



Comprehensive Annual Financial Report

Pittsfield Charter Township, Michigan
Fiscal Year Ended December 31, 2013

Pittsfield
Charter
Township



Year Ended
December 31,
2013

Comprehensive
Annual
Financial
Report

Mandy Grewal, Ph.D., Township Supervisor

Tracy Watkins, Finance Director

Prepared by: Finance Department

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PITTSFIELD CHARTER TOWNSHIP

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INTRODUCTORY SECTION

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Pittsfield Charter Township

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Deputy Supervisor
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Office of the Supervisor

May 15, 2014

To the Honorable Board of Trustees of Pittsfield Charter Township:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for Pittsfield Charter Township for the fiscal year ended December 31, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the Township’s financial statements for the year ended December 31, 2013. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

Organized in 1834 and chartered in 1972, Pittsfield Charter Township, which is approximately 28 square miles with a population of 36,068, bridges the territory between the City of Ann Arbor and the City of Saline. Pittsfield Charter Township has the second largest tax base in Washtenaw County, second only to the City of Ann Arbor. Pittsfield has an outstanding Department of Public Safety which extends fire and police protection to all township residents. Pittsfield also provides rubbish collection and recycling, public water and sanitary sewer services. With over 800 acres of public park facilities, Pittsfield offers numerous recreational activities for youth, adults and seniors along with offering an outstanding variety of park and open spaces increasingly accessible by non-motorized pathways.

Pittsfield Charter Township is a vibrant community with a wide spectrum of land uses including commercial corridors, business parks, agricultural lands, park land, open spaces, and many strong residential neighborhoods representing a variety of housing options. The true hallmark of the Township, however, is the diversity and talent of its residents. Pittsfield is bordered by the three communities of Ann Arbor, Saline, and Ypsilanti. Pittsfield is uniquely poised to take advantage of the density supported by its proximity to these communities while simultaneously providing for existing larger-scale agricultural, residential, commercial, and business use developments. Considering the existing mix of urban, suburban, and rural influences, along with the various mixture of land uses and its demographic diversity, Pittsfield is poised to take a leadership role in establishing a new standard for mainstreaming non-motorized transportation, dense mixed-use, and infill development within a non-urban township context.

Pittsfield Township has operated under the charter township form of government since 1972. A charter township status is a special township classification created by the Michigan Legislature in 1947 to provide additional powers and streamlined administration for governing a growing community. Pittsfield Township government is conducted by a township board consisting of seven members - a supervisor, clerk, treasurer, and four trustees - which is determined by the desires of the Township residents.

Procedures for the Township's financial administration, such as budgets, accounting, investments and deposits, are closely regulated by the State. Township meetings must comply with Michigan's Open Meetings Act (*MCL 15.261-15.275*), and Township records must be stored and made available in conformance with specific laws, such as the Freedom of Information Act (*MCL 15.231-15.246*). The Charter Act (*MCL 42.1 - 42.34*) gives charter townships broad powers to enact and enforce a variety of ordinances. Zoning ordinances enacted under the Michigan Zoning Enabling Act (*MCL 125.3101 - 125.3702*) give townships the authority to regulate land use, while many other specific ordinances control activities that infringe on the rights of citizens. The Michigan Constitution and state statutes also limit the amount of property tax millage that townships can levy for general township operations. Charter townships may levy up to five mills. Townships also utilize other sources of revenue to support services. User fees, permits, fines and special assessments on real property are the most frequently used sources.

All powers of the Township shall be vested in and all matters of policy of the Township shall be exercised and determined by the Township board of trustees. The Township board typically holds two regular meetings per month. The Township board is the Township's legislative and policy making body. The Township board is responsible for adopting the annual budget, contracts, laws, ordinances and resolutions; approving purchases; and granting permits and license terms. Board members are elected at large to a four year term, and general elections are held in November of a primary election year. The Township board serves as the direct citizen's link to Township Hall.

The Township board appoints all boards, committees and commissions except for the Parks & Recreation Commission Board, which is independently elected. Statutorily, the Township supervisor, clerk and treasurer appoint their deputies. The government's three full-time elected officials (supervisor, clerk, and treasurer) are responsible for carrying out the policies and ordinances of the Township board, for supervising the day-to-day operations of the government, and for appointing the heads of the government's various operating departments.

The Township is also financially accountable for a legally separate entity, which is reported separately within the Townships' financial statements. Additional information on this legally separate entity can be found in the notes to the basic financial statements.

Pittsfield Township operates on a calendar year fiscal cycle. For its regular budget development schedule, the Charter Township Act provides that the Township must conduct a budget public hearing by December 15 or earlier, and adopt the budget by December 31 of the year preceding the calendar year for which the budget is being prepared. Concurrent with budget adoption, the Township board is required to provide for a tax levy necessary to meet the budget expenditures up to the authorized charter millage of the Township. This annual budget serves as the foundation for the Township's financial planning and control. The budget is prepared by fund, function and department. The Township supervisor is authorized to approve transfers of budgetary funds within a cost center, excluding wages, salaries, overtime and fringes, in consultation with the effected department director and/or the Finance Director.

Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the Township operates as described below:

Local economy

Many municipalities in Michigan are struggling to address the fundamental flaws in the existing local government financing system. The combined effects of Proposal A and the Headlee Amendment caps a township's ability to generate revenue at the rate of inflation, while the cost of providing services continues to increase faster than inflation. The state and federal government also limit a township's ability to raise non-tax revenue.

The Township's 2013 ad valorem taxable valuation of \$1,657,008,720 represents a .32% increase from 2012. The ratio of total township tax collections to date for tax year 2013 (current and delinquent) to the current tax levy is 99.39%.

The State of Michigan is currently in the midst of a fundamental economic shift from a manufacturing base to a new economy. Many national forces are also having a profound impact on the State: a slowing national economy, the foreclosure crisis and increased energy costs. While many would view this as a time to forego various projects, Pittsfield Township is moving forward on ensuring the economic health and vitality of the Township's future.

Long-term financial planning

Pittsfield Township continues to refine and update its financial forecast model to address changes and trends identified. By seeing what potential outcomes are available, the Township can position itself to more adequately deal with its future.

As reflected in the financial statement, the Township had an actuarial valuation of its retiree health care plan completed as required under GASB No 45. The combined current year liability for the governmental and business-type activities is \$109,677 and is reported on the Statement of Net Position. The Township is currently reviewing various options to address this issue.

Relevant financial policies

The Township has recently reviewed some of its financial policies and procedures and made changes to ensure that adequate controls are in place. The Township is constantly undergoing a review of its current water and sewer rates in order to develop a long-term rate track plan. The plan will help to ensure the financial stability of the water and sewer utilities. The Township is in the process of evaluating outstanding debt generated from utility capital improvement projects and exploring what potential savings can be recognized.

Major initiatives

The Township acquired Platt Park in 2007 that was partially developed by the Ann Arbor Area Youth Soccer Association (AAYSA). The storm management system, soccer fields and road improvements were finished, however, the parking lot construction was never completed, which prevented use of the park and recreational facilities. In 2013 the Township completed construction on the parking lot that consists of 153 standard size and 6 handicapped spaces on this site in order to provide for use by the public. The cost of this project was \$220,000.

The Township has completed improvements to the north end of the Parks and Recreation/Senior Center's building, which includes a new roof, windows, siding and cultured stone. This project was partially funded by a Community Development Block Grant (CDBG) program. The cost of this project was \$180,000.

The Township is in the process of completing Phase II of the Fiber Optic Communication Project. This project will provide the Township with the most secure and reliable means of communication available, while providing a network with the greatest level of expansion possibilities. The first phase connected the Robert A. Lillie Administration Building to the Washtenaw County Public Safety Communications Tower and the Pittsfield Public Safety Building. This connection is required in order to provide inter-governmental connectivity for dispatching of police and fire personnel, locally and regionally. This second phase connects the parks and recreation building, fire stations #2 and #3, Textile Road boosters, Saline sanitary pump station and the Morgan Road sanitary pump station. The total project cost is budgeted at \$748,000 and should be completed in 2014.

The Township undertook the installation of Phase II of the rain garden at the front of the Robert A. Lillie Administration Building. This phase completed the public art portion of our project. This project promotes public space created by the rain garden and the sidewalk that runs through it by erecting a public art mosaic sculpture of three marigold heads. This sculpture will signify the commencement of the Township's vision and commitment to introduce visual aesthetics within a public gathering place. This project was funded completely through community donations. The total cost of the project was \$15,975.

The Township has been committed to maintaining and improving its infrastructure. By doing so, the Township has started its second phase of the Lohr-Textile Greenway project. This project will consist of installing 1.8 miles of trail along Textile Road to the existing 2.4 miles that was completed in 2012. This will provide recreation opportunities to thousands of local residents and links to both local non-motorized facilities and regional ones. This project will be funded through various sources such as the Transportation Alternatives Program (TAP), a federal grant program that is offered in cooperation with the Southeast Michigan Council of Governments (SEMCOG), the Michigan Department of Transportation (MDOT), and with the Washtenaw County Parks & Recreation Commission (WCPARC) Connecting Communities Program.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pittsfield Charter Township for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. This is the third consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Pittsfield Township Parks and Recreation received its third Marketing Award for Best Single Brochure for Fall 2012 and Winter 2013 from the Michigan Recreation and Park Association (MRPA) on March 1st.

The MRPA honors exemplary parks and recreation professionals and citizen advocates through the Association's annual awards. Honorees embody the core values of the profession, demonstrate the highest level of performance in their job duties and maintain a tremendous commitment to MRPA and its membership. Marketing Awards honor outstanding promotional activities of members and agencies, recognizing single and special brochures, web sites, integrated marketing campaigns, videos and media advocates.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the governing township board for their unfailing support for maintaining the highest standards of professionalism in the management of Pittsfield Charter Township's finances.

Respectfully submitted,

Signature not included for security purposes

Mandy Grewal, Ph.D.
Township Supervisor

Tracy Watkins
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Pittsfield Charter Township
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

PITTSFIELD CHARTER TOWNSHIP
LIST OF ELECTED AND APPOINTED OFFICERS
For the Year Ended December 31, 2013

Elected Officials

Mandy Grewal, Township Supervisor
Alan Israel, Clerk
Patricia Tupacz Scribner, Treasurer
Stephanie D. Hunt, Trustee
Gerald Krone, Trustee
Frank Lotfian, Trustee
Chol Yi, Trustee

Appointed Officials

Trish Reilly, Deputy Supervisor
Lyn Badalamenti, Deputy Clerk
Orna Angus, Deputy Treasurer

Administration

Matthew Harshberger, Public Safety Director
Craig Lyons, Utilities and Municipal Services Director
Patricia Denig, Human Resources Director
Tracy Watkins, Finance Director
Kurt Weiland, Building Director
Julie Albert, Assessor
John Adams, Information Technology Director
Mark Gasche, Parks and Recreation Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

May 15, 2014

To the Board of Trustees
Pittsfield Charter Township
Ann Arbor, Michigan

Report on the Financial Statements

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 *Pittsfield Charter Township, Michigan* (the "Township"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedule of funding progress for the Municipal Employees Retirement System of Michigan and other postemployment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Rehmann Lohman LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

As management of Pittsfield Charter Township, Michigan (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 December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2013.

- The assets and deferred outflows of resources of the Township exceeded its liabilities at the close of the most recent fiscal year by \$74,596,145 (net position). Of this amount, \$18,779,469 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,307,442.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$11,518,075, a decrease of \$525,607 in comparison with the prior year. Approximately 45.5% of this total amount, or \$5,245,990, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,245,990 or 84.0% of total general fund expenditures.
- The Township's bonded debt (excluding compensated absences) decreased by a net amount of \$1,215,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources and liabilities, with the difference between the three reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, planning and zoning, and parks and recreations.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate entity for which the Township is financially accountable. Financial information for the Economic Development Corporation component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, public safety special revenue fund, and the Michigan Avenue East debt service fund, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. The combining statements referred to earlier in connection with nonmajor and fiduciary funds are presented immediately following the required supplementary information.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds. The Township has one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Township uses an enterprise fund to account for its combined water and sewer operations, which is considered to be a major fund of the Township.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the Township's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Pittsfield Charter Township, assets and deferred outflows of resources exceeded liabilities by \$74,596,145 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2013 as compared to the prior fiscal year):

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$14,747,869	\$16,134,564	\$11,624,406	\$10,138,667	\$26,372,275	\$26,273,231
Capital assets, net	31,059,967	31,123,670	35,661,565	36,198,026	66,721,532	67,321,696
Total assets	45,807,836	47,258,234	47,285,971	46,336,693	93,093,807	93,594,927
Deferred outflows of resources -						
Deferred charge on refunding	52,603	65,753	-	-	52,603	65,753
Liabilities						
Long-term liabilities	5,861,538	6,877,629	9,812,664	10,296,945	15,674,202	17,174,574
Other liabilities	1,246,615	1,668,841	1,629,448	1,528,562	2,876,063	3,197,403
Total liabilities	7,108,153	8,546,470	11,442,112	11,825,507	18,550,265	20,371,977
Net position						
Net investment in capital assets	28,568,888	27,933,571	25,944,485	25,980,446	54,513,373	53,914,017
Restricted	1,303,303	1,228,596	-	-	1,303,303	1,228,596
Unrestricted	8,880,095	9,615,350	9,899,374	8,530,740	18,779,469	18,146,090
Total net position	\$38,752,286	\$38,777,517	\$35,843,859	\$34,511,186	\$74,596,145	\$73,288,703

The largest portion of the Township's net position (73.1% or \$54,513,373) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure) less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position (1.7% or \$1,303,303) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (25.2% or \$18,779,469) may be used to meet the government's ongoing obligations. The Township's total net position increased approximately 1.8% from the prior year.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Governmental activities revenue increased approximately 10.3% from the prior year. This was primarily a result of the Township increased Public Safety Millage voted on by taxpayers. The Township has also experienced a growth in its new commercial and residential building construction permit fees.

Business-type activities revenue decreased approximately 1.7% from the prior year due to a decrease in the amount of units sold for both water and sewer during the year.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 5,223,705	\$ 4,759,335	\$10,712,639	\$11,446,602	\$15,936,344	\$16,205,937
Grants/contributions:						
Operating	594,970	576,870	-	-	594,970	576,870
Capital	257,855	295,353	611,530	74,840	869,385	370,193
General revenues:						
Property taxes	9,987,401	8,764,881	-	-	9,987,401	8,764,881
State shared revenue	2,581,031	2,511,761	-	-	2,581,031	2,511,761
Unrestricted investment earnings	25,035	11,948	14,468	7,471	39,503	19,419
Total revenues	18,669,997	16,920,148	11,338,637	11,528,913	30,008,634	28,449,061
Expenses						
General government	3,354,770	3,062,073	-	-	3,354,770	3,062,073
Public safety	10,648,372	9,539,187	-	-	10,648,372	9,539,187
Public works	2,345,450	2,704,712	-	-	2,345,450	2,704,712
Planning and zoning	496,898	450,033	-	-	496,898	450,033
Parks and recreation	1,013,722	1,539,044	-	-	1,013,722	1,539,044
Long-term debt interest	173,350	23,829	-	-	173,350	23,829
Water and sewer	-	-	10,668,630	12,301,239	10,668,630	12,301,239
Total expenses	18,032,562	17,318,878	10,668,630	12,301,239	28,701,192	29,620,117
Change in net position before transfers	637,435	(398,730)	670,007	(772,326)	1,307,442	(1,171,056)
Transfers	(662,666)	21,561	662,666	(21,561)	-	-
Change in net position	(25,231)	(377,169)	1,332,673	(793,887)	1,307,442	(1,171,056)
Net position:						
Beginning of year	38,777,517	39,154,686	34,511,186	35,305,073	73,288,703	74,459,759
End of year	<u>\$38,752,286</u>	<u>\$38,777,517</u>	<u>\$35,843,859</u>	<u>\$34,511,186</u>	<u>\$74,596,145</u>	<u>\$73,288,703</u>

Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$11,518,075, a decrease of \$525,607 in comparison with the prior year. Approximately 45.5% of this total amount (or \$5,245,990) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or committed to indicate that it is not available for new spending.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance of the general fund was \$7,300,496, of which \$5,245,990 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 84% of total general fund expenditures. Overall, the fund balance of the general fund increased by \$727,350 for the year, resulting in a final favorable budget variance of \$1,083,302.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenue decreased approximately .4% compared to the prior fiscal year. Most of the Township's operating revenue is provided by property taxes collected, which were lower by 2% compared to last fiscal year. State shared revenue increased approximately 2.7% from the previous year.
- The Township transferred approximately \$4.5 million to the public safety fund to support its operations.

The public safety special revenue fund had an ending fund balance of \$1,729,038. This balance is a decrease from the previous year of \$890,095 due to the reassignment of public safety operations previously included in the general fund to the public safety fund. The Township elected to maintain these operations under one fund to accurately reflect the true total costs of the public safety department. The public safety special revenue fund also invested in some major capital expenditures such as a new fire apparatus.

The Michigan Avenue East debt service fund is used to account for special assessment revenue and the repayment of principal and interest. The fund had expenditures of \$121,515 during the year that were financed by special assessments revenue and transfers in. The fund has \$1,543,454 of special assessments receivable at year end.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account various events occurring during the year. Such events include a major grant project, the Parks & Recreation / Senior Center building improvement, using Community Development Block Grant (CDBG) funds. The Township is also involved in completing the Platt Park parking lot project and starting Phase II of the Township fiber project. The Township takes an active role in monitoring all departmental needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and still provide the essential services to the citizens of Pittsfield, allowing for favorable budgetary results.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets. At the end of fiscal 2013, the Township had \$66,721,532 invested in a broad range of net capital assets including land and land improvements, buildings and system improvements, sidewalks, roads, police and fire equipment, vehicles, parks facilities, and water and sewer systems.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and						
land improvements	\$23,160,737	\$23,160,737	\$ 510,118	\$ 510,118	\$23,670,855	\$23,670,855
Construction in progress	-	87,617	555,566	-	555,566	87,617
Buildings/improvements	2,457,085	2,280,573	537,942	569,586	2,995,027	2,850,159
Machinery and equipment	2,141,204	1,816,777	417,324	533,910	2,558,528	2,350,687
Infrastructure	3,300,941	3,777,966	33,640,615	34,584,412	36,941,556	38,362,378
Total capital assets, net	\$31,059,967	\$31,123,670	\$35,661,565	\$36,198,026	\$66,721,532	\$67,321,696

Major capital asset events during the current fiscal year included:

- Purchase of a Rosenbauder pumper apparatus for the Fire Department.
- Purchase of one vehicle and two trailers to be used by both the Parks and Grounds Departments.
- Purchase of five vehicles for use by the Public Safety Department.
- Purchase of 28 self-contained breathing apparatus (SCBA) units/equipment for the Fire Department.
- Purchase of six cellular witness cameras to be used by the Public Safety Department.

Additional information on the Township's capital asset activity may be found in the Capital Assets section of the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the Township had total long-term debt (excluding compensated absences) outstanding of \$14,232,002, which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 220,000	\$ 380,000	\$ 9,781,080	\$10,286,080	\$10,001,080	\$10,666,080
Installment notes	2,315,000	2,865,000	-	-	2,315,000	2,865,000
Special assessments debt w/ government commitment	1,915,922	2,083,454	-	-	1,915,922	2,083,454
Total outstanding debt	\$ 4,450,922	\$ 5,328,454	\$ 9,781,080	\$10,286,080	\$14,232,002	\$15,614,534

The Township has an AA+ rating from Standard & Poor's on its general obligation bonds.

Additional information on the Township's long-term debt activity can be found in the Long-term Debt section of the notes to the financial statements.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Economic Factors and Next Year's Budget and Rates

The Township's expenditure budget for next fiscal year is \$568,366 higher than the current year amended budget which includes \$368,735 of fund balance that will be used for capital expenditures. Revenues are budgeted to be \$1.1M higher. This increase in the budget is due to the Township adopting the maximum millage levy allowed for fiscal year 2014. The Township is expecting a slow rebound in assessed property values and continues to seek cost savings and other grant funding sources. The Township's goal is to preserve jobs with no reduction in service levels.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the Clerk's Office at (734) 822-3120.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Statement of Net Position

December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 11,271,445	\$ 7,425,227	\$ 18,696,672	\$ 8,926
Restricted cash and cash equivalents	-	2,133,369	2,133,369	-
Receivables	3,433,878	1,893,357	5,327,235	-
Internal balances	11,689	(11,689)	-	-
Other assets	30,857	184,142	214,999	-
Capital assets not being depreciated	23,160,737	1,065,684	24,226,421	-
Capital assets being depreciated, net	7,899,230	34,595,881	42,495,111	-
Total assets	45,807,836	47,285,971	93,093,807	8,926
Deferred outflows of resources				
Deferred loss on refunding	52,603	-	52,603	-
Liabilities				
Accounts payable	1,118,040	1,626,687	2,744,727	2,143
Accrued liabilities	59,481	2,761	62,242	-
Unearned revenue	69,094	-	69,094	-
Long-term liabilities:				
Due within one year	1,271,328	460,000	1,731,328	-
Due in more than one year	4,480,533	9,352,664	13,833,197	-
Other noncurrent liability - net other postemployment benefit obligation	109,677	-	109,677	-
Total liabilities	7,108,153	11,442,112	18,550,265	2,143
Net position				
Net investment in capital assets	28,568,888	25,944,485	54,513,373	-
Restricted for:				
Debt service	290,113	-	290,113	-
Capital projects	1,013,190	-	1,013,190	-
Unrestricted	8,880,095	9,899,374	18,779,469	6,783
Total net position	\$ 38,752,286	\$ 35,843,859	\$ 74,596,145	\$ 6,783

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2013

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government					
Governmental activities:					
General government	\$ 3,354,770	\$ 3,395,348	\$ 444,895	\$ -	\$ 485,473
Public safety	10,648,372	1,175,576	77,625	-	(9,395,171)
Public works	2,345,450	350,302	55,556	257,783	(1,681,809)
Planning and zoning	496,898	22,350	-	-	(474,548)
Parks and recreation	1,013,722	280,129	16,894	72	(716,627)
Interest and fiscal charges	173,350	-	-	-	(173,350)
Total governmental activities	18,032,562	5,223,705	594,970	257,855	(11,956,032)
Business-type activities -					
Water and sewer	10,668,630	10,712,639	-	611,530	655,539
Total primary government	\$ 28,701,192	\$ 15,936,344	\$ 594,970	\$ 869,385	\$ (11,300,493)
Component unit					
Economic Development Corporation	\$ 410	\$ -	\$ -	\$ -	\$ (410)

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenues (expense)	\$ (11,956,032)	\$ 655,539	\$ (11,300,493)	\$ (410)
General revenues:				
Property taxes	9,987,401	-	9,987,401	-
State shared revenue	2,581,031	-	2,581,031	-
Unrestricted investment earnings	25,035	14,468	39,503	-
Transfers	(662,666)	662,666	-	-
Total general revenues and transfers	11,930,801	677,134	12,607,935	-
Change in net position	(25,231)	1,332,673	1,307,442	(410)
Net position, beginning of year	38,777,517	34,511,186	73,288,703	7,193
Net position, end of year	\$ 38,752,286	\$ 35,843,859	\$ 74,596,145	\$ 6,783

concluded.

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

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FUND FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Balance Sheet Governmental Funds December 31, 2013

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 7,282,882	\$ 1,827,940	\$ 57,566	\$ 2,103,057	\$ 11,271,445
Receivables:					
Accounts	791,724	149,256	-	483,246	1,424,226
Taxes and special assessments	-	-	1,543,454	466,198	2,009,652
Due from other funds	23,760	-	-	4,424	28,184
Prepaid items	22,288	7,607	-	962	30,857
Total assets	\$ 8,120,654	\$ 1,984,803	\$ 1,601,020	\$ 3,057,887	\$ 14,764,364
Liabilities					
Accounts payable	\$ 337,468	\$ 182,767	\$ -	\$ 128,877	\$ 649,112
Accrued liabilities	15,470	41,557	-	2,454	59,481
Due to other funds	726	4,924	-	10,845	16,495
Due to other governments	77,718	-	-	-	77,718
Escrow payable	342,464	-	-	18,538	361,002
Unearned revenue	42,577	26,517	-	-	69,094
Total liabilities	816,423	255,765	-	160,714	1,232,902
Deferred inflows of resources					
Unavailable revenue - special assessments	3,735	-	1,543,454	466,198	2,013,387
Fund balances					
Nonspendable - prepaid items	22,288	7,607	-	962	30,857
Restricted for:					
General government	-	-	-	155,272	155,272
Public safety	-	1,656,271	-	1,513,184	3,169,455
Public works	-	-	-	310,666	310,666
Culture and recreation	-	-	-	190,154	190,154
Budget stabilization	965,000	-	-	-	965,000
Debt service	-	-	57,566	232,547	290,113
Drug enforcement	-	34,364	-	-	34,364
Right-a-way	81,018	-	-	-	81,018
Police/Dispatch training grants	-	30,796	-	-	30,796
Donations	1,200	-	-	-	1,200
Committed for capital projects	985,000	-	-	28,190	1,013,190
Unassigned	5,245,990	-	-	-	5,245,990
Total fund balances	7,300,496	1,729,038	57,566	2,430,975	11,518,075
Total liabilities, deferred inflows of resources and fund balances	\$ 8,120,654	\$ 1,984,803	\$ 1,601,020	\$ 3,057,887	\$ 14,764,364

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Fund Balances of Governmental Funds to Net Position of
Governmental Activities
December 31, 2013

Fund balances - total governmental funds	\$ 11,518,075
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets	51,009,038
Accumulated depreciation	(19,949,071)
Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds.	2,013,387
Premiums on bonds are reported as other financing uses or sources in the governmental funds, whereas they are capitalized and amortized for net position (and netted against bonds payable).	
Unamortized premium on refunding bonds	(8,682)
Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	52,603
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, installment contracts and special assessments payable	(4,450,922)
Accrued interest on bonds and installment contracts payable	(30,208)
Net other postemployment benefit obligation	(109,677)
Compensated absences	(1,292,257)
Net position of governmental activities	<u>\$ 38,752,286</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2013

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes and special assessments	\$ 6,413,007	\$ 3,200,406	\$ 83,143	\$ 1,035,669	\$ 10,732,225
Licenses and permits	117,006	19,640	-	730,375	867,021
Intergovernmental	2,725,466	274,644	-	-	3,000,110
Charges for services	1,332,844	25,850	-	1,604,941	2,963,635
Fines and forfeitures	2,350	157,790	-	-	160,140
Franchise fees	516,704	-	-	2,889	519,593
Investment earnings	17,060	5,049	37	-	22,146
Donations	29,666	-	-	-	29,666
Other revenues	517,542	216,288	-	90,728	824,558
Total revenues	11,671,645	3,899,667	83,180	3,464,602	19,119,094
Expenditures					
Current:					
General government	2,846,263	-	-	12,884	2,859,147
Public safety	108,353	8,352,302	-	976,473	9,437,128
Public works	849,836	-	-	1,273,201	2,123,037
Planning and zoning	475,587	-	-	-	475,587
Culture and recreation	939,392	-	-	10,494	949,886
Other unallocated	598,028	-	-	-	598,028
Debt service:					
Principal	-	-	60,000	817,532	877,532
Interest and fiscal charges	-	-	61,515	111,090	172,605
Capital outlay	426,598	832,933	-	229,554	1,489,085
Total expenditures	6,244,057	9,185,235	121,515	3,431,228	18,982,035
Revenues over (under) expenditures	5,427,588	(5,285,568)	(38,335)	33,374	137,059
Other financing sources (uses)					
Transfers in	193,651	4,500,000	60,758	228,604	4,983,013
Transfers out	(4,893,889)	(104,527)	-	(647,263)	(5,645,679)
Total other financing sources (uses)	(4,700,238)	4,395,473	60,758	(418,659)	(662,666)
Net change in fund balances	727,350	(890,095)	22,423	(385,285)	(525,607)
Fund balances, beginning of year	6,573,146	2,619,133	35,143	2,816,260	12,043,682
Fund balances, end of year	\$ 7,300,496	\$ 1,729,038	\$ 57,566	\$ 2,430,975	\$ 11,518,075

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Net Change in Fund Balances of Governmental Funds to
Changes in Net Position of Governmental Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	\$ (525,607)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Collection of special assessments revenue levied in the prior years provide current financial gain in the funds, but do not affect net position.	(449,097)
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.	
Capital outlay	1,253,356
Depreciation expense	(1,115,373)
Net book value of assets disposed	(17,750)
Loss on transfer of capital assets	(183,936)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	877,532
Accrued interest expense on bonds and the amortization of bond premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.	
Change in accrued interest payable on bonds	10,235
Amortization of premium	2,170
Amortization of deferred loss on refunding	(13,150)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in other postemployment benefit obligation	171,260
Change in the accrual for compensated absences	(34,871)
Change in net position of governmental activities	<u>\$ (25,231)</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 6,508,377	\$ 6,508,377	\$ 6,413,007	\$ (95,370)
Licenses and permits	87,800	87,800	117,006	29,206
Intergovernmental	2,119,300	2,168,300	2,725,466	557,166
Charges for services	1,282,018	1,282,018	1,332,844	50,826
Fines and forfeitures	10,000	10,000	2,350	(7,650)
Franchise fees	480,000	480,000	516,704	36,704
Investment earnings	10,000	10,000	17,060	7,060
Donations	-	20,000	29,666	9,666
Other revenues	614,200	614,200	517,542	(96,658)
Total revenues	11,111,695	11,180,695	11,671,645	490,950
Expenditures				
General government:				
Township board	48,232	48,232	38,085	(10,147)
Township supervisor	205,743	205,743	193,801	(11,942)
Elections	199,305	199,305	106,687	(92,618)
Finance	213,665	219,515	218,128	(1,387)
Assessor	451,370	451,370	436,119	(15,251)
Township clerk	333,587	327,737	296,917	(30,820)
Human resources / admin services	304,444	323,001	319,851	(3,150)
Board of review	7,000	7,000	4,013	(2,987)
Administrative	72,500	61,500	45,675	(15,825)
Professional services	142,000	142,000	124,117	(17,883)
Township treasurer	347,740	347,740	335,521	(12,219)
Information technology	308,735	337,135	300,606	(36,529)
Building and grounds	474,180	489,821	426,743	(63,078)
Total general government	3,108,501	3,160,099	2,846,263	(313,836)
Public safety -				
Property maintenance inspections	147,808	141,283	108,353	(32,930)
Public works -				
Highways, streets and drains	932,000	1,082,000	849,836	(232,164)

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Planning and zoning -				
Municipal services	\$ 514,153	\$ 511,853	\$ 475,587	\$ (36,266)
Culture and recreation:				
Parks and recreation	926,935	949,595	938,763	(10,832)
Historical commission	1,050	1,050	629	(421)
Total culture and recreation	927,985	950,645	939,392	(11,253)
Other unallocated	962,000	823,477	598,028	(225,449)
Capital outlay	299,500	481,590	426,598	(54,992)
Total expenditures	6,891,947	7,150,947	6,244,057	(906,890)
Revenues over expenditures	4,219,748	4,029,748	5,427,588	1,397,840
Other financing sources (uses)				
Transfers in	-	-	193,651	193,651
Transfers out	(4,575,700)	(4,895,700)	(4,893,889)	(1,811)
Total other financing uses	(4,575,700)	(4,895,700)	(4,700,238)	195,462
Net change in fund balances	(355,952)	(865,952)	727,350	1,593,302
Fund balances, beginning of year	6,573,146	6,573,146	6,573,146	-
Fund balances, end of year	\$ 6,217,194	\$ 5,707,194	\$ 7,300,496	\$ 1,593,302

concluded.

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 3,220,925	\$ 3,220,925	\$ 3,200,406	\$ (20,519)
Licenses and permits	18,000	18,000	19,640	1,640
Intergovernmental	76,000	436,728	274,644	(162,084)
Charges for services	18,700	18,700	25,850	7,150
Fines and forfeitures	100,000	100,000	157,790	57,790
Investment earnings	6,000	6,000	5,049	(951)
Donations	500	500	-	(500)
Other revenue	175,500	175,500	216,288	40,788
Total revenues	3,615,625	3,976,353	3,899,667	(76,686)
Expenditures				
Public safety	8,760,076	8,809,076	8,352,302	(456,774)
Capital outlay	732,200	903,928	832,933	(70,995)
Total expenditures	9,492,276	9,713,004	9,185,235	(527,769)
Revenues under expenditures	(5,876,651)	(5,736,651)	(5,285,568)	451,083
Other financing sources (uses)				
Transfers in	4,500,000	4,500,000	4,500,000	-
Transfers out	-	(140,000)	(104,527)	35,473
Total other financing sources	4,500,000	4,360,000	4,395,473	35,473
Net change in fund balances	(1,376,651)	(1,376,651)	(890,095)	486,556
Fund balances, beginning of year	2,619,133	2,619,133	2,619,133	-
Fund balances, end of year	\$ 1,242,482	\$ 1,242,482	\$ 1,729,038	\$ 486,556

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Net Position

Water and Sewer Enterprise Fund

December 31, 2013

Assets

Current assets:

Cash and cash equivalents	\$ 7,425,227
Accounts receivable	1,893,357
Due from other funds	1,274
Inventory	181,705
Prepaid items	2,437
Total current assets	<u>9,504,000</u>

Noncurrent assets:

Restricted cash and cash equivalents	2,133,369
Capital assets not being depreciated	1,065,684
Capital assets being depreciated, net	34,595,881
Total noncurrent assets	<u>37,794,934</u>

Total assets	<u>47,298,934</u>
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Liabilities

Current liabilities:

Accounts payable	1,072,679
Accrued payroll	2,761
Accrued interest	180,822
Escrow payable	292,801
Due to other governments	80,385
Due to other funds	12,963
Compensated absences, current portion	20,000
Bonds payable, current portion	440,000
Total current liabilities	<u>2,102,411</u>

Noncurrent liabilities:

Compensated absences, net of current portion	75,584
Bonds payable, net of current portion	9,277,080
Total noncurrent liabilities	<u>9,352,664</u>

Total liabilities	<u>11,455,075</u>
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Net position

Net investment in capital assets	25,944,485
Unrestricted	9,899,374

Total net position	<u>\$ 35,843,859</u>
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The accompanying notes are an integral part of these basic financial statements.

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PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenses and Changes in Fund Net Position

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2013

Operating revenues	
Charges for services	\$ 10,701,660
Other	10,979
	<hr/>
Total operating revenues	10,712,639
	<hr/>
Operating expenses	
Personal services	886,302
Materials and supplies	7,559,553
Contractual	60,673
Insurance	31,198
Maintenance	98,416
Other expense	364,190
Depreciation	1,326,394
	<hr/>
Total operating expenses	10,326,726
	<hr/>
Operating income	385,913
	<hr/>
Nonoperating revenues (expenses)	
Investment earnings	14,468
Interest expense and fees	(341,904)
	<hr/>
Total nonoperating expenses	(327,436)
	<hr/>
Income before contributions and transfers	58,477
	<hr/>
Capital contributions - tap fees and other	611,530
	<hr/>
Transfers in	662,666
	<hr/>
Change in net position	1,332,673
	<hr/>
Net position, beginning of year	34,511,186
	<hr/>
Net position, end of year	\$ 35,843,859
	<hr/>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2013

Cash flows from operating activities	
Receipts from customers and users	\$ 10,706,411
Payments to suppliers	(7,795,311)
Payments to employees	<u>(882,279)</u>
Net cash provided by operating activities	<u>2,028,821</u>
Cash flows from noncapital financing activities	
Transfers in	<u>662,666</u>
Cash flows from capital and related financing activities	
Principal paid on debt	(505,000)
Interest paid on debt	(337,404)
Purchase of capital assets	(789,933)
Cash contributions for tap fees	<u>611,530</u>
Net cash used in capital and related financing activities	<u>(1,020,807)</u>
Cash flows from investing activities	
Interest received on investments	<u>14,468</u>
Change in cash and cash equivalents	1,685,148
Cash and cash equivalents, beginning of year	<u>7,873,448</u>
Cash and cash equivalents, end of year	<u>\$ 9,558,596</u>
Classified on the statement of net position as:	
Cash and cash equivalents	\$ 7,425,227
Restricted cash and cash equivalents	<u>2,133,369</u>
Total cash and cash equivalents	<u>\$ 9,558,596</u>

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2013

Cash flows from operating activities	
Operating income	\$ 385,913
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,326,394
Change in:	
Accounts receivable, net	(6,303)
Due from other governments	75
Due from other funds	138,926
Inventory	40,356
Prepaid items	13,714
Accounts payable	(360,926)
Accrued payroll	(12,196)
Accrued interest	180,822
Escrow payable	212,801
Due to other governments	80,385
Due to other funds	12,641
Compensated absences	16,219
Net cash provided by operating activities	<u>\$ 2,028,821</u>

concluded.

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2013

Assets

Cash and cash equivalents	\$ 10,235,701
Due from other governments	<u>3,654</u>

Total assets	<u><u>\$ 10,239,355</u></u>
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Liabilities

Undistributed receipts	<u><u>\$ 10,239,355</u></u>
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The accompanying notes are an integral part of these basic financial statements.

NOTES TO FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, Washtenaw County, Michigan (the "Township") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, if any, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Unit

Pittsfield Township Economic Development Corporation (the "EDC") - The EDC, established pursuant to State statutes, was formed to assist economic activity in the Township, primarily through the issuance of tax-exempt bonds. The Township has no obligation to fund deficits of the EDC nor does it guarantee its debt. Members of the EDC's Board of Directors are appointed by the Township's Board of Trustees. Although the EDC does not otherwise meet the criteria for inclusion, the Township has determined that its exclusion would render the financial statements misleading.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary 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 given functions or segments 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 revenues*.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the respective fund financial statements.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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, or within one year for reimbursement based grants. 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, state shared revenue, 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.

The Township reports the following major governmental funds:

The *general 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.

The *public safety special revenue fund* accounts for the public safety millage revenue and related expenditures.

The *Michigan Avenue East debt service fund* accounts for the resources accumulated and payments made for principal and interest on the Michigan Avenue East drain assessment debt.

The government reports the following major proprietary fund:

The *water and sewer enterprise fund* accounts for the activities of the water distribution and the sewage disposal and treatment system, which are financed primarily by user charges.

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

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*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds, if any, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Inventory and Prepaid Items

Inventory is valued at cost, which approximates market, using the first in/first out method. The costs of governmental fund type inventory is primarily recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (e.g., roads, bridges, drains and similar items), with an initial cost greater than \$5,000, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Asset	Years
Building and improvements	15-30
Machinery and equipment	5-20
Infrastructure	15-50

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Township only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due. The long-term portion of the compensated absences related to the governmental funds is a liability recorded in the statement of net position.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting in this category. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity and Net Position Flow Assumption

Governmental funds report *nonspendable* fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted* fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed* fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township may report *assigned* fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed; however, the Board of Trustees has not yet authorized anyone to assign fund balance. *Unassigned* fund balance is the residual classification for the general fund or deficit fund balances.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amount to restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

2. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. Public hearings are conducted in September and October to obtain citizen comment. Prior to December 15 of each year, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. A budget is legally enacted by the Township Board through the passage of a budget resolution on or before December 15. Line item budgets are adopted for internal financial management; however, the legal level of control for the budgets is at the departmental basis. Formal budgetary integration is employed as a management control device for the general and special revenue funds; budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.

3. EXCESS OF EXPENDITURES OVER BUDGET

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2013, the Township did not incur expenditures in excess of the amounts appropriated at the legal level of budgetary control.

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposits and investments as of December 31, 2013:

	Primary Government	Component Unit	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 18,696,672	\$ 8,926	\$ 18,705,598
Restricted cash and cash equivalents	2,133,369	-	2,133,369
Statement of Fiduciary Net Position			
Cash and cash equivalents	10,235,701	-	10,235,701
Total	\$ 31,065,742	\$ 8,926	\$ 31,074,668
Deposits and investments			
Bank deposits (checking, savings and certificates of deposit)			\$ 31,073,968
Cash on hand			700
Total			\$ 31,074,668

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the Township does not have a policy for deposit custodial credit risk.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

At year-end, \$5,773,643 of the combined bank balance of \$25,673,720 (total book balance of \$31,073,968) was exposed to custodial credit risk as it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

The Township has restricted cash and cash equivalents of \$2,133,369 at December 31, 2013 for water and sewer capital improvement projects.

5. RECEIVABLES

Receivables in the governmental activities are 41 percent accounts receivable and 59 percent taxes and special assessments. Approximately 85 percent, or \$1,711,360, of the special assessment receivables are not expected to be collected within one year. Business-type activities accounts receivable are 100% due from customers.

6. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2013, was as follows:

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Governmental activities					
Capital assets					
not being depreciated:					
Land and land					
improvements	\$ 23,160,737	\$ -	\$ -	\$ -	\$ 23,160,737
Construction in progress	87,617	-	-	(87,617)	-
	<u>23,248,354</u>	<u>-</u>	<u>-</u>	<u>(87,617)</u>	<u>23,160,737</u>
Capital assets being depreciated:					
Buildings and improvements	5,617,017	-	433,029	-	6,050,046
Infrastructure	13,507,659	(188,652)	5,975	-	13,324,982
Machinery and equipment	7,960,018	-	901,969	(388,714)	8,473,273
	<u>27,084,694</u>	<u>(188,652)</u>	<u>1,340,973</u>	<u>(388,714)</u>	<u>27,848,301</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,336,444)	-	(256,517)	-	(3,592,961)
Infrastructure	(9,729,693)	4,716	(299,064)	-	(10,024,041)
Machinery and equipment	(6,143,241)	-	(559,792)	370,964	(6,332,069)
	<u>(19,209,378)</u>	<u>4,716</u>	<u>(1,115,373)</u>	<u>370,964</u>	<u>(19,949,071)</u>
Total capital assets					
being depreciated, net	<u>7,875,316</u>	<u>(183,936)</u>	<u>225,600</u>	<u>(17,750)</u>	<u>7,899,230</u>
Governmental activities					
capital assets, net	<u>\$ 31,036,053</u>	<u>\$ (183,936)</u>	<u>\$ 225,600</u>	<u>\$ (17,750)</u>	<u>\$ 31,059,967</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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

General government	\$ 395,412
Public safety	449,048
Public works	221,874
Planning and zoning	21,850
Parks and recreation	<u>27,189</u>
Total depreciation expense	<u>\$ 1,115,373</u>

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 510,118	\$ -	\$ -	\$ -	\$ 510,118
Construction in progress	-	-	555,566	-	555,566
	<u>510,118</u>	<u>-</u>	<u>555,566</u>	<u>-</u>	<u>1,065,684</u>
Capital assets being depreciated:					
Infrastructure	52,474,735	188,652	-	-	52,663,387
Buildings	949,314	-	-	-	949,314
Machinery and equipment	1,335,344	-	50,431	(17,259)	1,368,516
	<u>54,759,393</u>	<u>188,652</u>	<u>50,431</u>	<u>(17,259)</u>	<u>54,981,217</u>
Less accumulated depreciation for:					
Infrastructure	(17,890,323)	(4,716)	(1,127,733)	-	(19,022,772)
Buildings	(379,728)	-	(31,644)	-	(411,372)
Machinery and equipment	(801,434)	-	(167,017)	17,259	(951,192)
	<u>(19,071,485)</u>	<u>(4,716)</u>	<u>(1,326,394)</u>	<u>17,259</u>	<u>(20,385,336)</u>
Total capital assets being depreciated, net	<u>35,687,908</u>	<u>183,936</u>	<u>(1,275,963)</u>	<u>-</u>	<u>34,595,881</u>
Business-type activities capital assets, net	<u>\$ 36,198,026</u>	<u>\$ 183,936</u>	<u>\$ (720,397)</u>	<u>\$ -</u>	<u>\$ 35,661,565</u>

7. PAYABLES

Payables in the governmental activities are 58 percent due to vendors, 32 percent accrued liabilities, 7 percent due to other governments and 3 percent accrued interest. Business-type activities payables are 89 percent due to vendors and 11 percent accrued interest.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Following is a summary of interfund balances as of December 31, 2013:

	Receivable	Payable
General	\$ 23,760	\$ 726
Public safety special revenue fund	-	4,924
Nonmajor governmental funds	4,424	10,845
Water and sewer enterprise fund	1,274	12,963
	<u>\$ 29,458</u>	<u>\$ 29,458</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Interfund receivables and payables represent routine and temporary cash flow assistance.

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

Transfers Out	Transfers In					Totals
	General	Public Safety fund	Michigan Avenue East fund	Nonmajor Governmental Funds	Water and Sewer Fund	
General	\$ -	\$ 4,500,000	\$ 60,758	\$ 228,604	\$ 104,527	\$ 4,893,889
Public safety	-	-	-	-	104,527	104,527
Nonmajor governmental funds	193,651	-	-	-	453,612	647,263
	<u>\$ 193,651</u>	<u>\$ 4,500,000</u>	<u>\$ 60,758</u>	<u>\$ 228,604</u>	<u>\$ 662,666</u>	<u>\$ 5,645,679</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

9. LONG-TERM DEBT

Installment obligations. Installment obligations outstanding at year-end amounted to \$2,315,000 with interest from .85% to 2.70%. Annual debt service requirements to maturity for installment obligations are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Principal
2014	\$ 560,000	\$ 47,525
2015	570,000	36,083
2016	585,000	23,220
2017	600,000	8,100
	<u>\$ 2,315,000</u>	<u>\$ 114,928</u>

General obligation bonds - governmental activities. The Township has issued general obligation bonds to finance certain improvement projects. The Township has pledged its full faith and credit within statutory limitations for the following issues:

\$885,000 2000 Water's Place Improvement Serial Bonds due in annual installments of \$60,000 to \$65,000 through 2015, interest 5.25% to 5.6%.	\$ 120,000
\$875,000 2004 State and Textile Road Improvement Serial Bonds due in annual installments of \$50,000 to \$100,000 through 2014, interest 3.15% to 4.4%.	<u>100,000</u>
Total general obligation bonds	<u>\$ 220,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2014	\$ 160,000	\$ 9,425
2015	60,000	1,680
	<u>\$ 220,000</u>	<u>\$ 11,105</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Special assessment debt with government commitment. The government has been assessed for its at-large share of certain drainage district project costs, payable over a multiyear period with interest at 1.625 to 5 percent. Special assessment debt with government commitment, for which debt proceeds are received and expended by the Washtenaw County Drain Commission (and the resulting infrastructure capital asset is its property), currently outstanding is as follows:

\$1,850,000 1996 Carpenter Road Serial Bonds due in annual installments of \$75,000 to \$100,000 through 2015, interest 5%. The Township's share of the bond is \$1,639,100 or 88.6% and Washtenaw County's share of the bond is \$210,000 or 11.4%.	\$ 132,900
\$2,180,000 2006 Mallets Creek Serial Bonds due in annual installments of \$17,985 to \$23,664 through 2026, interest 1.625%. The Township's share of the bond is \$412,706 or 17.86% and Washtenaw County's share of the bond is \$1,767,294 or 82.14%.	283,022
\$1,720,000 2009 Michigan Avenue East Serial Bonds due in annual installments of \$50,000 to \$130,000 though 2029, interest at 2.25% to 4.75%.	<u>1,500,000</u>
Total drain assessment bonds payable	<u><u>\$ 1,915,922</u></u>

Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2014	\$ 151,328	\$ 69,443
2015	151,328	64,091
2016	90,824	60,163
2017	90,824	57,620
2018	95,825	54,776
2019-2023	560,747	219,662
2024-2028	645,046	101,381
2029	<u>130,000</u>	<u>3,088</u>
	<u><u>\$ 1,915,922</u></u>	<u><u>\$ 630,224</u></u>

General obligation bonds - business-type activities. The government issues general obligation bonds to provide funds for the acquisition and construction of major water and sewer system capital infrastructure. The original amount of the outstanding general obligation bonds was \$13,604,650.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

General obligation bonds currently outstanding are as follows:

\$8,000,000 2004 Capital Improvement Serial Bonds due in annual installments of \$190,000 to \$530,000 through 2029, interest at 2.75% to 4.3%.	\$ 6,045,000
\$4,854,650 2010 Drinking Water Revolving Bonds due in annual installments of \$175,000 to \$266,080 through 2030, interest at 2.50%.	<u>3,736,080</u>
Total general obligation bonds	<u>\$ 9,781,080</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Business-type Activities	
	Principal	Interest
2014	\$ 440,000	\$ 329,609
2015	460,000	316,277
2016	475,000	362,130
2017	495,000	287,139
2018	505,000	271,281
2019-2023	2,855,000	1,085,113
2024-2028	3,495,000	526,422
2029-2030	<u>1,056,080</u>	<u>31,199</u>
	<u>\$ 9,781,080</u>	<u>\$ 3,209,170</u>

During the year ended December 31, 2013, the Township did not make any draws against the Clean Water State Revolving Fund bonds. The total amount authorized under this issue is \$4,854,650. The total amount drawn through the year ended December 31, 2013 was \$4,268,080.

Compensated absences. Compensated absences, net pension obligations and net OPEB obligations are generally liquidated by the general fund.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Installment obligations	\$ 2,865,000	\$ -	\$ (550,000)	\$ 2,315,000	\$ 560,000
General obligation bonds	380,000	-	(160,000)	220,000	160,000
Special assessment debt with government commitment	2,083,454	-	(167,532)	1,915,922	151,328
Unamortized premium	10,852	-	(2,170)	8,682	-
Compensated absences	1,257,386	92,546	(57,675)	1,292,257	400,000
Total governmental activities	\$ 6,596,692	\$ 92,546	\$ (937,377)	\$ 5,751,861	\$ 1,271,328
Business-type activities					
General obligation bonds	\$ 10,286,080	\$ -	\$ (505,000)	\$ 9,781,080	\$ 440,000
Unamortized discount	(68,500)	-	4,500	(64,000)	-
Compensated absences	79,365	17,787	(1,568)	95,584	20,000
Total business-type activities	\$ 10,296,945	\$ 17,787	\$ (502,068)	\$ 9,812,664	\$ 460,000

10. OPERATING LEASES

The Township also has lease agreements for three copy machines expiring on August 30, 2017. Rent expense totaled \$11,183 for the year ended December 31, 2013. The remaining future commitments are as follows:

Year Ended December 31,	Amount
2014	\$ 10,823
2015	10,823
2016	10,823
2017	<u>5,702</u>
Total	\$ <u>38,171</u>

11. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2013, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component unit, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

13. PROPERTY TAXES

Property taxes become an enforceable lien on the property as of December 31. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes along with collecting taxes for various other taxing jurisdictions. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed.

Assessed values, as established annually by the government, are subject to acceptance by the County and equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the Township totaled \$1,651,756,432. The government's general operating tax rate for fiscal year 2013 was 3.8758 mills.

14. DEFINED BENEFIT PENSION PLAN

Plan Description. The Township participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers substantially all of the employees of the Township. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Plan Membership. As of December 31, 2012, the date of the latest actuarial valuation, the plan had 124 active members, 26 vested former members and 28 retirees and beneficiaries (for a total of 178 total participants).

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Funding Policy. The Township is required to contribute at an actuarially determined rate; the current rates range from 1.73% to 34.63%, depending on the division, of annual covered payroll. Employees contribute 3.00% to 9.06% to the plan depending on the division. The Township’s contributions are recognized when due and a formal commitment to provide the contributions has been made. The employer contributions consist of the actuarial determined normal cost and a portion of unfunded liability (28-year amortization using level percentage of projected payroll amortization method on an open basis). The contribution requirements of the Township are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the Township, subject to collective bargaining agreements and depending on the MERS contribution program adopted by the Township.

Funding Progress. For the year ended December 31, 2013, the Township’s annual pension cost of \$815,893 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumption included: (a) a rate of return on the investment of present and future assets of 8%; (b) projected salary increase of 4.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit.

Annual Pension Cost and Net Pension Obligation. For 2013, the components of the Township’s annual pension cost, the amount actually contributed and changes to the net pension obligation to the plan were as follows:

Annual required contribution	\$ 815,893
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual net pension cost	<u>815,893</u>
Contributions made	<u>(815,893)</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
 Net pension obligation, end of year	 <u><u>\$ -</u></u>

The annual pension costs, the percentage of annual pensions cost contributed to the plan and the net pension obligation of the Township for the last three years were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2011	\$ 603,528	100%	\$ -
2012	751,402	100%	-
2013	815,893	100%	-

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Funded Status. The funded status of the plan as of January 1, 2013, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)(a)	\$ 23,384,220
Actuarial value of plan assets (b)	<u>17,975,237</u>
Unfunded actuarial accrued liability (UAAL) (a-b)	<u>\$ 5,408,983</u>
Funded ratio (b/a)	76.9%
Covered payroll (active plan members) (c)	\$ 7,309,436
UAAL as a percentage of covered payroll ((a-b)/c)	74.0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value as shown is determined using the entry age actuarial cost method.

15. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Township participates in the Municipal Employees' Retirement System (MERS) Retirement Health Funding Vehicle, an agent multiple-employer other postemployment benefit plan that provides healthcare benefits to eligible retirees and their beneficiaries. The Plan was adopted and established by the Township Board of Trustees. MERS issues a publicly available financial report that includes financial statements and required supplementary information, which may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Plan Membership. As of January 1, 2013, the date of the latest actuarial valuation, six retirees were currently receiving benefits; the Plan has 123 active participants.

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Township Board of Trustees, subject to applicable labor contracts, although the Township has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment. In other words, the plan may be financed on a *pay-as-you-go* basis.

Currently, active plan members are not required to contribute to the plan. Plan members receiving benefits are not required to contribute towards their own individual coverage. The Township made contributions to the plan totaling \$713,312.

Funding Progress. For the year ended December 31, 2013, the Township estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2013. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 7.78% of annual covered payroll.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Annual OPEB Cost and Net OPEB Obligation. For 2013, the components of the Township's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation to the Plan were as follows:

Annual required contribution	\$ 534,079
Interest on net OPEB obligation	22,475
Adjustment to annual required contribution	<u>(14,502)</u>
Net OPEB cost	542,052
Contributions made	<u>(713,312)</u>
Change in net OPEB obligation	(171,260)
Net OPEB obligation, beginning of year	<u>280,937</u>
 Net OPEB obligation, end of year	 <u><u>\$ 109,677</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and three preceding years were as follows:

Three-Year Trend Information				
Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2011	\$ 797,809	\$ 880,810	110.4%	\$ 143,219
12/31/2012	794,357	656,639	82.7%	280,937
12/31/2013	542,052	713,312	131.6%	109,677

Funded Status. The funded status of the Plan as of January 1, 2013, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liabilities (a)	\$ 9,437,000
Actuarial value of plan assets (b)	<u>4,109,000</u>
Unfunded actuarial accrued liability (a-b)	<u><u>\$ 5,328,000</u></u>
 Funded ratio (b/a)	 43.5%
Covered payroll (c)	\$ 6,703,000
Unfunded actuarial accrued liability as a percentage of covered payroll ((a-b)/c)	79.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2013
Actuarial cost method	Individual entry age
Amortization method	Level percent of payroll open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate (investment return)	8.0%
Projected salary increases	4.5%
Healthcare inflation rate	5.0%
Inflation rate	4.5%

16. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment of capital assets debt as of December 31, 2013, was as follows:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 23,160,737	\$ 1,065,684
Capital assets being depreciated, net	7,899,230	34,595,881
	<u>31,059,967</u>	<u>35,661,565</u>
Less related debt:		
Bonds payable	220,000	9,781,080
Installment obligations	2,315,000	
Unamortized bond premium	8,682	-
Unamortized bond discount	-	(64,000)
Unamortized refunding loss	(52,603)	-
	<u>2,491,079</u>	<u>9,717,080</u>
Net investment in capital assets	<u>\$ 28,568,888</u>	<u>\$ 25,944,485</u>

Long-term debt related to special assessments is not included in the calculation for net investment in capital assets since these assets do not belong to the Township.



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REQUIRED SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP

Municipal Employees Retirement System of Michigan

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 Percentage of Covered Payroll ((b-a) / c)
12/31/2004	\$ 6,750,466	\$ 9,711,666	\$ 2,961,200	69.5%	\$ 5,384,000	55.0%
12/31/2005	7,755,416	10,943,440	3,188,024	70.9%	5,796,407	55.0%
12/31/2006	9,015,922	12,681,900	3,665,978	71.1%	6,009,800	61.0%
12/31/2007	10,278,963	14,059,796	3,780,833	73.1%	6,301,388	60.0%
12/31/2008	11,515,448	15,441,447	3,925,999	74.6%	6,231,744	63.0%
12/31/2009	12,828,020	16,665,216	3,837,196	77.0%	6,731,923	57.0%
12/31/2010	14,829,823	18,841,079	4,011,256	78.7%	7,162,957	56.0%
12/31/2011	16,483,524	21,644,476	5,160,952	76.2%	7,260,531	71.1%
12/31/2012	17,975,237	23,384,220	5,408,983	76.9%	7,309,436	74.0%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2005	\$ 357,073	100%
2006	416,355	100%
2007	472,566	100%
2008	510,445	100%
2009	484,152	100%
2010	569,568	100%
2011	603,528	100%
2012	751,402	100%
2013	815,893	100%

PITTSFIELD CHARTER TOWNSHIP

Other Postemployment Benefits

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Funded Ratio (a / b)	Unfunded AAL (UAAL) (b -a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2009	\$ 1,545,277	\$ 8,033,569	19.2%	\$ 6,488,292	\$ 6,465,155	100.4%
1/1/2013	4,109,000	9,437,000	43.5%	5,328,000	6,703,000	79.5%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2009	\$ 680,134	40.7%
2010	781,160	124.4%
2011	797,809	111.3%
2012	791,041	82.7%
2013	534,079	133.6%

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,838,080	\$ 232,547	\$ 32,430	\$ 2,103,057
Accounts receivable	483,246	-	-	483,246
Special assessments receivable	-	466,198	-	466,198
Due from other funds	4,424	-	-	4,424
Prepaid items	962	-	-	962
Total assets	\$ 2,326,712	\$ 698,745	\$ 32,430	\$ 3,057,887
Liabilities				
Accounts payable	\$ 124,637	\$ -	\$ 4,240	\$ 128,877
Accrued liabilities	2,454	-	-	2,454
Due to other funds	10,845	-	-	10,845
Escrow payable	18,538	-	-	18,538
Total liabilities	156,474	-	4,240	160,714
Deferred inflows of resources				
Unavailable revenue - special assessments	-	466,198	-	466,198
Fund balances				
Nonspendable - prepaid items	962	-	-	962
Restricted:				
General government	155,272	-	-	155,272
Public safety	1,513,184	-	-	1,513,184
Public works	310,666	-	-	310,666
Culture and recreation	190,154	-	-	190,154
Debt service	-	232,547	-	232,547
Committed -				
Capital projects	-	-	28,190	28,190
Total fund balances	2,170,238	232,547	28,190	2,430,975
Total liabilities, deferred inflows of resources and fund balances	\$ 2,326,712	\$ 698,745	\$ 32,430	\$ 3,057,887

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2013

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Taxes and special assessments	\$ 797,375	\$ 238,294	\$ -	\$ 1,035,669
Licenses and permits	730,375	-	-	730,375
Charges for services	1,604,941	-	-	1,604,941
Investment earnings	2,603	286	-	2,889
Other revenues	90,728	-	-	90,728
Total revenues	3,226,022	238,580	-	3,464,602
Expenditures				
Current:				
General government	12,884	-	-	12,884
Public safety	976,473	-	-	976,473
Public works	1,273,201	-	-	1,273,201
Culture and recreation	10,494	-	-	10,494
Debt service:				
Principal	550,000	267,532	-	817,532
Interest and fiscal charges	77,576	33,514	-	111,090
Capital outlay	57,744	-	171,810	229,554
Total expenditures	2,958,372	301,046	171,810	3,431,228
Revenues over (under) expenditures	267,650	(62,466)	(171,810)	33,374
Other financing sources (uses)				
Transfers in	14,924	13,680	200,000	228,604
Transfers out	-	(647,263)	-	(647,263)
Total other financing sources (uses)	14,924	(633,583)	200,000	(418,659)
Net change in fund balances	282,574	(696,049)	28,190	(385,285)
Fund balances, beginning of year	1,887,664	928,596	-	2,816,260
Fund balances, end of year	\$ 2,170,238	\$ 232,547	\$ 28,190	\$ 2,430,975

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2013

	Refuse Collection	Tree Mitigation	Building Department
Assets			
Cash and cash equivalents	\$ 68,426	\$ 155,272	\$ 725,837
Accounts receivable	369,924	-	12,257
Due from other funds	1,371	-	2,671
Prepaid items	-	-	448
Total assets	<u>\$ 439,721</u>	<u>\$ 155,272</u>	<u>\$ 741,213</u>
Liabilities			
Accounts payable	\$ 109,784	\$ -	\$ 7,623
Accrued liabilities	-	-	-
Due to other funds	733	-	10,112
Escrow payable	18,538	-	-
Total liabilities	<u>129,055</u>	<u>-</u>	<u>17,735</u>
Fund balances			
Nonspendable - prepaid items	-	-	448
Restricted:			
General government	-	155,272	-
Public safety	-	-	723,030
Public works	310,666	-	-
Culture and recreation	-	-	-
Total fund balances	<u>310,666</u>	<u>155,272</u>	<u>723,478</u>
Total liabilities and fund balances	<u>\$ 439,721</u>	<u>\$ 155,272</u>	<u>\$ 741,213</u>



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 194,294	\$ 678,170	\$ 16,081	\$ 1,838,080
-	89,425	11,640	483,246
-	-	382	4,424
-	514	-	962
<u>\$ 194,294</u>	<u>\$ 768,109</u>	<u>\$ 28,103</u>	<u>\$ 2,326,712</u>
\$ 4,140	\$ 3,090	\$ -	\$ 124,637
-	2,454	-	2,454
-	-	-	10,845
-	-	-	18,538
<u>4,140</u>	<u>5,544</u>	<u>-</u>	<u>156,474</u>
-	514	-	962
-	-	-	155,272
-	762,051	28,103	1,513,184
-	-	-	310,666
<u>190,154</u>	<u>-</u>	<u>-</u>	<u>190,154</u>
<u>190,154</u>	<u>762,565</u>	<u>28,103</u>	<u>2,170,238</u>
<u>\$ 194,294</u>	<u>\$ 768,109</u>	<u>\$ 28,103</u>	<u>\$ 2,326,712</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Refuse Collection	Tree Mitigation	Building Department
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	730,375
Charges for services	1,348,850	-	-
Investment earnings	36	313	586
Other revenues	-	-	90,728
Total revenues	1,348,886	313	821,689
Expenditures			
Current:			
General government	-	12,884	-
Public safety	-	-	495,192
Public works	1,273,201	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	24,719
Total expenditures	1,273,201	12,884	519,911
Revenues over (under) expenditures	75,685	(12,571)	301,778
Other financing sources			
Transfers in	-	-	14,924
Net change in fund balances	75,685	(12,571)	316,702
Fund balances, beginning of year	234,981	167,843	406,776
Fund balances, end of year	\$ 310,666	\$ 155,272	\$ 723,478



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 797,375	\$ -	\$ -	\$ 797,375
-	-	-	730,375
-	211,091	45,000	1,604,941
190	1,478	-	2,603
-	-	-	90,728
<u>797,565</u>	<u>212,569</u>	<u>45,000</u>	<u>3,226,022</u>
-	-	-	12,884
-	429,040	52,241	976,473
-	-	-	1,273,201
10,494	-	-	10,494
550,000	-	-	550,000
77,576	-	-	77,576
28,949	4,076	-	57,744
<u>667,019</u>	<u>433,116</u>	<u>52,241</u>	<u>2,958,372</u>
<u>130,546</u>	<u>(220,547)</u>	<u>(7,241)</u>	<u>267,650</u>
-	-	-	14,924
130,546	(220,547)	(7,241)	282,574
59,608	983,112	35,344	1,887,664
<u>\$ 190,154</u>	<u>\$ 762,565</u>	<u>\$ 28,103</u>	<u>\$ 2,170,238</u>

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Refuse Collection For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,307,486	1,342,486	1,348,850	6,364
Investment earnings	100	100	36	(64)
Other revenues	-	-	-	-
Total revenues	1,307,586	1,342,586	1,348,886	6,300
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,306,736	1,341,736	1,273,201	(68,535)
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,306,736	1,341,736	1,273,201	(68,535)
Revenues over (under) expenditures	850	850	75,685	74,835
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	850	850	75,685	74,835
Fund balance, beginning of year	234,981	234,981	234,981	-
Fund balance, end of year	\$ 235,831	\$ 235,831	\$ 310,666	\$ 74,835

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Tree Mitigation

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	500	500	313	(187)
Other revenues	100,000	100,000	-	(100,000)
Total revenues	100,500	100,500	313	(100,187)
Expenditures				
Current:				
General government	100,500	100,500	12,884	(87,616)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	100,500	100,500	12,884	(87,616)
Revenues over (under) expenditures	-	-	(12,571)	(12,571)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(12,571)	(12,571)
Fund balance, beginning of year	167,843	167,843	167,843	-
Fund balance, end of year	\$ 167,843	\$ 167,843	\$ 155,272	\$ (12,571)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Building Department For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	340,000	405,000	730,375	325,375
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	100	100	586	486
Other revenues	65,000	65,000	90,728	25,728
Total revenues	405,100	470,100	821,689	351,589
Expenditures				
Current:				
General government	-	-	-	-
Public safety	436,423	501,423	495,192	(6,231)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	25,000	25,000	24,719	(281)
Total expenditures	461,423	526,423	519,911	(6,512)
Revenues over expenditures	(56,323)	(56,323)	301,778	358,101
Other financing sources (uses)				
Transfers in	-	-	14,924	14,924
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	14,924	14,924
Net change in fund balance	(56,323)	(56,323)	316,702	373,025
Fund balance, beginning of year	406,776	406,776	406,776	-
Fund balance, end of year	\$ 350,453	\$ 350,453	\$ 723,478	\$ 373,025

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Parks and Recreation Millage For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 801,927	\$ 801,927	\$ 797,375	\$ (4,552)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	100	100	190	90
Other revenues	-	-	-	-
Total revenues	802,027	802,027	797,565	(4,462)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	48,402	48,402	10,494	(37,908)
Debt service:				
Principal	550,000	550,000	550,000	-
Interest and fiscal charges	103,625	103,625	77,576	(26,049)
Capital outlay	100,000	100,000	28,949	(71,051)
Total expenditures	802,027	802,027	667,019	(135,008)
Revenues over (under) expenditures	-	-	130,546	130,546
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	130,546	130,546
Fund balance, beginning of year	59,608	59,608	59,608	-
Fund balance, end of year	\$ 59,608	\$ 59,608	\$ 190,154	\$ 130,546

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - E 911 Service

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	250,000	250,000	211,091	(38,909)
Investment earnings	500	500	1,478	978
Other revenues	500	500	-	(500)
Total revenues	251,000	251,000	212,569	(38,431)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	454,260	454,260	429,040	(25,220)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	6,200	6,200	4,076	(2,124)
Total expenditures	460,460	460,460	433,116	(27,344)
Revenues over (under) expenditures	(209,460)	(209,460)	(220,547)	(11,087)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(209,460)	(209,460)	(220,547)	(11,087)
Fund balance, beginning of year	983,112	983,112	983,112	-
Fund balance, end of year	\$ 773,652	\$ 773,652	\$ 762,565	\$ (11,087)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 800 MHz Consortium

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	45,000	45,000	45,000	-
Investment earnings	-	-	-	-
Other revenues	-	-	-	-
Total revenues	45,000	45,000	45,000	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	45,000	54,000	52,241	(1,759)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	45,000	54,000	52,241	(1,759)
Revenues over (under) expenditures	-	(9,000)	(7,241)	1,759
Other financing sources (uses)				
Transfers in	-	9,000	-	(9,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	9,000	-	(9,000)
Net change in fund balance	-	-	(7,241)	(7,241)
Fund balance, beginning of year	35,344	35,344	35,344	-
Fund balance, end of year	\$ 35,344	\$ 35,344	\$ 28,103	\$ (7,241)

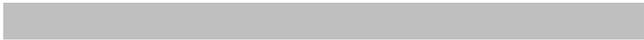
PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2013

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Assets			
Cash and cash equivalents	\$ -	\$ 61,761	\$ 42,241
Special assessments receivable	-	-	259,189
Total assets	<u>\$ -</u>	<u>\$ 61,761</u>	<u>\$ 301,430</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	\$ -	\$ -	\$ 259,189
Fund balances			
Restricted for debt service	-	61,761	42,241
Total deferred inflows of resources and and fund balances	<u>\$ -</u>	<u>\$ 61,761</u>	<u>\$ 301,430</u>



State & Textile Road	Waters Place Road	Total
\$ 74,004	\$ 54,541	\$ 232,547
81,169	125,840	466,198
<u>155,173</u>	<u>180,381</u>	<u>698,745</u>
\$ 81,169	\$ 125,840	\$ 466,198
74,004	54,541	232,547
<u>155,173</u>	<u>180,381</u>	<u>698,745</u>

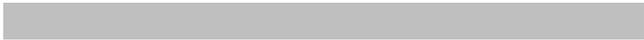
PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2013

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Revenues			
Taxes and special assessments	\$ -	\$ 55,839	\$ 26,688
Investment earnings	-	62	38
Total revenues	-	55,901	26,726
Expenditures			
Debt service:			
Principal	-	88,600	18,932
Interest and fiscal charges	-	11,105	4,920
Total expenditures	-	99,705	23,852
Revenues over (under) expenditures	-	(43,804)	2,874
Other financing sources (uses)			
Transfers in	-	13,680	-
Transfers out	(647,263)	-	-
Total other financing sources (uses)	(647,263)	13,680	-
Net change in fund balances	(647,263)	(30,124)	2,874
Fund balances, beginning of year	647,263	91,885	39,367
Fund balances, end of year	\$ -	\$ 61,761	\$ 42,241



State & Textile Road	Waters Place Road	Total
\$ 85,119 133	\$ 70,648 53	\$ 238,294 286
<u>85,252</u>	<u>70,701</u>	<u>238,580</u>
100,000 8,874	60,000 8,615	267,532 33,514
<u>108,874</u>	<u>68,615</u>	<u>301,046</u>
<u>(23,622)</u>	<u>2,086</u>	<u>(62,466)</u>
-	-	13,680
-	-	<u>(647,263)</u>
-	-	<u>(633,583)</u>
(23,622)	2,086	(696,049)
<u>97,626</u>	<u>52,455</u>	<u>928,596</u>
<u>\$ 74,004</u>	<u>\$ 54,541</u>	<u>\$ 232,547</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Capital Projects Fund December 31, 2013

	Lohr Road
Assets	
Cash and cash equivalents	\$ 32,430
Liabilities	
Accounts payable	\$ 4,240
Fund balance	
Committed	28,190
Total liabilities and fund balance	\$ 32,430

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Nonmajor Capital Projects Fund
For the Year Ended December 31, 2013

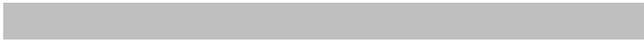
	Lohr Road
Revenues	
Investment earnings	\$ -
Expenditures	
Capital outlay	<u>171,810</u>
Revenues under expenditures	(171,810)
Other financing sources (uses)	
Transfers in	<u>200,000</u>
Net change in fund balances	28,190
Fund balances, beginning of year	<u>-</u>
Fund balances, end of year	<u><u>\$ 28,190</u></u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2013

	Tax Collection Fund	Performance Bonds Fund	Imprest Payroll Fund
Assets			
Cash and cash equivalents	\$ 9,699,519	\$ 495,051	\$ 20,388
Due from other governments	-	-	3,654
Total assets	<u>\$ 9,699,519</u>	<u>\$ 495,051</u>	<u>\$ 24,042</u>
Liabilities			
Undistributed receipts	<u>\$ 9,699,519</u>	<u>\$ 495,051</u>	<u>\$ 24,042</u>



Trust and Agency Fund	World Services Fund	Total
\$ 14,602	\$ 6,141	\$ 10,235,701
-	-	3,654
<u>\$ 14,602</u>	<u>\$ 6,141</u>	<u>\$ 10,239,355</u>
<u>\$ 14,602</u>	<u>\$ 6,141</u>	<u>\$ 10,239,355</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<i>Tax Collection Fund</i>				
Assets				
Cash and cash equivalents	\$ 9,154,005	\$ 69,691,324	\$ 69,145,810	\$ 9,699,519
Liabilities				
Undistributed receipts	\$ 9,154,005	\$ 69,691,324	\$ 69,145,810	\$ 9,699,519
<i>Performance Bonds Fund</i>				
Assets				
Cash and cash equivalents	\$ 520,127	\$ 623,827	\$ 648,903	\$ 495,051
Liabilities				
Undistributed receipts	\$ 520,127	\$ 623,827	\$ 648,903	\$ 495,051
<i>Imprest and Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 314,857	\$ 2,895	\$ 297,364	\$ 20,388
Due from other governments	-	3,654	-	3,654
Total assets	<u>\$ 314,857</u>	<u>\$ 6,549</u>	<u>\$ 297,364</u>	<u>\$ 24,042</u>
Liabilities				
Undistributed receipts	<u>\$ 314,857</u>	<u>\$ 6,549</u>	<u>\$ 297,364</u>	<u>\$ 24,042</u>
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 17,948	\$ 376,158	\$ 379,504	\$ 14,602
Liabilities				
Undistributed receipts	\$ 17,948	\$ 376,158	\$ 379,504	\$ 14,602
<i>World Services Fund</i>				
Assets				
Cash and cash equivalents	\$ 4,770	\$ 5,044	\$ 3,673	\$ 6,141
Liabilities				
Undistributed receipts	\$ 4,770	\$ 5,044	\$ 3,673	\$ 6,141
<i>Totals</i>				
Assets				
Cash and cash equivalents	\$ 10,011,707	\$ 70,699,248	\$ 70,475,254	\$ 10,235,701
Due from other governments	-	3,654	-	3,654
Total assets	<u>\$ 10,011,707</u>	<u>\$ 70,702,902</u>	<u>\$ 70,475,254</u>	<u>\$ 10,239,355</u>
Liabilities				
Undistributed receipts	<u>\$ 10,011,707</u>	<u>\$ 70,702,902</u>	<u>\$ 70,475,254</u>	<u>\$ 10,239,355</u>

STATISTICAL SECTION

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PITTSFIELD CHARTER TOWNSHIP

Statistical Section Table of Contents

This part of the Pittsfield Charter Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	90-100
Revenue Capacity	These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	102-107
Debt Capacity	These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	108-112
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	113-120

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

PITTSFIELD CHARTER TOWNSHIP

Net Position by Component

Last Ten Years

(Accrual Basis of Accounting)

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 12,483,400	\$ 13,972,968	\$ 15,137,660	\$ 21,783,060
Restricted	2,172,501	1,854,093	1,486,642	1,308,767
Unrestricted	12,699,772	13,869,386	15,359,129	11,902,580
Total net position	\$ 27,355,673	\$ 29,696,447	\$ 31,983,431	\$ 34,994,407
Business-type activities				
Net investment in capital assets	\$ 17,916,796	\$ 21,619,575	\$ 21,686,761	\$ 22,315,706
Restricted	-	-	-	-
Unrestricted	13,453,049	10,614,180	11,188,698	11,248,742
Total net position	\$ 31,369,845	\$ 32,233,755	\$ 32,875,459	\$ 33,564,448
Total primary government				
Net investment in capital assets	\$ 30,400,196	\$ 35,592,543	\$ 36,824,421	\$ 44,098,766
Restricted	2,172,501	1,854,093	1,486,642	1,308,767
Unrestricted	26,152,821	24,483,566	26,547,827	23,151,322
Total net position	\$ 58,725,518	\$ 61,930,202	\$ 64,858,890	\$ 68,558,855

Source: Pittsfield Charter Township Finance Department



2008	2009	2010	2011	2012	2013
\$ 22,189,818	\$ 21,660,473	\$ 25,132,342	\$ 26,397,690	\$ 27,933,571	\$ 28,568,888
1,263,137	1,111,309	1,032,121	1,008,374	1,228,596	1,303,303
<u>13,279,763</u>	<u>15,309,961</u>	<u>12,253,510</u>	<u>11,822,030</u>	<u>9,615,350</u>	<u>8,880,095</u>
<u>\$ 36,732,718</u>	<u>\$ 38,081,743</u>	<u>\$ 38,417,973</u>	<u>\$ 39,228,094</u>	<u>\$ 38,777,517</u>	<u>\$ 38,752,286</u>
\$ 23,149,275	\$ 23,372,211	\$ 25,643,948	\$ 26,018,663	\$ 25,980,446	\$ 25,944,485
-	-	-	-	-	-
<u>10,125,602</u>	<u>9,889,282</u>	<u>10,460,246</u>	<u>9,337,710</u>	<u>8,530,740</u>	<u>9,899,374</u>
<u>\$ 33,274,877</u>	<u>\$ 33,261,493</u>	<u>\$ 36,104,194</u>	<u>\$ 35,356,373</u>	<u>\$ 34,511,186</u>	<u>\$ 35,843,859</u>
\$ 45,339,093	\$ 45,032,684	\$ 50,776,290	\$ 52,416,353	\$ 53,914,017	\$ 54,513,373
1,263,137	1,111,309	1,032,121	1,008,374	1,228,596	1,303,303
<u>23,405,365</u>	<u>25,199,243</u>	<u>22,713,756</u>	<u>21,159,740</u>	<u>18,146,090</u>	<u>18,779,469</u>
<u>\$ 70,007,595</u>	<u>\$ 71,343,236</u>	<u>\$ 74,522,167</u>	<u>\$ 74,584,467</u>	<u>\$ 73,288,703</u>	<u>\$ 74,596,145</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 1,886,811	\$ 1,874,670	\$ 1,957,225	\$ 3,704,845
Public safety	5,731,179	6,181,387	6,521,746	7,674,377
Public works	1,717,388	1,748,678	1,848,223	1,903,279
Planning and zoning	372,070	330,525	362,701	360,737
Parks and recreation	614,299	697,397	654,427	717,334
Other unallocated	1,992,136	1,579,075	2,063,838	-
Interest on long-term debt	556,292	531,521	466,614	429,738
Subtotal governmental activities	12,870,175	12,943,253	13,874,774	14,790,310
Business-type activities -				
Water and sewer	7,816,853	8,502,652	8,519,813	9,530,617
Total expenses	20,687,028	21,445,905	22,394,587	24,320,927
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,168,569	2,166,816	2,399,543	2,753,611
Public safety	862,131	705,600	661,849	678,607
Public works	1,141,289	264,185	287,188	260,523
Planning and zoning	-	-	-	-
Parks and recreation	165,788	159,891	167,887	172,175
Operating grants and contributions	305,606	254,121	276,201	319,314
Capital grants and contributions	13,078	1,107,032	725,334	1,248,278
Subtotal governmental activities	4,656,461	4,657,645	4,518,002	5,432,508
Business-type activities:				
Charges for services	7,431,884	8,440,206	8,155,670	9,314,032
Operating grants and contributions	-	-	-	-
Capital grants and contributions	456,817	526,618	425,862	293,706
Subtotal business-type activities	7,888,701	8,966,824	8,581,532	9,607,738
Total program revenues	12,545,162	13,624,469	13,099,534	15,040,246
Net (expense)/revenue				
Governmental activities	(8,213,714)	(8,285,608)	(9,356,772)	(9,357,802)
Business-type activities	71,848	464,172	61,719	77,121
Total net expense	(8,141,866)	(7,821,436)	(9,295,053)	(9,280,681)

2008	2009	2010	2011	2012	2013
\$ 4,059,630	\$ 2,332,030	\$ 4,078,120	\$ 3,812,930	\$ 3,062,073	\$ 3,354,770
7,829,666	8,110,750	8,551,293	9,067,580	9,539,187	10,648,372
2,030,837	1,934,371	2,007,627	2,130,785	2,704,712	2,345,450
370,600	366,557	290,955	278,881	450,033	496,898
1,053,631	2,887,250	1,169,157	1,505,128	1,539,044	1,013,722
-	-	-	-	-	-
384,683	544,989	311,110	201,180	23,829	173,350
15,729,047	16,175,947	16,408,262	16,996,484	17,318,878	18,032,562
9,627,408	9,253,922	9,793,912	10,577,971	12,301,239	10,668,630
25,356,455	25,429,869	26,202,174	27,574,455	29,620,117	28,701,192
2,625,317	2,709,575	2,968,165	3,901,421	2,847,185	3,395,348
724,694	650,619	900,443	863,627	1,152,975	1,175,576
264,271	256,560	288,061	361,037	476,125	350,302
-	-	-	-	19,755	22,350
166,713	180,560	235,157	249,137	263,295	280,129
292,966	336,912	612,133	486,388	576,870	594,970
1,159,037	430,468	369,128	369,859	295,353	257,855
5,232,998	4,564,694	5,373,087	6,231,469	5,631,558	6,076,530
8,737,990	8,552,060	9,334,315	9,653,203	11,446,602	10,712,639
-	-	-	-	-	-
337,092	110,088	3,290,454	160,703	74,840	611,530
9,075,082	8,662,148	12,624,769	9,813,906	11,521,442	11,324,169
14,308,080	13,226,842	17,997,856	16,045,375	17,153,000	17,400,699
(10,496,049)	(11,611,253)	(11,035,175)	(10,765,015)	(11,687,320)	(11,956,032)
(552,326)	(591,774)	2,830,857	(764,065)	(779,797)	655,539
(11,048,375)	(12,203,027)	(8,204,318)	(11,529,080)	(12,467,117)	(11,300,493)

continued...

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2004	2005	2006	2007
General revenues				
Governmental activities:				
Property taxes	\$ 7,228,368	\$ 7,771,794	\$ 8,401,535	\$ 9,040,019
State shared revenues	2,141,845	2,186,549	2,139,405	2,113,251
Unrestricted investment earnings	276,331	668,039	1,102,816	1,215,508
Transfers	-	-	-	-
Subtotal governmental activities	<u>9,646,544</u>	<u>10,626,382</u>	<u>11,643,756</u>	<u>12,368,778</u>
Business-type activities:				
Unrestricted investment earnings	240,374	399,738	579,985	611,868
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Subtotal business-type activities	<u>240,374</u>	<u>399,738</u>	<u>579,985</u>	<u>611,868</u>
Total general revenues	<u>9,886,918</u>	<u>11,026,120</u>	<u>12,223,741</u>	<u>12,980,646</u>
Change in net position				
Governmental activities	1,432,830	2,340,774	2,286,984	3,010,976
Business-type activities	<u>312,222</u>	<u>863,910</u>	<u>641,704</u>	<u>688,989</u>
Total change in net position	<u>\$ 1,745,052</u>	<u>\$ 3,204,684</u>	<u>\$ 2,928,688</u>	<u>\$ 3,699,965</u>

Source: Pittsfield Charter Township Finance Department

Schedule 2
Unaudited

2008	2009	2010	2011	2012	2013
\$ 9,532,657	\$ 8,991,812	\$ 9,452,278	\$ 8,999,710	\$ 8,764,881	\$ 9,987,401
2,099,893	1,863,410	1,893,059	2,553,734	2,511,761	2,581,031
601,810	79,205	26,068	21,692	11,948	25,035
-	-	-	-	21,561	(662,666)
<u>12,234,360</u>	<u>10,934,427</u>	<u>11,371,405</u>	<u>11,575,136</u>	<u>11,310,151</u>	<u>11,930,801</u>
262,755	19,051	11,844	10,037	6,226	14,468
-	-	-	6,207	1,245	-
-	-	-	-	(21,561)	662,666
<u>262,755</u>	<u>19,051</u>	<u>11,844</u>	<u>16,244</u>	<u>(14,090)</u>	<u>677,134</u>
<u>12,497,115</u>	<u>10,953,478</u>	<u>11,383,249</u>	<u>11,591,380</u>	<u>11,296,061</u>	<u>12,607,935</u>
1,738,311	(676,826)	336,230	810,121	(377,169)	(25,231)
(289,571)	(572,723)	2,842,701	(747,821)	(793,887)	1,332,673
<u>\$ 1,448,740</u>	<u>\$ (1,249,549)</u>	<u>\$ 3,178,931</u>	<u>\$ 62,300</u>	<u>\$ (1,171,056)</u>	<u>\$ 1,307,442</u>

concluded.

PITTSFIELD CHARTER TOWNSHIP

Fund Balances - Governmental Funds

Last Ten Years
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007
General Fund				
Nonspendable				
Restricted				
Committed				
Unassigned				
Reserved	\$ 30,878	\$ 30,878	\$ 16,801	\$ 42,878
Unreserved	7,084,113	7,932,600	8,823,608	4,758,618
Total general fund	<u>\$ 7,114,991</u>	<u>\$ 7,963,478</u>	<u>\$ 8,840,409</u>	<u>\$ 4,801,496</u>
All Other Governmental Funds				
Nonspendable				
Restricted				
Committed				
Reserved	\$ 2,141,623	\$ 1,823,215	\$ 1,469,841	\$ 1,265,889
Unreserved, reported in:				
Special revenue funds	5,615,659	5,936,786	6,535,521	8,174,162
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total all other governmental funds	<u>\$ 7,757,282</u>	<u>\$ 7,760,001</u>	<u>\$ 8,005,362</u>	<u>\$ 9,440,051</u>

[1] GASB No. 54 adopted in 2011.

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited



2008	2009	2010	[1] 2011	2012	2013
			\$ 6,591	\$ 54,243	\$ 22,288
			1,076,932	1,080,154	1,047,218
			245,000	300,000	985,000
			4,957,687	5,138,749	5,245,990
\$ 39,773	\$ 34,159	\$ 9,853	-	-	-
4,531,325	4,243,052	4,340,077	-	-	-
<u>\$ 4,571,098</u>	<u>\$ 4,277,211</u>	<u>\$ 4,349,930</u>	<u>\$ 6,286,210</u>	<u>\$ 6,573,146</u>	<u>\$ 7,300,496</u>
			\$ 479	\$ 92,676	\$ 8,569
			7,598,645	5,377,860	4,180,820
			19,839	-	28,190
\$ 1,223,364	\$ 373,239	\$ 4,752	-	-	-
9,786,982	9,091,852	8,737,370	-	-	-
-	1,062,490	995,102	-	-	-
-	41,714	37,019	-	-	-
<u>\$ 11,010,346</u>	<u>\$ 10,569,295</u>	<u>\$ 9,774,243</u>	<u>\$ 7,618,963</u>	<u>\$ 5,470,536</u>	<u>\$ 4,217,579</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007
Revenues				
Taxes and special assessments	\$ 8,048,931	\$ 8,513,809	\$ 8,907,137	\$ 9,539,947
Licenses and permits	678,926	512,523	424,620	484,164
Intergovernmental	2,255,965	2,428,250	2,439,288	2,180,513
Charges for services	1,740,230	1,869,116	1,906,376	2,035,960
Fines and forfeitures	131,261	114,583	136,264	136,941
Franchise fees	319,170	344,232	366,197	398,908
Investment earnings	276,331	668,039	1,102,816	1,215,508
Donations	-	-	-	-
Other revenues	852,191	833,475	879,060	1,809,345
Total revenues	14,303,005	15,284,027	16,161,758	17,801,286
Expenditures				
General government	1,743,609	1,686,450	1,860,689	1,928,139
Public safety	5,157,998	5,528,491	6,021,115	7,100,908
Public works	1,095,227	1,183,389	1,400,321	1,453,941
Planning and zoning	362,914	322,751	363,210	360,254
Culture and recreation	571,272	644,409	624,528	664,270
Other unallocated	1,992,136	1,579,075	2,065,410	1,655,149
Capital outlay	1,152,994	1,798,135	1,398,979	6,510,640
Debt service:				
Principal	1,208,600	1,158,600	838,600	896,585
Interest and other charges	547,542	531,521	466,614	429,738
Total expenditures	13,832,292	14,432,821	15,039,466	20,999,624
Revenues over (under) expenditures	470,713	851,206	1,122,292	(3,198,338)
Other financing sources (uses)				
Sale of capital assets	191,255	-	-	-
Issuance of debt	866,250	-	-	594,433
Premium on debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Transfers in	671,937	18,180	17,602	17,012
Transfers out	(671,937)	(18,180)	(17,602)	(17,012)
Total other financing sources (uses)	1,057,505	-	-	594,433
Net change in fund balance	\$ 1,528,218	\$ 851,206	\$ 1,122,292	\$ (2,603,905)
Debt services as a percentage of noncapital expenditures	14.04%	14.34%	9.88%	6.82%

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

2008	2009	2010	2011	2012	2013
\$ 9,987,080	\$ 9,955,367	\$ 10,109,464	\$ 9,838,106	\$ 9,407,420	\$ 10,732,225
443,173	400,372	426,274	639,248	550,757	867,021
2,766,545	1,955,297	2,364,884	2,929,228	2,925,226	3,000,110
2,157,958	2,472,761	2,773,534	3,499,837	2,840,862	2,963,635
99,726	91,569	100,299	107,786	115,501	160,140
412,165	442,812	483,740	499,731	514,309	519,593
601,810	79,205	26,068	12,049	9,828	22,146
-	152,500	1,000	-	24,351	29,666
998,901	379,706	611,307	633,799	836,267	824,558
<u>17,467,358</u>	<u>15,929,589</u>	<u>16,896,570</u>	<u>18,159,784</u>	<u>17,224,521</u>	<u>19,119,094</u>
1,963,345	2,106,033	2,434,215	2,198,339	2,657,052	2,859,147
7,250,367	7,325,475	8,449,082	8,802,945	9,073,259	9,437,128
1,602,267	1,588,487	1,588,022	1,771,989	2,463,230	2,123,037
364,286	361,169	287,868	277,006	433,127	475,587
973,780	2,820,554	1,127,171	1,069,192	1,074,929	949,886
2,015,332	-	1,178,893	1,182,084	670,459	598,028
374,599	801,983	1,167,780	2,129,860	1,654,212	1,489,085
1,198,802	1,323,801	1,127,534	752,531	867,532	877,532
384,683	337,025	346,477	194,838	213,773	172,605
<u>16,127,461</u>	<u>16,664,527</u>	<u>17,707,042</u>	<u>18,378,784</u>	<u>19,107,573</u>	<u>18,982,035</u>
<u>1,339,897</u>	<u>(734,938)</u>	<u>(810,472)</u>	<u>(219,000)</u>	<u>(1,883,052)</u>	<u>137,059</u>
-	-	-	-	-	-
-	-	3,735,000	-	-	-
-	-	15,192	-	-	-
-	-	(3,662,053)	-	-	-
100,965	56,108	221,545	1,336,315	5,171,859	4,983,013
<u>(100,965)</u>	<u>(56,108)</u>	<u>(221,545)</u>	<u>(1,336,315)</u>	<u>(5,150,298)</u>	<u>(5,645,679)</u>
<u>-</u>	<u>-</u>	<u>88,139</u>	<u>-</u>	<u>21,561</u>	<u>(662,666)</u>
<u>\$ 1,339,897</u>	<u>\$ (734,938)</u>	<u>\$ (722,333)</u>	<u>\$ (219,000)</u>	<u>\$ (1,861,491)</u>	<u>\$ (525,607)</u>
<u>10.42%</u>	<u>10.60%</u>	<u>8.88%</u>	<u>5.49%</u>	<u>6.33%</u>	<u>5.92%</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007
Revenues				
Property taxes	\$ 5,217,938	\$ 5,620,877	\$ 6,007,405	\$ 6,471,030
Licenses and permits	62,782	45,105	49,275	102,889
Intergovernmental	2,242,887	2,276,133	2,234,556	2,180,513
Charges for services	913,786	940,251	1,012,294	1,088,913
Fines and forfeitures	131,261	114,583	136,264	136,941
Franchise fees	319,170	344,232	366,197	398,908
Investment earnings	178,985	444,813	742,969	798,583
Donations	-	-	-	-
Other revenues	838,565	615,015	665,282	1,530,691
Total revenues	9,905,374	10,401,009	11,214,242	12,708,468
Expenditures				
General government	1,743,609	1,686,450	1,860,689	1,928,139
Public safety	4,079,697	4,378,933	4,802,996	5,958,382
Public works	443,131	402,467	451,180	477,685
Planning and zoning	362,914	322,751	363,210	360,254
Culture and recreation	514,921	549,495	580,991	631,041
Other unallocated	1,476,525	1,497,840	1,668,913	1,467,869
Capital outlay	358,144	404,196	300,000	6,202,818
Debt service	344,235	292,210	291,730	298,614
Total expenditures	9,323,176	9,534,342	10,319,709	17,324,802
Revenues over (under) expenditures	582,198	866,667	894,533	(4,616,334)
Other financing sources (uses)				
Loan proceeds	-	-	-	594,433
Sale of capital assets	191,255	-	-	-
Transfers in	-	-	-	-
Transfers out	(18,745)	(18,180)	(17,602)	(17,012)
Total other financing sources (uses)	172,510	(18,180)	(17,602)	577,421
Net change in fund balance	\$ 754,708	\$ 848,487	\$ 876,931	\$ (4,038,913)

Source: Pittsfield Charter Township Finance Department

Schedule 5
Unaudited

2008	2009	2010	2011	2012	2013
\$ 6,824,545	\$ 6,825,336	\$ 7,052,399	\$ 6,847,597	\$ 6,556,789	\$ 6,413,007
59,340	112,332	66,448	135,084	86,145	117,006
2,161,456	1,913,937	2,258,849	2,783,910	2,673,668	2,725,466
1,169,029	1,195,715	1,406,216	1,961,966	1,435,782	1,332,844
99,726	91,569	100,299	107,786	1,200	2,350
412,165	442,812	483,740	490,088	512,189	516,704
375,038	59,774	13,333	12,049	7,100	17,060
-	152,500	1,000	-	24,106	29,666
687,236	290,457	488,343	487,648	506,132	517,542
<u>11,788,535</u>	<u>11,084,432</u>	<u>11,870,627</u>	<u>12,826,128</u>	<u>11,803,111</u>	<u>11,671,645</u>
1,963,345	2,079,990	2,403,165	2,182,209	2,650,810	2,846,263
6,053,564	5,570,177	5,786,344	4,984,788	138,685	108,353
581,332	550,855	551,552	647,308	1,243,107	849,836
364,286	361,169	287,868	277,006	433,127	475,587
857,532	843,704	971,112	1,003,494	1,017,255	939,392
1,376,346	1,416,852	1,178,893	1,182,084	670,459	598,028
161,357	500,074	412,429	247,594	436,786	426,598
605,761	-	-	-	-	-
<u>11,963,523</u>	<u>11,322,821</u>	<u>11,591,363</u>	<u>10,524,483</u>	<u>6,590,229</u>	<u>6,244,057</u>
<u>(174,988)</u>	<u>(238,389)</u>	<u>279,264</u>	<u>2,301,645</u>	<u>5,212,882</u>	<u>5,427,588</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	305	-	-	112,176	193,651
<u>(55,410)</u>	<u>(55,803)</u>	<u>(206,545)</u>	<u>(1,330,365)</u>	<u>(5,038,122)</u>	<u>(4,893,889)</u>
<u>(55,410)</u>	<u>(55,498)</u>	<u>(206,545)</u>	<u>(1,330,365)</u>	<u>(4,925,946)</u>	<u>(4,700,238)</u>
<u>\$ (230,398)</u>	<u>\$ (293,887)</u>	<u>\$ 72,719</u>	<u>\$ 971,280</u>	<u>\$ 286,936</u>	<u>\$ 727,350</u>

PITTSFIELD CHARTER TOWNSHIP

Taxable and Estimated Actual Value of Property

Last Ten Years

As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2012	2013	\$ 1,534,854,820	\$ 3,069,709,640	\$ 122,153,900	\$ 244,307,800
2011	2012	1,529,357,932	3,058,715,864	122,398,500	244,797,000
2010	2011	1,558,976,815	3,117,953,630	123,020,600	246,041,200
2009	2010	1,604,821,156	3,209,642,312	122,029,200	244,058,400
2008	2009	1,653,147,342	3,306,294,684	127,555,000	255,110,000
2007	2008	1,694,059,053	3,388,118,106	127,730,900	255,461,800
2006	2007	1,711,715,683	3,423,431,366	120,334,500	240,669,000
2005	2006	1,618,317,533	3,236,635,066	114,273,900	228,547,800
2004	2005	1,493,683,426	2,987,366,852	118,161,900	236,323,800
2003	2004	1,374,902,806	2,749,805,612	112,208,600	224,417,200

(1) Does not include properties subject to Industrial Facility Tax exemptions.

(2) Per \$1,000 of taxable value.

Source: Pittsfield Charter Township Assessing Department

Schedule 6
Unaudited



Total		(2) Total
Taxable Value	Estimated Actual Value	Direct Tax Rate
\$ 1,657,008,720	\$ 3,094,140,420	6.59160
1,651,756,432	3,083,195,564	6.31130
1,681,997,415	3,363,994,830	5.35540
1,726,850,356	3,453,700,712	5.35540
1,780,702,342	3,561,404,684	5.35540
1,821,789,953	3,643,579,906	5.15000
1,832,050,183	3,664,100,366	5.19500
1,732,591,433	3,465,182,866	5.19500
1,611,845,326	3,223,690,652	5.19500
1,487,111,406	2,974,222,812	5.19500

PITTSFIELD CHARTER TOWNSHIP

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended December 31,	Township Total Direct Rate	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College
2013	6.5916	21.4500	26.0148	25.8500	6.0000	3.4576
2012	6.3113	21.4500	26.9148	25.8500	6.0000	3.6376
2011	5.3554	21.1497	26.0148	25.8500	6.0000	3.7176
2010	5.3554	25.6570	26.0148	25.8500	6.0000	3.6856
2009	5.3554	25.4081	26.0148	25.8500	6.0000	3.6856
2008	5.1500	25.5152	26.0148	25.8311	6.0000	3.6856
2007	5.1950	25.9559	26.0148	25.8311	6.0000	3.6956
2006	5.1950	26.2175	26.0148	25.8311	6.0000	3.7082
2005	5.1950	26.7754	26.0148	25.8316	6.0000	3.7249
2004	5.1950	27.1275	26.0148	25.8351	6.0000	3.7748

Components of Total Direct Rate

	Special Voted			Total
	Operating	Public Safety	Parks	
2013	4.1561	1.9500	0.4855	6.5916
2012	3.8758	1.9500	0.4855	6.3113
2011	3.8758	0.9941	0.4855	5.3554
2010	3.8758	0.9941	0.4855	5.3554
2009	3.8758	0.9941	0.4855	5.3554
2008	3.6704	0.9941	0.4855	5.1500
2007	3.7154	0.9941	0.4855	5.1950
2006	3.7154	0.9941	0.4855	5.1950
2005	3.7154	0.9941	0.4855	5.1950
2004	3.7154	0.9941	0.4855	5.1950

Source: Pittsfield Charter Township Treasurer's Department



Washtenaw County	Washtenaw Intermediate School District	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non-Homestead
5.7801	3.9745	1.5500	1.1830	83.8516	101.8516
5.7654	3.9745	1.5500	1.1830	84.6366	102.6366
5.7518	3.9745	1.5500	1.3164	82.6802	100.6802
5.7448	3.9745	1.5500	1.3095	87.1416	105.1416
5.7418	3.9745	1.5500	1.3066	86.8868	104.8868
5.7018	3.9745	1.9214	1.3011	87.0955	105.0955
5.6768	3.9745	1.9214	1.5003	87.7654	105.7654
5.6768	3.9745	1.9214	1.5041	88.0434	106.0434
5.5024	3.9970	1.9332	0.9623	87.9366	105.9366
5.5493	4.0350	1.9476	0.9784	88.4575	106.4575

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2013			2004		
	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value
Citimortgage Inc.	\$ 16,097,300	1	0.97%	\$ -	-	-
McMullen Properties	15,116,583	2	0.91%	-	-	-
Highland Industrial Properties	14,706,485	3	0.89%	15,245,830	2	1.03%
Meijers Inc.	14,555,986	4	0.88%	14,736,134	3	0.99%
Detroit Edison	13,540,800	5	0.82%	12,002,460	4	0.81%
Glencoe Hills LLC	12,910,953	6	0.78%	10,898,936	6	0.73%
Michigan Consolidated Gas	11,300,100	7	0.68%	-	-	-
Pines of Cloverlane Apts	10,417,300	8	0.63%	-	-	-
Hunt Club Apts NF LLC	10,213,400	9	0.62%	-	-	-
Spicetree Apartments	9,707,672	10	0.59%	7,887,029	10	0.53%
NSK Corporation	-	-	-	17,285,329	1	1.16%
ERP Operating Ltd Part	-	-	-	11,018,987	5	0.74%
Airport Boulevard Assoc.	-	-	-	8,748,777	9	0.59%
National Amusements	-	-	-	9,500,000	8	0.64%
Avis South Eleven LLC	-	-	-	9,583,549	7	0.64%
	<u>\$ 128,566,579</u>		<u>7.78%</u>	<u>\$ 107,323,482</u>		<u>7.22%</u>

(1) Includes ad valorem and Industrial Facilities Tax properties.

Source: Pittsfield Charter Township Treasurer's Department

Property Tax Levies and Collections
Last Ten Years

(1) Fiscal Year Ended December 31,	(2) Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2004	\$ 7,267,675	\$ 6,965,196	95.84%	\$ 236,639	\$ 7,201,835	99.09%
2005	7,757,818	7,429,427	95.77%	302,538	7,731,965	99.67%
2006	8,397,815	8,053,517	95.90%	303,578	8,357,095	99.52%
2007	9,024,153	8,598,583	95.28%	400,234	8,998,817	99.72%
2008	9,529,994	9,064,779	95.12%	411,262	9,476,041	99.43%
2009	9,400,448	8,895,990	94.63%	470,126	9,366,116	99.63%
2010	9,261,746	8,745,901	94.43%	482,575	9,228,476	99.64%
2011	8,985,189	8,594,157	95.65%	358,994	8,953,151	99.64%
2012	10,360,713	10,010,053	96.62%	320,524	10,330,577	99.71%
2013	10,889,827	10,485,003	96.28%	338,926	10,823,929	99.39%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The Township's delinquent real property taxes are purchased by Washtenaw County. Uncollected personal property taxes must be collected by the Township Treasurer.

(2) Includes Industrial Facility Tax. Taxies levied for 2004 and 2005 have been adjusted to STC ruling.

(3) Includes settlement payment from Washtenaw County Treasurer's department for purchase of delinquent real property tax roll.

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP

Ratios of Outstanding Debt by Type

Last Ten Years

	2004	2005	2006	2007
Governmental activities				
Installment notes	\$ 6,620,000	\$ 6,230,000	\$ 5,820,000	\$ 5,964,433
General obligation bonds	3,050,000	2,370,000	2,030,000	1,690,000
Special assessment debt	930,300	841,700	1,165,806	1,059,221
	<u>10,600,300</u>	<u>9,441,700</u>	<u>9,015,806</u>	<u>8,713,654</u>
Business-type activities				
General obligation bonds	<u>9,737,637</u>	<u>8,350,000</u>	<u>8,100,000</u>	<u>7,840,000</u>
Total outstanding debt	<u>\$ 20,337,937</u>	<u>\$ 17,791,700</u>	<u>\$ 17,115,806</u>	<u>\$ 16,553,654</u>
Total taxable value	\$1,487,111,406	\$1,611,845,326	\$1,732,591,433	\$1,832,050,183
Ratio of total debt to taxable value	1.37%	1.10%	0.99%	0.90%
Total population	32,276	33,550	34,012	34,276
Total debt per capita	\$ 630	\$ 530	\$ 503	\$ 483
% of personal income	1.74%	1.47%	1.38%	1.27%

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Schedule 10
Unaudited

2008	2009	2010	2011	2012	2013
\$ 5,167,216	\$ 4,270,000	\$ 3,735,000	\$ 3,410,000	\$ 2,865,000	\$ 2,315,000
1,395,000	1,075,000	805,000	540,000	380,000	220,000
952,636	2,566,051	2,408,517	2,245,986	2,083,454	1,915,922
<u>7,514,852</u>	<u>7,911,051</u>	<u>6,948,517</u>	<u>6,195,986</u>	<u>5,328,454</u>	<u>4,450,922</u>
<u>7,565,000</u>	<u>7,285,000</u>	<u>10,865,611</u>	<u>10,483,466</u>	<u>10,286,080</u>	<u>9,781,080</u>
<u>\$ 15,079,852</u>	<u>\$ 15,196,051</u>	<u>\$ 17,814,128</u>	<u>\$ 16,679,452</u>	<u>\$ 15,614,534</u>	<u>\$ 14,232,002</u>
\$1,821,789,953	\$1,780,702,342	\$1,726,850,356	\$1,681,997,415	\$1,651,756,432	\$1,657,008,720
0.83%	0.85%	1.03%	0.99%	0.95%	0.86%
34,191	34,509	34,663	35,288	35,821	36,068
\$ 441	\$ 440	\$ 514	\$ 473	\$ 436	\$ 395
1.13%	1.11%	1.36%	1.27%	1.14%	0.97%

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	Net General Bonded Debt Outstanding					% of % of Total Personal Income	% of Actual Taxable Value of Property	Per Capita
	Governmental Activities		Business-type Activities	Amounts				
	Installment Obligations	General Obligation Bonds	General Obligation Bonds	Available in Debt Service Funds	Total			
2013	\$ 2,315,000	\$ 220,000	\$ 9,781,080	\$ (232,547)	\$ 2,082,453	0.13%	0.13%	\$ 57.74
2012	2,865,000	380,000	10,286,080	(928,596)	1,936,404	0.13%	0.12%	54.06
2011	3,410,000	540,000	10,483,466	(988,535)	2,421,465	0.18%	0.14%	68.62
2010	3,735,000	805,000	10,865,611	(995,097)	2,739,903	0.21%	0.16%	79.04
2009	4,270,000	1,075,000	7,285,000	(1,062,490)	3,207,510	0.25%	0.18%	92.95
2008	5,167,216	1,395,000	7,565,000	(1,158,374)	4,008,842	0.29%	0.22%	117.25
2007	5,964,433	1,690,000	7,840,000	(1,130,355)	4,834,078	0.36%	0.26%	141.03
2006	5,820,000	2,030,000	8,100,000	(1,316,375)	4,503,625	0.35%	0.26%	132.41
2005	6,230,000	2,370,000	8,350,000	(1,646,266)	4,583,734	0.37%	0.28%	136.62
2004	6,620,000	3,050,000	9,737,637	(1,867,952)	4,752,048	0.39%	0.32%	147.23

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Computation of Net Direct and Overlapping Debt

As of December 31, 2013

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation bonds and notes	\$ 2,543,682	\$ -	\$ 2,543,682
Special assessment bonds	1,915,922	1,915,922	-
Net direct debt	<u>\$ 4,459,604</u>	<u>\$ 1,915,922</u>	<u>2,543,682</u>
Overlapping debt			
School districts:			
Saline (33.63%)			41,912,399
Ann Arbor (14.43%)			25,382,370
Milan (8.10%)			8,894,739
Washtenaw County (11.66%)			7,990,258
Washtenaw Community College (11.94%)			2,027,412
Saline District Library (66.63%)			<u>551,532</u>
Net overlapping debt			<u>86,758,710</u>
Net direct and overlapping debt			<u>\$ 89,302,392</u>

Source: Municipal Advisory Council of Michigan

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative Assessed Values.

The Assessed Values is the appraised worth of a property as set by a taxing authority for purposes of ad valorem taxation. The method of establishing assessed valuation varies from state to state. For example, in certain jurisdictions the assessed valuation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a set percentage of full or market value.

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for fiscal 2013

Assessed value (excluding IFT values)	<u>\$ 1,657,008,720</u>
Debt limit (10% of assessed value)	\$ 165,700,872
Less: net debt applicable to limit	<u>(2,543,682)</u>
Legal debt margin	<u>\$ 163,157,190</u>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2013	\$ 165,700,872	\$ 2,543,682	\$ 163,157,190	1.54%
2012	165,175,643	3,245,000	161,930,643	1.96%
2011	168,199,742	3,950,000	164,249,742	2.35%
2010	172,685,036	4,540,000	168,145,036	2.63%
2009	189,357,360	5,345,000	184,012,360	2.82%
2008	197,607,620	6,562,216	191,045,404	3.32%
2007	205,721,150	7,654,433	198,066,717	3.72%
2006	197,126,190	7,850,000	189,276,190	3.98%
2005	184,431,510	8,600,000	175,831,510	4.66%
2004	170,065,660	9,670,000	160,395,660	5.69%

Source: Pittsfield Charter Township Finance Department & Assessing Department

Demographic and Economic Statistics
Last Ten Years

Year	Population	(1) Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2013	\$ 36,068	\$ 1,558,210	\$ 43,202	5.40%
2012	35,821	1,462,249	40,821	5.30%
2011	35,288	1,370,057	38,825	6.10%
2010	34,663	1,312,307	37,859	7.60%
2009	34,509	1,306,476	37,859	7.80%
2008	34,191	1,365,178	39,928	5.40%
2007	34,276	1,332,308	38,870	4.50%
2006	34,012	1,303,102	38,313	4.30%
2005	33,550	1,243,531	37,065	4.10%
2004	32,276	1,212,803	37,576	4.00%

(1) Data specific for the Township is not available; accordingly, amount shown is calculated based on Township's population and per capita personal income for Washtenaw County.

Sources: Regional Economic Information System, Bureau of Economic Analysis,
U.S. Department of Commerce, Bureau of Economic Analysis

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Principal Employers

Current Year and Three Years Ago (1)

Employer	Category	2013		2010	
		Employees	Rank	Employees	Rank
CitiMortgage Inc.	Financial	1000-4999	1	500-900	1
Meijer	Supermarket and other grocery stores	250-499	2	500-900	1
Mobility Transportation	Special needs transportation	250-499	2	250-499	4
Saline High School	Elementary and secondary schools	250-499	2	250-499	4
Huron Valley Correctional	Correctional Institutions	250-499	2	250-499	4
Infra Source	Site preparation contractors	250-499	2	500-900	1
Walmart Superstore	Department stores, except discounts	250-499	2	N/A	-
Kroger	Supermarket and other grocery stores	250-499	2	250-499	4
Target	Department stores, except discounts	250-499	2	250-499	4
Ann Arbor Hospice Residence	Nursing care facilities	100-249	10	N/A	-
A&D Technology	Testing apparatus manufacturers	100-249	10	100-249	9
Arotech Corp	Miscellaneous electrical Equipment Mfg.	100-249	10	N/A	-
Costco	Warehouse clubs and supercenters	100-249	10	N/A	-
FAAC Inc.	Engineering services	100-249	10	N/A	-
Tecumseh Products	Other Electrical Components Mfg..	100-249	10	100-249	9
ANS Communications	Data processing and related services	N/A	-	250-499	4

(1) Data prior to 2009 is not readily available; also, total employment data prior to 2009 for the Township is likewise not readily available.

Source: Michigan Department of Energy, Labor and Economic Growth, Labor Market
Ann Arbor USA

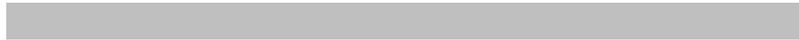
PITTSFIELD CHARTER TOWNSHIP

Full Time Equivalent Governmental Employees by Function/Program Last Ten Years

Function/Program	Full Time Equivalent Employees as of December 31				
	2004	2005	2006	2007	2008
General Government					
Supervisor	2	3	2	2	3
Clerk/Elections	6	5	6	5	5
Treasurer	5	5	5	5	4
Assessing	4	4	4	4	4
Accounting	2	2	2	2	2
Administrative Services					
Human Resources	2	2	2	2	1
Information Technology	1	1	1	1	1
Community Development					
Building Safety	4	5	6	6	5
Public Safety					
Police	39	37	40	37	39
Fire	20	20	20	20	21
Dispatch/Clerical	9	12	11	12	12
Public Works					
Department of Public Works	11	12	11	12	10
Parks and recreation	9	9	9	10	10
Total	<u>121</u>	<u>124</u>	<u>125</u>	<u>125</u>	<u>122</u>

Source: Pittsfield Charter Township Finance Department

Schedule 16
Unaudited



2009	2010	2011	2012	2013
2	2	2	2	2
5	6	5	5	4
4	4	4	4	5
4	5	5	5	4
2	1	2	2	2
2	2	1	1	1
-	-	1	1	2
1	1	1	1	1
6	5	5	5	8
5	5	5	5	5
38	39	40	42	41
21	24	24	24	24
13	11	12	10	11
11	9	9	8	10
10	10	10	10	10
<u>124</u>	<u>124</u>	<u>126</u>	<u>125</u>	<u>130</u>

PITTSFIELD CHARTER TOWNSHIP

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2004	2005	2006	2007	2008
Election Data					
Registered voters	11,204	11,621	13,747	14,351	18,758
Voters (at the polls or absentee)	9,028	1,597	8,884	560	10,800
Percentage voting	80.60%	13.70%	64.60%	3.90%	57.60%
Police					
Traffic citations	4,816	3,682	4,510	3,573	2,943
Arrests	824	773	847	796	1,168
Calls for service	13,255	13,007	13,849	15,755	16,399
Fire					
Medical Runs	971	1,133	1,181	1,155	1,248
Accident Runs	406	462	449	511	487
Fire Runs	390	425	426	430	377
Other calls for service	213	215	224	254	293

Source: Pittsfield Charter Township Clerk's Department
Pittsfield Charter Township Public Safety Department

Schedule 17
Unaudited



2009	2010	2011	2012	2013
20,973	22,049	22,673	23,878	24,878
3,684	14,561	6,190	16,367	1,939
17.60%	66.04%	27.30%	68.54%	7.79%
3,364	2,975	2,564	3,181	3,730
1,325	1,280	1,417	1,737	1,599
13,161	13,407	13,827	14,469	15,660
1,342	1,383	1,426	1,487	1,474
520	482	523	479	564
360	352	130	133	373
257	312	498	557	359

PITTSFIELD CHARTER

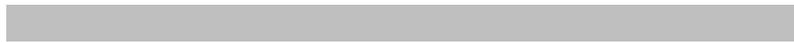
Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2004	2005	2006	2007	2008
Police					
Police department building	1	1	1	1	1
Vehicle patrol units	30	33	29	26	28
Fire					
Number of stations serving Twp.	3	3	3	3	3
Fire units serving Twp:					
Fire engines	4	4	4	3	3
Ladder trucks	1	2	2	2	2
Tanker trucks	1	1	1	1	1
Rescue vehicles	1	1	1	1	1
Brush trucks	2	1	1	1	1
Adm/Utility trucks	4	5	5	4	4
Public Works					
Sewer:					
Feet of sanitary mains	678,966	694,870	696,593	698,321	712,646
Water:					
Feet of water mains	901,093	932,922	940,635	949,870	968,718
Number of fire hydrants	2,026	2,113	2,138	2,164	2,232
Parks and Recreation					
Parks:					
Twp	10	10.5	10.5	14	14
Park acreage	767	810	810	1,004	1,004
Fishing Docks	2	2	2	2	2
Play structures	5	6	9	10	10
Historical Farm	1	1	1	1	1
Community center	5	1	1	1	1
Tennis courts	4	4	4	4	4
Pavilions	6	6	7	7	7

Source: Pittsfield Charter Township

Schedule 18
Unaudited



2009	2010	2011	2012	2013
1	1	1	1	1
26	26	26	27	27
3	3	3	3	3
3	4	4	3	4
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
4	4	4	3	3
712,646	712,861	712,861	712,861	713,356
969,827	970,230	972,442	974,554	978,570
2,240	2,244	2,249	2,255	2,274
14	14	18	18	17
1,004	1,004	1,032	1,036	1,036
2	2	2	2	2
10	10	11	12	11
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
7	7	7	8	8

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