $1,595,412 as compared to last year. A prior period adjustment reduced net assets an additional $902,954. Major elements of the net asset change for this group of funds are the following:

- Another cool wet summer season caused water and therefore sewer sales to fall a considerable amount below budget projections which are based upon long-term average consumption amounts. In all, actual fund revenue was approximately $2.0 million below budget projections, clearly the main reason for the $1.5 million operating loss. Operating and administrative costs did increase slightly, by about 1.5%, over the previous year. Non-operating revenues and expenses accounted for another $404,524 in loss for the year offset somewhat by contributions from developers net of transfers out totaling $328,476. Including the prior period adjustment of $902,954 the end result was a total net asset decrease of $2,498,366 as compared to what was reported last year.
- Overall the water and sewer fund balance sheet remains in fair condition despite net assets decreasing by about $2.5 million as compared to last year. Cash balances both restricted and non-restricted declined as a result of the operating loss and the planned spending on system infrastructure.

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 are made up of this major revenue source. 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 as this cash is necessary to meet expenses for nine months of operation before the next year's tax bills are sent out. However, the current fund balances have been steadily improving in recent years and are considered to be adequate.

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 $7,963,751. The entire general fund balance is generally unreserved, with the exception of reserves for inventory and prepaids, and available for spending at the administration's discretion, including transfers to supplement special revenue funds.

During the current fiscal year, the fund balance of the Township's general fund decreased slightly by $99,821. The fund would have finished the year with a surplus were it not for the extraordinary transfer of $590,000 to the campus construction fund to facilitate the completion of those projects. The fund's revenues were considerably less than last fiscal year down approximately 15%. All major revenue sources declined. Property tax revenue was down about 2% as the housing market decline began to affect the Township's taxable value. State revenue sharing was down about 14% as the current recession brought about sales tax revenue declines and decimated the State's budget. Fines and forfeiture revenue declined by about 21% as the Township's share of court revenue was reduced as a result of our lower case load ratio discussed earlier. The fund expenditures finished the year at 91% of the budget projection representing over $1.0 million budgeted dollars unspent. The favorable budget variances were mostly from four activities. Transfers to other funds came in $410,000 under budget largely because the road fund did not require the anticipated transfer as that fund came in significantly under budget on expenditures. Capital expenditures were $289,000 under budget as departments began to curtail spending in anticipation of steeply declining future revenue. For that same reason $60,000 was budgeted for motor pool vehicle purchases and not spent. Lastly, the district court expenditures were about $175,000 under budget due to a lower case load ratio. Unfortunately the favorable expenditure variances were offset as discussed above by equally unfavorable revenue budget variances with fund revenues finishing the year at 90% of budget projections. The unfavorable revenue variances were focused within three categories. State shared revenues finished under budget about $450,000, investment income under budget

$350,000 and court revenue under budget by $430,000. The current economic volatility is making budget preparation much more problematic. The good news this year is that the Township management was able to respond to significantly reduced revenues by similarly reducing expenditures; ending up in a balanced situation as originally planned.

This fund is currently in very good to excellent financial shape but does face several significant challenges going forward. Property tax revenue is certain to experience large declines for at least the next two upcoming fiscal years as a result of the steep reductions to property values. In the near term it appears there is no relief in sight from the extremely low interest rate returns on invested tax dollars. The financial situation at the state level is not optimistic making it likely that state shared revenue will continue to stagnate or decline. Absent a property tax increase of some sort tax revenues over the next two fiscal years are expected to decline anywhere from 18% to 25% due to the steep decline in property values. State revenue sharing has been declining for several years and we expect this trend to continue possibly at an even greater rate as the state battles to balance their budget and state sales tax revenues decline due to the weakness of the economy. Investment income has recently been decimated by the extremely low interest rates being paid on certificates of deposit and money market funds. Over the past three fiscal years investments have generated on average over $1.35 million. For the next two fiscal years, it will be difficult to achieve $400,000 per year.

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 projected to reduce health insurance costs by about 10% to 15%. 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. Historically these 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 weak state economy and the significant slump in the housing market. Consequently, it is certain, at least in the near term, that the major sources of revenue to this fund will not be able to support the present expenditure level. For 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 the new public safety millage in 2002. However, many of the factors that contributed to recent gains are not likely sustainable over the long haul. The fund will benefit from a new property tax millage next year but most of these dollars will be used to provide more support to the public safety fund which will be hit the hardest by the decreased property tax revenue.

Road Fund. The road fund is the third ranking of the three major governmental operating funds. At the end of the current fiscal year, unreserved fund balance of the road fund was $1,737,704. The overall fund balance decreased $84,888 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 only $100,000. Typically the general fund provides a much greater supplement to the road fund but this year significant reductions were made in maintenance work to help cut overall costs in anticipation of declining property tax revenue in the near future. 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 $2,776,870, the general fund transfer of $100,000 and Oakland County Road Commission contract repayments totaling $607,499. 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 high 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 pay freezes in 2009, 2010 and 2011. 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 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 $12,323,637. The total fund balance increased $138,418 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. The cost of dispatch and post employment expenses have increased over those years to the present amount of approximately $3,000,000 annually and are now more appropriately charged to the public safety fund. The fund balance increase was not nearly as large as the increase from the prior fiscal year, as fund revenues declined by over $1.0 million compared to last year largely due to reduced property tax revenue resulting from the start of the housing market decline. In response to declining revenues, the expenditures were also reduced by almost 3.0%. Revenues for the year came in slightly below the budgeted projection at 98% of budget as did fund expenditures finishing at 97% of budget. The net favorable variance of $138,418 accounts for the small increase to the fund balance. Each department within the fund operated at or near their budgeted manpower level. The expenditure variances were relatively small and occurred in four categories: wages 97% of budget, life and health insurance 93% of budget, retirement expense at 112% of budget and capital outlay 76% of budget. The favorable life and health insurance variance reflects the premium renewal being a little lower than expected and the change to a high deductible HRA plan design in January, 2010. The unfavorable variance in pension expense is largely due to reducing the rate of return assumption on the assets in the pension plan to reflect the weaker returns that have been experienced over the past several years. Capital outlay expenditures were maintained at minimal levels in anticipation of future declining property tax revenue.

The historical trend for this fund has seen fringe benefit expenditures increase at a greater rate than fund revenue, mostly derived from the public safety property tax millage. This trend, given time, eventually leads 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, any action must be targeted at controlling the increase in these expenses. 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 $3,961,000 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. This year we negotiated pay freezes for all public safety employees in 2010 and 2011 with all existing contracts scheduled to expire in March, 2012. 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 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 sound, 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 $955,318 were made during the fiscal year. The fund ended the year with a fund balance of $437,193. At the end of the fiscal year the remaining unpaid debt totaled $6,186,184 on the seven 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 $850,000 principal installment this year the remaining unpaid debt at March 31, 2010 was $19,525,000. The fund had a year-end fund balance of $1,764,704 with approximately $1,624,000 in principal and interest payments due prior to the next tax levy.

Campus Construction Funds. These two funds were established in 2007-08 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. A debt retirement fund was established to account for property tax revenue and principal and interest payments related to the bonds. The required debt retirement levy was just over 0.36 mills in order to make the payments this fiscal year. Debt remaining outstanding at the end of this fiscal year is $25,500,000. A construction fund was established to account for the estimated $29,500,000 cost of the entire project. Most of the campus construction was completed during this fiscal year with about $9.9 million being spent from the fund for capital outlay. This activity reduced significantly the fund balance in the campus construction fund while significantly increasing the Township's capital assets.

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 minor 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 $457,404 at the end of the current fiscal year a relatively large decrease of over $1.7 million as compared to last year. The fund also had a relatively large decrease in total net assets of just under $2.5 million as compared to last year's report. The decrease was mainly the result of an operating loss for the year of $1,519,364 and prior period audit adjustments totaling $902,954. The factors that contributed to the operating loss were net water sales falling $350,000 below budget projection and net sewer sales also falling $350,000 below budget as the result of a wetter summer season causing below average sales, also the water and sewer rates were not designed to cover about $1,000,000 of the annual depreciation expense. Total operating and administrative expenses including depreciation were budgeted at $5,410,925 and came in at $5,357,619 about 1.0% under budget. The prior period adjustment was mainly to adjust the accumulated depreciation in the fund to match newer more accurate depreciation tables. The fund was in sound financial condition at the beginning of the year and despite a negative cash balance the fund remains in good condition. Several consecutive years of operating losses haven taken their toll on the unrestricted cash balance but the negative balance of $829,130 is offset by short term accounts receivable of over $3,000,000 and $4,873,422 in restricted cash keeping the fund in a sound financial condition. However management is aware that the operating losses need to stop. The recent operating losses have been the result of selling less water than our previous ten year average caused by wet summers and the ever-increasing cost of the water from the City of Detroit. Management is taking the steps necessary to eliminate these operating losses by lowering expected consumption and considering making a fixed fee not subject to use as a part of the rate structure to match changes made by the supplier. Also, in order to contain cost increases the employees charged to the proprietary fund also are subject to pay freezes in 2009, 2010 and 2011. They also have had their health plan changed to the high deductible plan that all other employees have accepted as of January 10, 2010.

Management also remains very proactive in meeting the need 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 have yet to be sold as of the end of this 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, 2010, amounted to $112,261,992 (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 increase in investment in capital assets for the current fiscal year was about 9.30 percent (a 16.00 percent increase for governmental activities and a 1.79 percent increase for business-type activities). The large increase in the governmental fund type assets reflects over $9.9 million spent on construction related to the campus construction project. The total increase was limited within the business-type activities by an increase to accumulated depreciation mentioned earlier in the proprietary fund section of this discussion.

Other capital asset events during the current fiscal year included the following:

- Fire Department improvements, vehicles, and equipment purchases at a cost of $382,684
- Improvements to water and sewer infrastructure costing $3,069,295
- Safety Path (sidewalk) construction at a cost of $1,737,008
- Police Vehicles and equipment costing $295,464
- Road Dept. vehicles and equipment at a cost of $280,037

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 $66,979,267, which consists of $52,792,399 within the governmental activity funds and $14,186,868 within the business-type activity fund. During this fiscal year there were no new bond issues. The majority of the governmental debt consists of bonded debt of $19,525,000 to pay for the library addition and renovation and $25,500,000 to pay for campus additions and renovations. The remaining debt within the governmental funds reflects the Township's share of county debt for various storm sewer projects. All governmental activity debt is being paid for via ad valorem property tax levies. The bonded debt in the business-type activity fund consists of the Township share of county debt obligations for various sanitary sewer construction projects within the Township as well as debt issued by the Township related to the water and sewer system capital improvement programs. The water and sanitary sewer debt payments are made using funds collected from customers on their quarterly bills. The remaining long-term debt reported consists of $1,578,850 for employee compensated absences.

The Township's long-term debt decreased by $2,510,040 during fiscal 2010. The reduction was largely the result of making 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 $100,000 from the general fund to the road fund to assist that fund in meeting its financial obligations. The Township also transferred $300,000 from the general fund to the improvement and revolving fund to assist that fund in paying for several community projects. These projects included the beautification of road medians, storm drain maintenance, gypsy moth spraying and mosquito control. The general fund also transferred $590,000 to the campus construction fund as part of a $2.0 million commitment to the projects from various Township funds. Other funds making transfers to the campus construction fund this year were the public safety fund, $200,000, the senior services fund, $300,000 and the water and sewer fund, $250,000. 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 improvement and revolving fund transfer was $100,000 less than last year; the general fund typically moves between $300,000 to $500,000 to pay for the annual I&R projects. The campus fund transfers are unique; this year they represent the remainder of the $2.0 million obligation made to the projects from outside sources.

Summary. The Township experienced a satisfactory fiscal year financially in 2009-10 with the three major operating funds experiencing a small increase in their equity positions despite declining property tax revenues. 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 have reached 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. The projected trend in health care premium increases remains higher than the CPI.
- The employees' defined benefit pension plan is a very expensive fringe benefit. The employer cost for this benefit continues to increase both over the long and short term at a rate much greater than the increases to Township revenues, 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.
- The most serious challenge 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 the next two fiscal years, but long term effects will also be a serious challenge. Ultimately, the Township could lose as much as 25% 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 has implemented a new high deductible consumer directed HRA style health insurance plan for all eligible active employees. The plan is projected to reduce health insurance premium expense by about 10% as compared to the plan it will replace and help to contain future annual premium increases.

The Township's present financial condition in both the governmental and the business-type funds is very good. The situation within the governmental group had been improving for several years but stagnated over the past year due to the declining tax revenues. The condition in the business-type fund has been deteriorating somewhat over the past few years due to poor water and sewer sales, however the fund still remains in very good condition and steps have been taken to return operations to break even or small surplus in the near future. 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 the expected decline in state revenue sharing along with extremely poor investment returns and there is a very severe financial storm with the three largest sources of revenue likely to be declining 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 any 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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 10,674,157	$ 4,044,292	$ 14,718,449	$ 5,485,793
Investments	20,244,210	-	20,244,210	4,273,441
Receivables	24,102,076	3,108,491	27,210,567	13,639
Other	-	-	-	4,928
Prepaid items	65,445	-	65,445	-
Inventory	124,207	144,956	269,163	-
TOTAL CURRENT ASSETS	55,210,095	7,297,739	62,507,834	9,777,801
NONCURRENT ASSETS				
CAPITAL ASSETS				
Nondepreciable assets				
Land	828,648	-	828,648	131,015
Other	-	2,416,102	2,416,102	-
Depreciable assets				
Land improvements	18,986,623	-	18,986,623	-
Building	44,933,371	-	44,933,371	26,677,568
Machinery, furniture and equipment	20,381,244	1,386,274	21,767,518	4,227,809
Library books & audiovisual materials	-	-	-	4,133,518
Investment in system	12,697,390	77,365,505	90,062,895	-
Less accumulated depreciation	(35,184,118)	(31,549,047)	(66,733,165)	(6,074,892)
TOTAL CAPITAL ASSETS	62,643,158	49,618,834	112,261,992	29,095,018
OTHER ASSETS				
Bond discount	105,990	50,854	156,844	-
Bond issue costs	-	97,645	97,645	-
TOTAL OTHER ASSETS	105,990	148,499	254,489	-
TOTAL NONCURRENT ASSETS	62,749,148	49,767,333	112,516,481	29,095,018
TOTAL ASSETS	117,959,243	57,065,072	175,024,315	38,872,819
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	1,879,850	1,570,110	3,449,960	455,444
Unearned revenue	34,667	51,185	85,852	-
Due to primary government	-	-	-	290,520
Amounts due within one year	2,131,782	497,631	2,629,413	507,619
TOTAL CURRENT LIABILITIES	4,046,299	2,118,926	6,165,225	1,253,583
NONCURRENT LIABILITIES				
Postemployment benefit obligations	6,446,655	494,087	6,940,742	374,478
Amounts due in more than one year	50,660,617	13,689,237	64,349,854	220,255
TOTAL NONCURRENT LIABILITIES	57,107,272	14,183,324	71,290,596	594,733
TOTAL LIABILITIES	61,153,571	16,302,250	77,455,821	1,848,316
NET ASSETS				
Invested in capital assets				
net of related debt	30,954,609	35,431,966	66,386,575	29,095,018
Restricted for:				
Capital projects	-	4,002,530	4,002,530	-
Debt service	3,731,070	870,922	4,601,992	-
Public safety	338,675	-	338,675	-
Construction	-	-	-	59,128
Gifts	-	-	-	35,609
Unrestricted assets	21,781,318	457,404	22,238,722	7,834,748
TOTAL NET ASSETS	$ 56,805,672	$ 40,762,822	$ 97,568,494	$ 37,024,503

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

STATEMENT OF ACTIVITIES

Year Ended March 31, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenue Charges for Services	Net (Expense) Revenue
PRIMARY GOVERNMENT			
Governmental activities:			
Legislative	$ 21,551	$ -	$ (21,551)
Judicial	1,723,733	-	(1,723,733)
General government	8,351,045	2,801,700	(5,549,345)
Public safety	28,597,924	2,522,395	(26,075,529)
Public works	4,804,439	-	(4,804,439)
Community enrichment and development	4,059,343	-	(4,059,343)
Miscellaneous	84,264	-	(84,264)
Interest on long-term debt	2,145,261	-	(2,145,261)
TOTAL GOVERNMENTAL ACTIVITIES	49,787,560	5,324,095	(44,463,465)
Business-type activities:			
Water & Sewer	17,373,633	15,809,272	(1,564,361)
TOTAL PRIMARY GOVERNMENT	$ 67,161,193	$ 21,133,367	$ (46,027,826)
COMPONENT UNIT			
Library	$ 7,198,371	$ 16,201	$ (7,182,170)

continued...

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF ACTIVITIES (CONCLUDED)
Year Ended March 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
CHANGES IN NET ASSETS				
Net (expense) revenue	$ (44,463,465)	$ (1,564,361)	$ (46,027,826)	$ (7,182,170)
General revenues:				
Property taxes	37,375,658	-	37,375,658	5,635,476
Circulation revenue	-	-	-	116,003
Other grants	580,151	-	580,151	-
State shared revenue	2,796,196	-	2,796,196	26,523
Reimbursements	821,840	-	821,840	-
Miscellaneous	(574,649)	39,222	(535,427)	149,178
Unrestricted investment earnings	627,472	179,727	807,199	27,387
Transfers	250,000	(250,000)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	41,876,668	(31,051)	41,845,617	5,954,567
CHANGE IN NET ASSETS	(2,586,797)	(1,595,412)	(4,182,209)	(1,227,603)
NET ASSETS, beginning of year	59,083,900	43,261,188	102,345,088	38,252,106
PRIOR PERIOD ADJUSTMENT	308,569	(902,954)	(594,385)	-
NET ASSETS, beginning of year, as restated	59,392,469	42,358,234	101,750,703	38,252,106
NET ASSETS, end of year	$ 56,805,672	$ 40,762,822	$ 97,568,494	$ 37,024,503

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, 2010

	General	Road	Public Safety	Drain at-Large	Library Debt Retirement	Campus Construction Debt Retirement	Campus Construction	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 6,442,033	$ 1,615,305	$ 11,446,354	$ 437,193	$ 1,764,704	$ 1,529,173	$ 394,984	$ 7,288,621	$ 30,918,367
Marketable securities	-	-	-	-	-	-	-	-	-
Receivables (net)									
Delinquent taxes	712,011	184,184	1,600,469	-	-	-	-	-	2,496,664
Component unit	290,520	-	-	-	-	-	-	-	290,520
Special assessment, voted millage	-	-	-	-	19,525,000	25,500,000	-	-	45,025,000
Other	1,073,248	97,064	185,290	-	-	-	-	431,560	1,787,162
Prepaid items	53,952	-	-	-	-	-	-	7,781	61,733
Inventory	38,956	85,251	-	-	-	-	-	-	124,207
Intangibles & other assets	-	-	-	-	-	-	105,992	-	105,992
TOTAL ASSETS	$ 8,610,720	$ 1,981,804	$ 13,232,113	$ 437,193	$ 21,289,704	$ 27,029,173	$ 500,976	$ 7,727,962	$ 80,809,645
LIABILITIES									
Accounts payable and accrued expenses	$ 554,061	$ 158,849	$ 883,600	$ -	$ -	$ -	$ 83,796	$ 199,544	$ 1,879,850
Deferred revenue	-	-	-	-	19,525,000	25,500,000	-	-	45,025,000
TOTAL LIABILITIES	554,061	158,849	883,600	-	19,525,000	25,500,000	83,796	199,544	46,904,850
FUND BALANCES									
Reserved for inventory and prepaids	92,908	85,251	-	-	-	-	-	7,781	185,940
Reserved for debt service	-	-	-	437,193	1,764,704	1,529,173	-	-	3,731,070
Designated reported in:									
Special revenue funds	-	-	24,876	-	-	-	-	313,799	338,675
Undesignated reported in:									
General fund	7,963,751	-	-	-	-	-	-	-	7,963,751
Special revenue funds	-	1,737,704	12,323,637	-	-	-	-	7,206,838	21,268,179
Capital projects fund	-	-	-	-	-	-	417,180	-	417,180
TOTAL FUND BALANCES	8,056,659	1,822,955	12,348,513	437,193	1,764,704	1,529,173	417,180	7,528,418	33,904,795
TOTAL LIABILITIES AND FUND BALANCES	$ 8,610,720	$ 1,981,804	$ 13,232,113	$ 437,193	$ 21,289,704	$ 27,029,173	$ 500,976	$ 7,727,962	$ 80,809,645

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, 2010

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 33,904,795
Amounts reported for governmental activities in the statement of net assets are different because:	
Adjustments required to convert balances to full accrual basis from modified accrual basis.	
Add: prepaid interest and fiscal charges	3,709
Deduct: service receivable	(31,936)
Add: deferred revenue	19,525,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add: capital assets	97,827,276
Deduct: accumulated depreciation	(35,184,118)
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	(52,792,399)
Deduct: postemployment benefit obligations	(6,446,655)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 56,805,672

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, 2010

	General	Road	Public Safety	Drain at-Large	Library Debt Retirement	Campus Construction Debt Retirement	Campus Construction	Other Governmental Funds	Total Governmental Funds
REVENUE									
Taxes and assessments	$ 3,888,698	$ 2,776,870	$ 24,129,555	$ 968,323	$ 1,471,958	$ 1,407,949	$ -	$ 3,582,305	$ 38,225,658
Grants	-	-	-	-	-	-	-	580,151	580,151
Road fund repayments	-	607,499	-	-	-	-	-	-	607,499
State shared revenues	2,796,196	-	-	-	-	-	-	-	2,796,196
Charges for services	609,186	2,798	199,914	-	-	-	-	219,957	1,031,855
Licenses, permits and fees	61,435	37,085	17,401	-	-	-	-	1,653,924	1,769,845
Investment	483,215	-	-	-	-	-	143,594	663	627,472
Fines and forfeitures	1,476,721	-	-	-	-	-	-	48,345	1,525,066
Rent	737,181	-	-	-	-	-	-	-	737,181
Fees	-	-	-	-	-	-	-	280,328	280,328
Reimbursements	107,513	30,324	83,000	-	-	-	-	28,504	249,341
Miscellaneous	46,883	22,465	81,016	-	615	-	-	67,143	218,122
TOTAL REVENUE	10,207,028	3,477,041	24,510,886	968,323	1,472,573	1,407,949	143,594	6,461,320	48,648,714
EXPENDITURES									
Operating									
Legislative	21,551	-	-	-	-	-	-	-	21,551
Judicial	1,723,733	-	-	-	-	-	-	-	1,723,733
General government	6,461,725	-	-	-	-	-	-	909,735	7,371,460
Public works	-	3,212,116	-	-	-	-	-	74,558	3,286,674
Public safety	399,163	-	23,494,320	-	-	-	-	487,209	24,380,692
Community enrichment and development	395,131	-	-	-	-	-	-	3,339,475	3,734,606
Other	82,369	-	-	-	3,356	1,591	4,784	-	92,100
Capital outlay	233,177	280,037	678,148	-	-	-	9,893,818	1,856,329	12,941,509
Debt service									
Principal retirement	-	-	-	706,945	850,000	500,000	-	-	2,056,945
Interest and fiscal charges	-	-	-	248,373	773,681	1,120,225	-	-	2,142,279
TOTAL EXPENDITURES	9,316,849	3,492,153	24,172,468	955,318	1,627,037	1,621,816	9,898,602	6,667,306	57,751,549
REVENUES OVER (UNDER) EXPENDITURES	890,179	(15,112)	338,418	13,005	(154,464)	(213,867)	(9,755,008)	(205,986)	(9,102,835)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	100,000	-	-	-	-	1,340,000	300,000	1,740,000
Transfers out	(990,000)	-	(200,000)	-	-	-	-	(300,000)	(1,490,000)
TOTAL OTHER FINANCING SOURCES (USES)	(990,000)	100,000	(200,000)	-	-	-	1,340,000	-	250,000
NET CHANGE IN FUND BALANCES	(99,821)	84,888	138,418	13,005	(154,464)	(213,867)	(8,415,008)	(205,986)	(8,852,835)
FUND BALANCES, beginning of year as originally stated	8,156,480	1,738,067	12,210,095	424,188	1,919,168	1,743,040	8,832,188	7,425,835	42,449,061
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	308,569	308,569
FUND BALANCES, beginning of year as restated	8,156,480	1,738,067	12,210,095	424,188	1,919,168	1,743,040	8,832,188	7,734,404	42,757,630
FUND BALANCES, end of year	$ 8,056,659	$ 1,822,955	$ 12,348,513	$ 437,193	$ 1,764,704	$ 1,529,173	$ 417,180	$ 7,528,418	$ 33,904,795

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, 2010

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (8,852,835)
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		14,484
Deduct: deposits and accrued expenses		(37,688)
Deduct: deferred revenue		(884,667)
Deduct: prepaid interest and fiscal charges		(2,982)
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	54,266	
Add: capital outlay	12,941,509	
Net additions		12,995,775
Deduct: depreciation expense		(3,512,663)
Deduct: disposals	(784,934)	
Deduct: transfers of capital assets	(54,266)	
Net disposals		(839,200)
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		2,056,945
Deduct: increase in the accrual for post employment benefits		(3,514,960)
Deduct: increase in the accrual for compensated absences		(9,006)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (2,586,797)

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
GENERAL FUND
Year Ended March 31, 2010

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Taxes and assessments	$ 3,912,000	$ 3,912,000	$ 3,888,698	$ (23,302)
State shared revenues	3,250,000	3,250,000	2,796,196	(453,804)
Charges for services	520,000	520,000	609,186	89,186
Licenses, permits and fees	52,000	52,000	61,435	9,435
Investment	830,000	830,000	483,215	(346,785)
Fines and forfeitures	1,914,500	1,914,500	1,476,721	(437,779)
Rent	724,000	724,000	737,181	13,181
Reimbursements	90,000	90,000	107,513	17,513
Miscellaneous	60,000	60,000	46,883	(13,117)
TOTAL REVENUE	11,352,500	11,352,500	10,207,028	(1,145,472)
EXPENDITURES				
Operating				
Legislative	15,000	15,000	21,551	6,551
Judicial	1,898,000	1,898,000	1,723,733	(174,267)
General government	6,568,276	6,568,276	6,461,725	(106,551)
Public safety	419,225	419,225	399,163	(20,062)
Community enrichment and development	358,225	358,225	395,131	36,906
Other	165,000	165,000	82,369	(82,631)
Capital outlay	522,000	522,000	233,177	(288,823)
TOTAL EXPENDITURES	9,945,726	9,945,726	9,316,849	(628,877)
REVENUES OVER (UNDER) EXPENDITURES	1,406,774	1,406,774	890,179	(516,595)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,400,000)	(1,400,000)	(990,000)	410,000
TOTAL OTHER FINANCING SOURCES (USES)	(1,400,000)	(1,400,000)	(990,000)	410,000
NET CHANGE IN FUND BALANCES	6,774	6,774	(99,821)	(106,595)
FUND BALANCES, beginning of year	8,156,480	8,156,480	8,156,480	-
FUND BALANCES, end of year	$ 8,163,254	$ 8,163,254	$ 8,056,659	$ (106,595)

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, 2010

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
REVENUE				
Taxes	$ 2,795,000	$ 2,795,000	$ 2,776,870	$ (18,130)
Street lighting income	34,000	34,000	37,085	3,085
Road commission repayments	585,000	585,000	607,499	22,499
Sale of assets	30,000	30,000	19,765	(10,235)
Charges for services	1,000	1,000	2,798	1,798
Other revenues	45,000	45,000	33,024	(11,976)
TOTAL REVENUE	3,490,000	3,490,000	3,477,041	(12,959)
EXPENDITURES				
Public works				
Salaries and wages	1,324,000	1,324,000	1,150,655	(173,345)
Payroll taxes	101,300	101,300	89,761	(11,539)
Life and health insurance	279,000	279,000	234,455	(44,545)
Retirement plan	315,000	315,000	355,941	40,941
Retiree health care	155,000	155,000	153,618	(1,382)
Matching funds-road improvements	31,000	31,000	543	(30,457)
Street lighting/traffic signals	100,000	100,000	93,960	(6,040)
Workers compensation insurance	40,000	40,000	21,065	(18,935)
Sick pay accrual	15,000	15,000	3,808	(11,192)
Other employee fringe benefits	2,000	2,000	1,214	(786)
Office supplies	5,000	5,000	3,884	(1,116)
Operating supplies	21,500	21,500	12,234	(9,266)
Professional services	109,000	109,000	55,696	(53,304)
Communications	7,500	7,500	9,397	1,897
Transportation	428,000	428,000	310,554	(117,446)
Insurance and bonds	60,000	60,000	55,668	(4,332)
Repairs and maintenance supplies	955,000	955,000	569,343	(385,657)
Training expenses	4,000	4,000	2,844	(1,156)
Legal & advertising	1,000	1,000	-	(1,000)
Contracted repairs and maintenance	50,000	50,000	54,730	4,730
Miscellaneous	3,000	3,000	32,746	29,746
Capital outlay	225,000	225,000	280,037	55,037
TOTAL EXPENDITURES	4,231,300	4,231,300	3,492,153	(739,147)
REVENUES OVER (UNDER) EXPENDITURES	(741,300)	(741,300)	(15,112)	726,188
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	100,000	(650,000)
TOTAL OTHER FINANCING SOURCES (USES)	750,000	750,000	100,000	(650,000)
NET CHANGE IN FUND BALANCES	8,700	8,700	84,888	76,188
FUND BALANCES, beginning of year	1,738,067	1,738,067	1,738,067	-
FUND BALANCES, end of year	$ 1,746,767	$ 1,746,767	$ 1,822,955	$ 76,188

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, 2010

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
REVENUE				
Taxes	$ 24,415,000	$ 24,415,000	$ 24,129,555	$ (285,445)
Liquor license rebates	18,000	18,000	17,401	(599)
Charges for services	185,000	185,000	199,914	14,914
Sale of assets	30,000	30,000	19,765	(10,235)
Federal grants	60,000	60,000	-	(60,000)
Reimbursements	120,000	120,000	83,000	(37,000)
Other revenues	170,000	170,000	61,251	(108,749)
TOTAL REVENUE	24,998,000	24,998,000	24,510,886	(487,114)
EXPENDITURES				
Public safety				
Salaries and wages	12,226,000	12,226,000	11,907,252	(318,748)
Payroll taxes	935,300	935,300	915,566	(19,734)
Life and health insurance	5,183,750	5,183,750	4,806,975	(376,775)
Retirement plan	3,529,000	3,529,000	3,960,861	431,861
Workers compensation insurance	296,500	296,500	241,055	(55,445)
Sick pay accrual	165,000	165,000	138,035	(26,965)
Other employee fringe benefits	14,500	14,500	6,441	(8,059)
Office supplies	26,600	26,600	31,825	5,225
Operating supplies	218,800	218,800	146,046	(72,754)
Professional services	159,800	159,800	163,095	3,295
Communications	50,000	50,000	46,287	(3,713)
Transportation	436,000	436,000	378,870	(57,130)
Insurance and bonds	305,000	305,000	289,584	(15,416)
Repair and maintenance	156,500	156,500	195,119	38,619
Training expenses	123,000	123,000	93,214	(29,786)
Public utilities	62,000	62,000	64,172	2,172
Miscellaneous	17,000	17,000	109,923	92,923
Capital outlay	889,000	889,000	678,148	(210,852)
TOTAL EXPENDITURES	24,793,750	24,793,750	24,172,468	(621,282)
REVENUES OVER (UNDER) EXPENDITURES	204,250	204,250	338,418	134,168
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(200,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(200,000)	(200,000)	(200,000)	-
NET CHANGE IN FUND BALANCES	4,250	4,250	138,418	134,168
FUND BALANCES, beginning of year	12,210,095	12,210,095	12,210,095	-
FUND BALANCES, end of year	$ 12,214,345	$ 12,214,345	$ 12,348,513	$ 134,168

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

STATEMENT OF NET ASSETS
PROPRIETARY FUND
March 31, 2010

	Water & Sewer
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	
Unrestricted	$ (829,130)
Restricted	4,873,422
Receivables	
Oakland County	7,086
Customers	3,030,658
Other	70,747
Inventory	144,956
TOTAL CURRENT ASSETS	7,297,739
CAPITAL ASSETS	
Machinery and equipment	1,386,273
Investment in system	79,781,607
	81,167,880
Less accumulated depreciation	(31,549,046)
NET CAPITAL ASSETS	49,618,834
OTHER ASSETS	
Bond discount	50,854
Bond issue costs	97,645
TOTAL OTHER ASSETS	148,499
TOTAL ASSETS	$ 57,065,072
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 1,570,110
Liens and unit charges	51,185
Current portion of long term debt	497,631
TOTAL CURRENT LIABILITIES	2,118,926
NONCURRENT LIABILITIES	
Long term debt due in more than one year	13,689,237
Post employment benefit obligation	494,087
	14,183,324
TOTAL LIABILITIES	16,302,250
NET ASSETS	
Invested in capital assets, net of related debt	35,431,966
Restricted	4,873,452
Unrestricted	457,404
TOTAL NET ASSETS	40,762,822
TOTAL LIABILITIES AND NET ASSETS	$ 57,065,072

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, 2010

	Water & Sewer
OPERATING REVENUES	
Water sales	$ 7,958,074
Sewer usage	5,819,160
Debt service charges	989,577
Privilege fees	106,833
Tap sales	41,175
Meter material and service sales	141,571
Capital charges	8,000
Late payment penalties	166,406
TOTAL OPERATING REVENUES	15,230,796
DIRECT COSTS	
Water purchased	6,756,835
Treatment charges	4,055,963
CSO drain maintenance	510,944
Tap costs	35,328
Meter, materials and service costs	33,471
TOTAL DIRECT COSTS	11,392,541
OPERATING AND ADMINISTRATIVE EXPENSES	5,357,619
OPERATING LOSS	(1,519,364)
NONOPERATING REVENUES (EXPENSES)	
Interest	179,727
Miscellaneous	39,222
Interest	(623,473)
TOTAL NONOPERATING REVENUES (EXPENSES)	(404,524)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(1,923,888)
CONTRIBUTIONS FROM DEVELOPERS	578,476
TRANSFERS OUT	(250,000)
	328,476
CHANGE IN NET ASSETS	(1,595,412)
NET ASSETS, beginning of year	43,261,188
PRIOR PERIOD ADJUSTMENT	(902,954)
NET ASSETS, end of year	$ 40,762,822

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, 2010

	Water & Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 14,404,795
Receipts from miscellaneous	463,985
Payments to employees and suppliers	(14,691,263)
NET CASH PROVIDED BY OPERATING ACTIVITIES	177,517
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to other governments	(20,257)
Receipts from other governments	16,719
Transfer out	(250,000)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(253,538)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
General obligation contracts with County	
Principal payments	(465,119)
Interest and fiscal charges	(622,820)
Bond costs	8,650
Purchase of capital assets	(2,536,652)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(3,615,941)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	179,727
Miscellaneous	39,222
NET CASH PROVIDED BY INVESTING ACTIVITIES	218,949
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,473,013)
CASH AND CASH EQUIVALENTS, beginning of year	7,517,305
CASH AND CASH EQUIVALENTS, end of year	$ 4,044,292
STATEMENT OF NET ASSETS CLASSIFICATION OF CASH	
Unrestricted	$ (829,130)
Restricted	4,873,422
TOTALS	$ 4,044,292

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, 2010

	Water & Sewer
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (1,519,364)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,649,471
(Increase) decrease in:	
Receivables from customers	(270,629)
Receivables from others	(557)
Inventory	(96,013)
Increase (decrease) in:	
Accounts payable and accrued expenses	224,657
Deferred revenue	(64,330)
Other Post Employment Benefits	280,782
Due to Improvement & Revolving Fund	(26,500)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 177,517

NONCASH CAPITAL FINANCING ACTIVITIES

Capital assets of $578,476 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

	Retiree Health Care Fund	Pension Trust Fund	Agency Fund
ASSETS			
Cash	$ 137,548	$ -	$ 2,493,072
Investments			
Mutual funds	-	742,551	-
Insurance company guaranteed investment mutual fund	-	100,345,787	-
Insurance company stock mutual funds	-	12,372,943	-
TOTAL ASSETS	137,548	113,461,281	2,493,072
LIABILITIES			
Employees' compensated absences	-	-	1,913,884
Accounts payable and withholdings	-	-	4,698
Deposits and other liabilities			
Escrow deposits	-	-	279,782
Developer deposits	-	-	133,000
Other	-	-	161,708
TOTAL LIABILITIES	-	-	2,493,072
NET ASSETS			
Held in trust for pension and other employee benefits	137,548	113,461,281	-
TOTAL NET ASSETS	$ 137,548	$ 113,461,281	$ -

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

	Retiree Health Care Fund	Pension Trust Fund
ADDITIONS		
Dividend income	$ -	$ 4,874,666
Interest income	95	96,678
Contributions	-	5,949,486
Increase in fair value	-	3,233,259
TOTAL ADDITIONS	95	14,154,089
DEDUCTIONS		
Distributions	-	7,531,745
Administrative fees	-	72,125
TOTAL DEDUCTIONS	-	7,603,870
CHANGE IN NET ASSETS	95	6,550,219
NET ASSETS, beginning of year	137,453	106,911,062
NET ASSETS, end of year	$ 137,548	$ 113,461,281

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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Bloomfield (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 September 13, 1993. On September 13, 1993, the Township's Board of Trustees incorporated 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 law enforcement, public safety, fire protection, justice administration, water and sewer and community development 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.

Campus Construction Fund

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

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

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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, Liabilities and Fund Equity

1. Cash, Cash Equivalents and Investments

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

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

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, 2010, 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 seven 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	$ 10,674,157	$ 4,044,292	$ 2,630,620	$ 17,349,069	$ 5,485,793
Investments	20,244,210	-	-	20,244,210	4,273,441
Total	$ 30,918,367	$ 4,044,292	$ 2,630,620	$ 37,593,279	$ 9,759,234

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 $17,347,238 of which $13,257,265 is covered by federal depository insurance and the remainder of $4,089,973 is uninsured and uncollateralized. The component unit had a bank deposits (certificates of deposit, checking, and savings accounts) of $4,146,474 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	$ 20,244,210	AAA	100%
Component Unit Investment			
Money market	$ 310,464	Unrated	

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.

Primary Government Investment Type	Fair Value
Fixed income mutual funds	$20,244,210

Component Unit Investment Type	
U.S Treasury securities & money market	$ 4,273,441

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
March 31, 2010

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	$ 712,011	$ 184,184	$ 1,600,469	$ -	$ -	$ -	$ -	$ -	$ 2,496,664
Accounts receivable	-	-	-	-	-	-	3,108,491	-	3,108,491
Component unit	290,520	-	-	-	-	-	-	-	290,520
Special assessment, voted millage	-	-	-	-	19,525,000	-	-	-	19,525,000
Interest & other receivables	1,073,248	97,064	185,290	-	-	-	-	434,290	1,789,892
Less: Allowance for uncollectibles	-	-	-	-	-	-	-	-	-
Net receivables	$ 2,075,779	$ 281,248	$ 1,785,759	$ -	$ 19,525,000	$ -	$ 3,108,491	$ 434,290	$ 27,210,567
Amounts not scheduled for collection during subsequent year	$ -	$ -	$ -	$ -	$ 18,125,000	$ -	$ -	$ -	$ 18,125,000

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	-	$ 34,667
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	19,030,184	9,593,817	(28,624,001)	-
Subtotal	19,858,832	9,593,817	(28,624,001)	828,648
Capital assets being depreciated				
Buildings	19,172,243	28,136,214	(2,375,086)	44,933,371
Improvements other than buildings	16,352,687	2,633,936	-	18,986,623
Machinery and equipment	19,557,246	1,255,809	(431,811)	20,381,244
Infrastructure	12,697,390	-	-	12,697,390
Subtotal	67,779,566	32,025,959	(2,806,897)	96,998,628
Less accumulated depreciation for				
Buildings	8,475,958	932,383	(1,602,456)	7,805,885
Improvements other than buildings	5,926,221	1,057,092	-	6,983,313
Machinery and Equipment	13,421,492	1,269,087	(365,237)	14,325,342
Infrastructure	5,815,477	254,101	-	6,069,578
Subtotal	33,639,148	3,512,663	(1,967,693)	35,184,118
Net capital assets being depreciated	34,140,418	28,513,296	(839,204)	61,814,510
Governmental activities total capital assets - net of depreciation	$ 53,999,250	$ 38,107,113	$ (29,463,205)	$ 62,643,158
Business-Type Activities				
Capital assets not being depreciated				
Improvements to systems	$ 2,367,237	$ 48,865	$ -	$ 2,416,102
Subtotal	2,367,237	48,865	-	2,416,102
Capital assets being depreciated				
Improvements to systems	46,165,038	3,020,430	-	49,185,468
Machinery and equipment	1,340,441	45,832	-	1,386,273
Township share of county sewers	28,180,037	-	-	28,180,037
Subtotal	75,685,516	3,066,262	-	78,751,778
Less accumulated depreciation for				
Improvements to systems	17,442,354	978,848	-	18,421,202
Machinery and equipment	826,744	107,022	-	933,766
Township share of county sewers	11,630,477	563,601	-	12,194,078
Subtotal	29,899,575	1,649,471	-	31,549,046
Net capital assets being depreciated	45,785,941	1,416,791	-	47,202,732
Business-type activities total Capital assets - net of depreciation	$ 48,153,178	$ 1,465,656	$ -	$ 49,618,834

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
March 31, 2010

V. CAPITAL ASSETS (Continued)

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

Governmental Activities	
General government	$ 565,336
Public safety	1,216,863
Public works	1,639,157
Community enrichment and development	91,307
Total Governmental Activities	$ 3,512,663
Business-Type Activities	
Water & Sewer	$ 1,649,471

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	26,400,193	277,375	-	26,677,568
Furniture and equipment	4,297,231	134,662	(204,084)	4,227,809
Library books and audiovisual materials	3,863,934	601,179	(331,595)	4,133,518
Subtotal	34,561,358	1,013,216	(535,679)	35,038,895
Less accumulated depreciation	(5,066,419)	(1,461,490)	453,017	(6,074,892)
Net capital assets being depreciated	29,494,939	(448,274)	(82,662)	28,964,003
Net capital assets	$ 29,625,954	$ (448,274)	$ (82,662)	$ 29,095,018

Capital assets, including library books, are recorded at cost. Depreciation expense was $1,461,490 for the year ended March 31, 2010.

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 and component units:		
General Fund	$ 290,520	$ -
Library Fund	-	290,520
	$ 290,520	$ 290,520

	Transfers In	Transfers Out
Interfund transfers		
General Fund	$ -	$ 990,000
Road Fund	100,000	-
Public Safety Fund	-	200,000
Campus Construction Fund	1,340,000	
Water and Sewer fund	-	250,000
Non-major Governmental Funds	300,000	300,000
	$ 1,740,000	$ 1,740,000

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) move 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 benefiting 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	$ 6,893,128	$ 2,366	$ (706,945)	$ 6,188,549	$ 731,782
Library Construction bond	2-5%	2025	20,375,000	-	(850,000)	19,525,000	900,000
General Construction bond	5.5%	2032	26,000,000	-	(500,000)	25,500,000	500,000
Employees compensated absences	-	N/A	1,569,844	9,006	-	1,578,850	-
Total Governmental Activities			$54,837,972	$ 11,372	$(2,056,945)	$52,792,399	$ 2,131,782
Business-Type Activities							
County water & sewer contract	2-7%	2026	$14,651,335	$ 653	$ (465,120)	$14,186,868	$ 497,631
Total Business-Type Activities			$14,651,335	$ 653	$ (465,120)	$14,186,868	$ 497,631

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
2011	$2,131,782	$2,027,087	$ 497,631	$ 510,542
2012	2,228,894	1,971,889	574,590	493,862
2013	2,350,006	1,896,438	585,692	475,482
2014	2,376,690	1,815,901	546,279	455,211
2015	2,448,115	1,732,055	643,666	435,370
2016 - 2020	11,561,974	7,239,482	3,439,010	1,832,630
2021 - 2025	13,049,527	4,771,797	4,500,000	1,113,576
2026 - 2030	8,066,561	2,478,339	3,400,000	188,925
2031 - 2035	8,578,850	489,063	-	-
	$52,792,399	$24,422,051	$14,186,868	$ 5,505,598

VIII. COMMITMENTS

A. Franchise Agreement

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. Total franchise fees recognized under this agreement during the current year were $927,384.

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, 2011, and require annual rental payments of $20,938 each. The remaining two agreements expire November 30, 2011, and require annual rental payments of $22,628 each. These agreements all have predetermined extension terms.

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

	General
2011	$ 611,128
2012	523,996
2013	523,996
2014	523,996
2015	523,996
	$ 2,707,112

VIII. COMMITMENTS (Continued)

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 will end respectively on April 30, 2011. Rent expense for the year was $51,600.

The Township has entered into an agreement with Bloomfield Hills Schools to lease facilities for the Greater Bloomfield Senior Association, a program of the Senior Services Special Revenue Fund. This lease agreement will end on April 30, 2010, and requires an annual rental payment of $1.

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

	Senior Services
2011	$ 51,600
2012	4,300
2013	-
	$ 55,900

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, 2010.

The Water & Sewer Fund leases Township owned computer equipment. The General Fund is reimbursed for the use. This agreement is cancelable at any time. Rental expenses related to this agreement were $6,000 for the year ended March 31, 2010.

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, 2010 , 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, 2010, the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	225
Terminated and inactive plan members entitled to But not yet receiving benefits	11
Active plan members	239
Total	475

B. Basis of Accounting

The Plan's financial statements are prepared using information as of December 31, 2009, which approximates the date of the plan's latest actuarial report. The plan's financial statements include contributions received and benefits paid through that date.

C. Method Used to Value Investments

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

D. Funding Policy

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

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

IX. RETIREMENT PLAN – PENSION TRUST (Continued)

E. Annual Pension Cost

For plan year 2009, the Township's annual pension cost of $5,228,482 was equal to the Township's required and actual contributions. The required contribution was determined as part of a January 1, 2009, actuarial valuation using the aggregate cost actuarial cost 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% and (d) estimated expenses of 2% of benefits payable over future years. 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). The aggregate actuarial cost method generally does not identify and separately amortize unfunded actuarial liabilities.

F. Three-Year Trend Information

Year Ended December 31	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2007	$4,538,477	100%	-0-
2008	$4,738,081	100%	-0-
2009	$5,228,482	100%	-0-

G. Contributions Required and Contributions Made

Total contributions to the pension plan for the plan year beginning January 1, 2009, amounted to $5,610,479, of which $5,228,482 and $381,997 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, 2009. The pension contributions represent funding for normal cost. Contributions made by the Township and its employees represent 33.6% and 2.5%, respectively, on covered payroll of $15,562,765 for the 2009 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.

X. RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN

A. Plan Description

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, 2010 there were 35 plan members. A stand-alone financial report of the plan has not been issued.

B. Contributions Required and Contributions Made

The Township may make discretionary contributions of not more than 10% of the total compensation for all active participants for all plan members except Bargaining Employees. Township contributions for Bargaining Employees will be made in accordance with the Collective Bargaining Agreement. Contributions are to be made each quarter. For the year ended December, 2009, contributions in the amount of $215,849 were made to the plan by the Township. In addition, discretionary contributions in the amount of $23,158 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:

	Primary Government	Component Unit
Contribution rates:		
Township – Actuarially determined	0.0%	0.0%
Plan members	N/A	N/A
Annual required contribution	$ 5,756,000	$ 279,000
Interest on net OPEB obligation	235,875	12,450
Adjustment to annual required contribution	125,800	6,640
Annual OPEB cost	6,117,675	298,090
Expected OPEB payouts	-	-
Contributions made	(2,321,933)	(89,612)
Increase in net OPEB obligation	3,795,742	208,478
Net OPEB obligation – beginning of year	3,145,000	166,000
Net OPEB obligation – end of year	**$ 6,940,742**	**$ 374,478**

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, 2010, for the plan is as follows:

Year Ended	**Annual OPEB Cost**	**Percentage of OPEB Cost Contributed**	**Net OPEB Obligation**
3/31/10	**$6,415,765**	38%	**$7,315,220**
Township	$6,117,675	38%	$6,940,742
Component Unit	$ 298,090	30%	$ 374,478

XII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Concluded)

C. Funded Status and Funding Progress

The funded status of the plan as of March 31, 2010, was as follows:

Actuarial accrued liabilities (a)	$ 60,646,000
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	**$ 60,646,000**
Township	$ 58,281,000
Component Unit	$ 2,365,000
Funded ratio (b) / (a)	0%
Covered payroll (c)	$ 16,136,224
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) – (b)] / (c))	375.8%

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	07/01/07
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Percent of Payroll
Remaining amortization period	25 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	N/A
Healthcare inflation rate	9% in 2008 Grading to 5% in 2012

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, 2010, the balance of the township's funds on payable in the Member Retention Fund of the MMRMA was $18,369 and the claims incurred and allocated claims adjustment accrued was $44,496.

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 $254,000 before the stop loss program will become responsible for making further self-insured retention limit payments on behalf of the Township. The Township's self-insured retention limits are as follows:

XIV. OTHER INFORMATION (Continued)

A. Risk Management (continued)

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, 2010, 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, 2010, 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 (Continued)

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 – July 1, 2009 through June 30, 2010	7-1-2009
Township – April 1, 2009 through March 31, 2010	12-1-2009

c. The 2009 tax levy is summarized as follows:

	Taxable Value	Rate Per $1,000	Levy
Township			
General	$ 3,873,573,210	.9947	$ 3,853,043
Senior services	$ 3,873,573,210	.2439	944,765
Public safety – voted	$ 3,873,573,210	6.2293	24,129,650
Roads – voted	$ 3,873,573,210	.7169	2,776,965
Library-operating – voted perpetual	$ 3,873,573,210	1.8390	7,123,501
Drain debt service	$ 3,873,573,210	.2500	968,393
Transportation voted	$ 3,873,573,210	.5900	2,285,408
Capital Improvements	$ 3,873,573,210	.3635	1,408,044
Safety Path voted	$ 3,873,573,210	.4839	1,874,422
Total Township		11.7112	$45,364,191
Special assessments			
Bloomfield Village Association			
Fire	$ 338,967,670	.2950	$ 99,995
Police	$ 338,967,670	1.1720	397,270
Total Bloomfield Village		1.4670	$ 497,265

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 consists 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. The Capital Building Project is in the completion phase with the construction essentially completed and the facilities placed in service at March 31, 2010.

XVI. PRIOR PERIOD ADJUSTMENTS

The accompanying financial statements have been restated to correct an error related to a transfer between funds made in a prior year. The error affects cash and net assets (Fund Balance) between the funds. The error had no effect on change in net assets (change in fund balance) for 2010.

Net assets in the business type activities (Propriety Fund) have been restated to correct an error in calculation of depreciation expense made in prior years. The error had no effect on change in net assets for 2010.

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%

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%

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

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, 2010

A. Tax Levies and Collections

YEAR	TAX LEVY	COLLECTIONS TO MARCH 1 OF FOLLOWING YEAR	
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%
2000	20,275,093	19,263,366	95.01%
1999	18,975,670	18,134,758	95.57%
*1998	17,288,738	16,592,982	95.98%
1997	17,633,632	16,878,656	95.72%
1996	17,728,471	17,029,447	96.06%

*Beginning in 1998, the Township Tax Levy no longer includes the Oakland County Public Transportation millage.
Source: Treasurer, Charter Township of Bloomfield

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
2000	3,235,169,350	2,757,447,208
1999	3,001,661,120	2,646,257,403
1998	2,756,543,150	2,538,783,130
1997	2,575,677,890	2,436,762,470
1996	2,442,271,550	2,344,785,060

*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, 2010

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	66	March 31, 2010
Police Employees (Command Officers)	12	March 31, 2010
Police Employees (Patrolmen)	56	March 31, 2010

STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE CERTIFICATE (CONCLUDED)
(unaudited - not covered by audit opinion)
March 31, 2010

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
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
2001	6,275,091

Source: Charter Township of Bloomfield audited financial statement

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
March 31, 2010

	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable TV	Total
ASSETS										
Cash and cash equivalents	$ 2,210,611	$ 455,298	$ 175,717	$ 116,012	$ 235,474	$ (21,977)	$ 211,584	$ 1,198,089	$ 2,707,813	$ 7,288,621
Receivables										
Other	23,370	-	-	4,242	30,814	35,834	-	-	337,300	431,560
Prepaid items	-	-	-	-	7,781	-	-	-	-	7,781
TOTAL ASSETS	$ 2,233,981	$ 455,298	$ 175,717	$ 120,254	$ 274,069	$ 13,857	$ 211,584	$ 1,198,089	$ 3,045,113	$ 7,727,962
LIABILITIES										
Accounts payable	$ 67,789	$ 17,134	$ 3,706	$ 492	$ 3,663	$ -	$ 3,285	$ 55,515	$ 47,960	$ 199,544
TOTAL LIABILITIES	67,789	17,134	3,706	492	3,663	-	3,285	55,515	47,960	199,544
FUND BALANCES										
Reserved for inventory and prepaids	-	-	-	-	7,781	-	-	-	-	7,781
Designated										
Special revenue funds	-	25,500	80,000	-	-	-	208,299	-	-	313,799
Undesignated										
Special revenue funds	2,166,192	412,664	92,011	119,762	262,625	13,857	-	1,142,574	2,997,153	7,206,838
	2,166,192	438,164	172,011	119,762	270,406	13,857	208,299	1,142,574	2,997,153	7,528,418
TOTAL LIABILITIES AND FUND BALANCES	$ 2,233,981	$ 455,298	$ 175,717	$ 120,254	$ 274,069	$ 13,857	$ 211,584	$ 1,198,089	$ 3,045,113	$ 7,727,962

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
Year Ended March 31, 2010

	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable TV	Total
REVENUES										
Property taxes	$ 944,670	$ 397,262	$ 99,993	$ 266,055	$ -	$ -	$ -	$ 1,874,325	$ -	$ 3,582,305
Charges for services	212,966	-	-	-	-	-	-	-	6,991	219,957
Licenses, permits and fees	-	-	-	-	-	726,540	-	-	927,384	1,653,924
Investment	-	-	-	-	663	-	-	-	-	663
Fines and forfeitures	-	-	-	575	-	-	47,770	-	-	48,345
Fees	280,328	-	-	-	-	-	-	-	-	280,328
Grants	23,370	-	-	-	-	-	-	-	556,781	580,151
Reimbursements	-	-	-	28,504	-	-	-	-	-	28,504
Miscellaneous	49,854	-	1,600	4,090	-	6,439	-	-	5,160	67,143
TOTAL REVENUES	1,511,188	397,262	101,593	299,224	663	732,979	47,770	1,874,325	1,496,316	6,461,320
EXPENDITURES										
Operating										
General government	-	-	-	-	-	909,735	-	-	-	909,735
Public works	-	-	-	-	-	-	-	74,558	-	74,558
Public safety	-	386,517	77,374	-	-	-	23,318	-	-	487,209
Community enrichment & development	1,293,228	-	-	498,428	544,971	-	-	-	1,002,848	3,339,475
	1,293,228	386,517	77,374	498,428	544,971	909,735	23,318	74,558	1,002,848	4,810,977
Capital outlay	27,013	3,335	4,228	-	-	34,812	37,962	1,737,008	11,971	1,856,329
TOTAL EXPENDITURES	1,320,241	389,852	81,602	498,428	544,971	944,547	61,280	1,811,566	1,014,819	6,667,306
REVENUES OVER (UNDER) EXPENDITURES	190,947	7,410	19,991	(199,204)	(544,308)	(211,568)	(13,510)	62,759	481,497	(205,986)
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	(300,000)	-	-	-	300,000	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	300,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(109,053)	7,410	19,991	(199,204)	(244,308)	(211,568)	(13,510)	62,759	481,497	(205,986)
FUND BALANCES, beginning of year as originally stated	2,275,245	430,754	152,020	318,966	206,145	225,425	221,809	1,079,815	2,515,656	7,425,835
PRIOR PERIOD ADJUSTMENT	-	-	-	-	308,569	-	-	-	-	308,569
FUND BALANCES, beginning of year as restated	2,275,245	430,754	152,020	318,966	514,714	225,425	221,809	1,079,815	2,515,656	7,734,404
FUND BALANCES, end 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

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended March 31, 2010

	Balance - April 1, 2009	Additions	Deductions	Balance - March 31, 2010
ASSETS				
Cash	$ 2,451,915	$ 21,895,434	$ 21,854,277	$ 2,493,072
LIABILITIES				
Employees' compensated absences	$ 1,871,490	$ 42,394	$ -	$ 1,913,884
Accounts payable & withholdings	14,824	23,854,958	23,865,084	4,698
Deposits & other liabilities				
Escrow deposits	249,870	31,812	1,900	279,782
Developer deposits	160,000	42,000	69,000	133,000
Other	155,731	5,977	-	161,708
TOTAL LIABILITIES	$ 2,451,915	$ 23,977,141	$ 23,935,984	$ 2,493,072

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS
March 31, 2010

	Retirement System Pension Trust	Defined Contribution Plan	Total
	Year Ended December 31, 2009	Year Ended March 31, 2010	
ASSETS			
Cash	$ -	$ -	$ -
Investments			
Mutual funds	-	742,551	742,551
Insurance company guaranteed investment mutual fund	100,345,787	-	100,345,787
Insurance company stock mutual funds	12,372,943	-	12,372,943
TOTAL ASSETS	112,718,730	742,551	113,461,281
NET ASSETS			
Held in trust for pension benefits	112,718,730	742,551	113,461,281
TOTAL NET ASSETS	$ 112,718,730	$ 742,551	$ 113,461,281

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS
Year Ended March 31, 2010

	Retirement System Pension Trust	Defined Contribution Plan	Total
	Year Ended December 31, 2009	Year Ended March 31, 2010	
ADDITIONS			
Dividend income	$ 4,867,169	$ 7,497	$ 4,874,666
Interest income	96,678	-	96,678
Contributions	5,710,479	239,007	5,949,486
Increase (decrease) in fair value	3,071,852	161,407	3,233,259
TOTAL ADDITIONS	13,746,178	407,911	14,154,089
DEDUCTIONS			
Distributions	7,531,745	-	7,531,745
Administrative fees	72,125	-	72,125
TOTAL DEDUCTIONS	7,603,870	-	7,603,870
CHANGE IN NET ASSETS	6,142,308	407,911	6,550,219
NET ASSETS, beginning of year	106,576,422	334,640	106,911,062
NET ASSETS, end of year	$ 112,718,730	$ 742,551	$ 113,461,281

JENKINS MAGNUS VOLK + CARROLL

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

September 14, 2010

David Payne, Supervisor
and Board of Trustees
Charter Township of Bloomfield, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Charter Township of Bloomfield, Michigan, for the year ended March 31, 2010, and have issued our report thereon dated September 14, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated February 26, 2010 our responsibility, as described by professional standards, is to express an opinion about whether financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accepted accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of Audit

We performed the audit according to the planned scope and times previously communicated to you in our letter dated February 26, 2010.

Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Charter Township of Bloomfield, Michigan are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2010. We noted no transactions entered into by Charter Township of Bloomfield, Michigan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularity sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Charter Township of Bloomfield, Michigan's financial statements was:

> Management's estimate of the liability for post employment benefits for eligible retirees was determined actuarially.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encounter in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define disagreements with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 14, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with our other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Charter Township of Bloomfield, Michigan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of Charter Township of Bloomfield, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

JENKINS, MAGNUS, VOLK & CARROLL, P.C.

Certified Public Accountants

Bloomfield Hills, Michigan
September 14, 2010

Enagement\34-02498\2010 000 Mar Year Ended\05\05-60\Communication with those charged with governance at conclusion

JENKINS MAGNUS VOLK + CARROLL

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

September 14, 2010

David Payne, Supervisor
and Board of Trustees
Charter Township of Bloomfield, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Bloomfield, Michigan as of and for the year ended March 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Charter Township of Bloomfield, Michigan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township of Bloomfield, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Township of Bloomfield, Michigan's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

We generally discuss a variety of matters with management during the year including, internal control deficiencies that are not significant deficiencies or material weaknesses, recommendations for improving internal control, inefficiencies, or opportunities for improvement in operations that we have observed. A summary has been prepared.

This communication is intended solely for the information and use of management, Board of Trustees, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

JENKINS, MAGNUS, VOLK & CARROLL, P.C.

Certified Public Accountants

Bloomfield Hills, Michigan
September 14, 2010