

Comprehensive Annual Financial Report

Pittsfield Charter Township, Michigan

Fiscal Year ended December 31, 2012



Pittsfield
Charter
Township



Year Ended
December 31,
2012

Comprehensive
Annual
Financial
Report

Mandy Grewal, Ph.D., Township Supervisor

Tracy Watkins, Finance Director

Prepared by: Finance Department

PITTSFIELD CHARTER TOWNSHIP

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INTRODUCTORY SECTION

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Pittsfield Charter Township
Office of the Supervisor

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Barbara Ryan Fuller
Deputy Supervisor
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April 8, 2013

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, 2012.

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, 2012. 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 34,663, 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 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 certain legally separate entities, which are reported separately within the Townships' financial statements. Additional information on each of these legally separate entities 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 2011 ad valorem taxable valuation of \$1,681,997,415 represents a 2.66% decrease from 2010. The ratio of total township tax collections to date for tax year 2011 (current and delinquent) to the current tax levy is 99.71%.

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

Continued economic development looks challenging, but favorable for the future. 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 \$280,937 and is reported on the Statement of Net Assets. 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 currently 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.

Major initiatives

The Township has completed Phase II of the Hickory Woods Park. This newest park system will serve thousands of residents in the eastern part of the Township. This 46 acre park has nearly 2 miles of trail system supplemented by interpretive signage, a playground center, 50-car parking lot, shade structure and retention pond features. The Township was awarded \$300,000 by the Michigan Department of Natural Resources Trust Fund Grant to develop this park.

The Township has completed the installation of a mid-block pedestrian refuge island with enhanced overhead signage located on Carpenter Road. This project was initiated by the Pittsfield Township Road Committee to improve pedestrian and non-motorized safety along Carpenter Rd. This project was completely funded by a Community Development Block Grant (CDBG) program. Other similar mid-block crossings are planned for Carpenter Road in 2014.

The Township completed Phase I of the Fiber Optic Communication Project. This fiber 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 connects 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 phase also connects the Utilities Department to our Warner Creek lift station, Platt Road lift station and Merritt Road booster station. The total cost of this project was \$463,200.

The Township undertook the installation of a rain garden at the front of the Robert A. Lillie Administration Building. This project promotes sustainable storm water management strategy for rain water runoff. It also improves curb appeal while promoting the health of our watersheds. The rain garden plantings have been selected to encourage the nesting of Michigan songbirds and butterflies by providing suitable habitat to promote their nesting success. This project was funded by private donations.

The Township has been committed to maintaining and improving its infrastructure. By doing so, the Utilities and Municipal Services Department has completed three projects at a combined cost of \$1.1 million. The first project was the installation of the FlexNet Meter read program and replacement of approximately 1,100 commercial meters. This program will allow all commercial meters to be read directly from the Administration Building. The second project, the Township upgraded its security system to ensure the safety of all Township drinking water facilities. This project included motion sensitive cameras that will record and send an alarm to the Department of Public Safety and the Utilities and Municipal Services personnel upon motion detection. The last project is the Supervisory Control and Data Acquisition (SCADA) Software Replacement for our sanitary sewer lift stations and water booster stations. This project upgrade provides the means to monitor facilities on-site and remotely.

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, 2011. This is the second 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 park 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

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Enos

Executive Director

PITTSFIELD CHARTER TOWNSHIP
LIST OF APPOINTED AND ELECTED OFFICERS
For the Year Ended December 31, 2012

Elected Officials

Mandy Grewal, Township Supervisor
Alan Israel, Clerk
Patricia Tupacz Scribner, Treasurer
Frank Lotfian, Trustee
Stephanie D. Hunt, Trustee
Gerald Krone, Trustee
Michael 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/Administrative Services Director
Tracy Watkins, Finance Director
Kurt Weiland, Building Director
Julie Albert, Assessor
John Adams, Information Technology Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

April 8, 2013

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, 2012, 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.

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 the auditor's 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

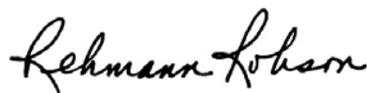
Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedule of funding progress for the Municipal Employees Retirement System of Michigan and other postemployment benefits, as listed in the table of contents, be presented 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 by us in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



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, 2012. 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, 2012.

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$73,288,703 (net position). Of this amount, \$18,146,090 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,171,056.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$12,043,682, a decrease of \$1,861,491 in comparison with the prior year. Approximately 42.7% of this total amount, or \$5,138,749, 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 \$5,138,749 or 78.0% of total general fund expenditures.
- The Township's bonded debt (excluding compensated absences) decreased by a net amount of \$902,386.

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 and liabilities, with the difference between the two 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 17 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 14 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 exceeded liabilities by \$73,288,703 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 2012 as compared to the prior fiscal year):

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	\$16,134,564	\$17,844,968	\$10,138,667	\$10,955,367	\$26,273,231	\$28,800,335
Capital assets, net	31,123,670	30,281,809	36,198,026	36,428,629	67,321,696	66,710,438
Total assets	47,258,234	48,126,777	46,336,693	47,383,996	93,594,927	95,510,773
Deferred outflows of resources -						
Deferred charge on refunding	65,753	-	-	-	65,753	-
Liabilities						
Long-term liabilities	6,877,629	7,557,786	10,296,945	10,471,177	17,174,574	18,028,963
Other liabilities	1,668,841	1,414,305	1,528,562	1,607,746	3,197,403	3,022,051
Total liabilities	8,546,470	8,972,091	11,825,507	12,078,923	20,371,977	21,051,014
Net position						
Net investment in capital assets	27,933,571	26,397,690	25,980,446	26,018,663	53,914,017	52,416,353
Restricted	1,228,596	1,008,374	-	-	1,228,596	1,008,374
Unrestricted	9,615,350	11,748,622	8,530,740	9,286,410	18,146,090	21,035,032
Total net position	\$38,777,517	\$39,154,686	\$34,511,186	\$35,305,073	\$73,288,703	\$74,459,759

The largest portion of the Township's net position (73.6% or \$53,914,017) 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 \$1,228,596) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (24.7% or \$18,146,090) may be used to meet the government's ongoing obligations. The Township's total net position decreased approximately 1.7% from the prior year.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Governmental activities revenue decreased approximately 5% from the prior year. This was primarily a result of the Township completing the Lohr-Textile Greenway project in 2011, which was mainly funded through local contributions.

Business-type activities revenue increased approximately 17.1% from the prior year due to completing the 2011 commercial meter installation in 2011 and a 10% increase in user rates for both water and sewer over the prior year.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	\$ 4,759,335	\$ 5,375,222	\$11,446,602	\$ 9,653,203	\$16,205,937	\$15,028,425
Grants/contributions:						
Operating	576,870	486,388	-	-	576,870	486,388
Capital	295,353	369,859	74,840	160,703	370,193	530,562
General revenues						
Property taxes	8,764,881	8,999,710	-	-	8,764,881	8,999,710
State shared revenue	2,511,761	2,553,734	-	-	2,511,761	2,553,734
Unrestricted investment earnings and other	11,948	21,692	7,471	16,244	19,419	37,936
Transfers	21,561	-	(21,561)	-	-	-
Total revenues	16,941,709	17,806,605	11,507,352	9,830,150	28,449,061	27,636,755
Expenses						
General government	3,062,073	3,812,930	-	-	3,062,073	3,812,930
Public safety	9,539,187	9,067,580	-	-	9,539,187	9,067,580
Public works	2,704,712	2,130,785	-	-	2,704,712	2,130,785
Planning and zoning	450,033	278,881	-	-	450,033	278,881
Parks and recreation	1,539,044	1,505,128	-	-	1,539,044	1,505,128
Long-term debt interest	23,829	201,180	-	-	23,829	201,180
Water and sewer	-	-	12,301,239	10,577,971	12,301,239	10,577,971
Total expenses	17,318,878	16,996,484	12,301,239	10,577,971	29,620,117	27,574,455
Change in net position	(377,169)	810,121	(793,887)	(747,821)	(1,171,056)	62,300
Net position:						
Beginning, restated	39,154,686	38,344,565	35,305,073	36,052,894	74,459,759	74,397,459
Ending	<u>\$38,777,517</u>	<u>\$39,154,686</u>	<u>\$34,511,186</u>	<u>\$35,305,073</u>	<u>\$73,288,703</u>	<u>\$74,459,759</u>

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

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.

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 \$12,043,682, a decrease of \$1,861,491 in comparison with the prior year. Approximately 42.7% of this total amount (or \$5,138,749) 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 \$6,573,146, of which \$5,138,749 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 78% of total general fund expenditures. Overall, the fund balance of the general fund increased by \$286,936 for the year, resulting in a final favorable budget variance of \$1,211,154.

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

- Total general fund revenue decreased approximately 9% compared to the prior fiscal year. Most of the Township's operating revenue is provided by property taxes collected, which were lower by 4% compared to last fiscal year. State shared revenue decreased approximately 4% from the previous year.
- The Township completed an installation of new financial management software, which includes finance, utilities and treasury modules. Upgrades were also made to the existing assessing, tax and building modules.
- The Township transferred approximately \$4.9 million to the public safety fund to support its operations.

The public safety special revenue fund had an ending fund balance of \$2,619,133. This balance is a decrease from the previous year of \$1,793,468 due to the reclassification of public safety operations previously included in the general fund to the public safety department. The Township elected to maintain these operations under one fund to accurately reflect the true costs of the public safety department.

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 \$121,842 during the year that were financed by special assessments revenue and transfers in. The fund has \$1,646,787 of special assessments receivable at year end.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

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 major grant projects such as the Carpenter Road mid-block crossing project completed in 2012, using Community Development Block Grant (CDBG) grant funds and the Lohr-Textile Greenway Path redesign 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 yet provide the essential services to the citizens of Pittsfield, allowing for favorable budgetary results.

Capital Asset and Debt Administration

Capital Assets. At the end of fiscal 2012, the Township had \$67,321,696 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	
	2012	2011	2012	2011	2012	2011
Land and						
land improvements	\$23,160,737	\$21,005,842	\$ 510,118	\$ 510,118	\$23,670,855	\$21,515,960
Construction in progress	87,617	-	-	668,423	87,617	668,423
Buildings/improvements	2,280,573	3,271,450	569,586	601,230	2,850,159	3,872,680
Machinery and equipment	1,816,777	1,860,728	533,910	384,684	2,350,687	2,245,412
Infrastructure	3,777,966	4,143,789	34,584,412	34,264,174	38,362,378	38,407,963
Total capital assets, net	\$31,123,670	\$30,281,809	\$36,198,026	\$36,428,629	\$67,321,696	\$66,710,438

Major capital asset events during the current fiscal year included:

- Purchase of six police vehicles for the use by the Department of Public Safety Police Department.
- Refurbishment of the 1998 Pierce fire truck to extend its useful life to be used by the Department of Public Safety Fire Department.
- Facility improvements at Public Safety Department Building including the dispatch center and administrative offices, including a security camera system.
- Purchase of two vehicles for the use by the Building Safety Department.
- Purchase of Caterpillar mini-excavator to be used by the Utilities Department.
- Purchase of a used 2003 C-8500 Chevy dump truck for use by the Utilities Department.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the Township had total long-term debt (excluding compensated absences) outstanding of \$15,614,534, which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 380,000	\$ 540,000	\$10,286,080	\$10,483,466	\$10,666,080	\$11,023,466
Installment notes	2,865,000	3,410,000	-	-	2,865,000	3,410,000
Special assessments debt w/ government commitment	2,083,454	2,245,986	-	-	2,083,454	2,245,986
Total outstanding debt	\$ 5,328,454	\$ 6,195,986	\$10,286,080	\$10,483,466	\$15,614,534	\$16,679,452

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

Additional information on the Township's capital assets and long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Township's expenditure budget for next fiscal year is \$650 less than the current year amended budget which includes \$355,952 of fund balance that will be used for capital expenditures. Revenues are budgeted to be \$355,302 lower. The Township is expecting a decrease 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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 12,105,568	\$ 6,196,274	\$ 18,301,842	\$ 8,924
Restricted cash and cash equivalents	-	1,677,174	1,677,174	-
Receivables	4,021,955	1,887,129	5,909,084	-
Internal balances	(139,878)	139,878	-	-
Other assets	146,919	238,212	385,131	-
Capital assets not being depreciated	23,248,354	510,118	23,758,472	-
Capital assets being depreciated, net	7,875,316	35,687,908	43,563,224	-
Total assets	47,258,234	46,336,693	93,594,927	8,924
Deferred outflows of resources				
Deferred loss on refunding	65,753	-	65,753	-
Liabilities				
Accounts payable	1,361,324	1,513,605	2,874,929	1,731
Accrued liabilities	258,847	14,957	273,804	-
Unearned revenue	48,670	-	48,670	-
Long-term liabilities:				
Due within one year	1,277,531	525,000	1,802,531	-
Due in more than one year	5,319,161	9,771,945	15,091,106	-
Other noncurrent liability - net other postemployment benefit obligation	280,937	-	280,937	-
Total liabilities	8,546,470	11,825,507	20,371,977	1,731
Net position				
Net investment in capital assets	27,933,571	25,980,446	53,914,017	-
Restricted for:				
Debt service	928,596	-	928,596	-
Capital projects	300,000	-	300,000	-
Unrestricted	9,615,350	8,530,740	18,146,090	7,193
Total net position	\$ 38,777,517	\$ 34,511,186	\$ 73,288,703	\$ 7,193

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2012

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	\$ 3,062,073	\$ 2,847,185	\$ 432,981	\$ -	\$ 218,093
Public safety	9,539,187	1,152,975	83,835	-	(8,302,377)
Public works	2,704,712	476,125	35,948	295,353	(1,897,286)
Planning and zoning	450,033	19,755	-	-	(430,278)
Parks and recreation	1,539,044	263,295	24,106	-	(1,251,643)
Interest and fiscal charges	23,829	-	-	-	(23,829)
Total governmental activities	17,318,878	4,759,335	576,870	295,353	(11,687,320)
Business-type activities -					
Water and sewer	12,301,239	11,446,602	-	74,840	(779,797)
Total primary government	<u>\$ 29,620,117</u>	<u>\$ 16,205,937</u>	<u>\$ 576,870</u>	<u>\$ 370,193</u>	<u>\$ (12,467,117)</u>
Component unit					
Economic Development Corporation	<u>\$ 1,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,514)</u>

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net revenues (expense)	\$ (11,687,320)	\$ (779,797)	\$ (12,467,117)	\$ (1,514)
General revenues:				
Property taxes	8,764,881	-	8,764,881	-
State shared revenue	2,511,761	-	2,511,761	-
Unrestricted investment earnings	11,948	6,226	18,174	-
Gain of sale of capital assets	-	1,245	1,245	-
Transfers	21,561	(21,561)	-	-
Total general revenues and transfers	11,310,151	(14,090)	11,296,061	-
Change in net position	(377,169)	(793,887)	(1,171,056)	(1,514)
Net position, beginning of year, as restated	39,154,686	35,305,073	74,459,759	8,707
Net position, end of year	\$ 38,777,517	\$ 34,511,186	\$ 73,288,703	\$ 7,193

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, 2012

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 6,707,832	\$ 2,772,432	\$ 35,143	\$ 2,590,161	\$ 12,105,568
Receivables:					
Accounts	797,505	341,444	-	461,973	1,600,922
Taxes and special assessments	-	-	1,646,787	774,246	2,421,033
Due from other funds	8,892	8,940	-	476	18,308
Prepaid items	54,243	85,441	-	7,235	146,919
Total assets	\$ 7,568,472	\$ 3,208,257	\$ 1,681,930	\$ 3,834,091	\$ 16,292,750
Liabilities					
Accounts payable	\$ 530,357	\$ 199,260	\$ -	\$ 210,652	\$ 940,269
Accrued liabilities	16,606	235,062	-	7,179	258,847
Due to other funds	7,528	140,518	-	10,140	158,186
Due to other governments	74,950	-	-	-	74,950
Escrow payable	290,049	-	-	15,613	305,662
Unearned revenue	34,386	14,284	-	-	48,670
Total liabilities	953,876	589,124	-	243,584	1,786,584
Deferred inflows of resources					
Unavailable revenue - special assessments	41,450	-	1,646,787	774,247	2,462,484
Fund balances					
Nonspendable - prepaid items	54,243	85,441	-	7,235	146,919
Restricted for:					
General government	-	-	-	167,843	167,843
Public safety	-	2,510,259	-	1,417,997	3,928,256
Public works	-	-	-	234,981	234,981
Culture and recreation	-	-	-	59,608	59,608
Budget stabilization	965,000	-	-	-	965,000
Debt service	-	-	35,143	928,596	963,739
Drug enforcement	41,648	2,888	-	-	44,536
Right-a-way	67,012	-	-	-	67,012
Police/Dispatch training grants	-	20,545	-	-	20,545
Donations	6,494	-	-	-	6,494
Committed for capital projects	300,000	-	-	-	300,000
Unassigned	5,138,749	-	-	-	5,138,749
Total fund balances	6,573,146	2,619,133	35,143	2,816,260	12,043,682
Total liabilities, deferred inflows of resources and fund balances	\$ 7,568,472	\$ 3,208,257	\$ 1,681,930	\$ 3,834,091	\$ 16,292,750

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, 2012

Fund balances - total governmental funds	\$ 12,043,682
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	50,333,048
Accumulated depreciation	(19,209,378)
Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds.	
	2,462,484
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds and installment contracts payable	(5,328,454)
Unamortized deferred loss on refunding	65,753
Unamortized premium on refunding bonds	(10,852)
Accrued interest on bonds and installment contracts payable	(40,443)
Net other postemployment benefit obligation	(280,937)
Compensated absences	(1,257,386)
Net position of governmental activities	<u>\$ 38,777,517</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, 2012

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes and special assessments	\$ 6,556,789	\$ 1,672,782	\$ 89,366	\$ 1,088,483	\$ 9,407,420
Licenses and permits	86,145	18,100	-	446,512	550,757
Intergovernmental	2,673,668	121,360	-	130,198	2,925,226
Charges for services	1,435,782	23,189	-	1,381,891	2,840,862
Fines and forfeitures	1,200	114,301	-	-	115,501
Franchise fees	512,189	-	-	2,120	514,309
Investment earnings	7,100	2,710	18	-	9,828
Donations	24,106	245	-	-	24,351
Other revenues	506,132	227,032	-	103,103	836,267
Total revenues	11,803,111	2,179,719	89,384	3,152,307	17,224,521
Expenditures					
Current:					
General government	2,650,810	-	-	6,242	2,657,052
Public safety	138,685	8,256,721	-	677,853	9,073,259
Public works	1,243,107	-	-	1,220,123	2,463,230
Planning and zoning	433,127	-	-	-	433,127
Culture and recreation	1,017,255	-	-	57,674	1,074,929
Other unallocated	670,459	-	-	-	670,459
Debt service:					
Principal	-	-	55,000	812,532	867,532
Interest and fiscal charges	-	-	66,842	146,931	213,773
Capital outlay	436,786	628,142	-	589,284	1,654,212
Total expenditures	6,590,229	8,884,863	121,842	3,510,639	19,107,573
Revenues over (under) expenditures	5,212,882	(6,705,144)	(32,458)	(358,332)	(1,883,052)
Other financing sources (uses)					
Transfers in	112,176	4,911,676	60,921	87,086	5,171,859
Transfers out	(5,038,122)	-	-	(112,176)	(5,150,298)
Total other financing sources (uses)	(4,925,946)	4,911,676	60,921	(25,090)	21,561
Net change in fund balances	286,936	(1,793,468)	28,463	(383,422)	(1,861,491)
Fund balances, beginning of year	6,286,210	4,412,601	6,680	3,199,682	13,905,173
Fund balances, end of year	\$ 6,573,146	\$ 2,619,133	\$ 35,143	\$ 2,816,260	\$ 12,043,682

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, 2012

Net change in fund balances - total governmental funds	\$ (1,861,491)
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.	(304,373)
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	2,025,890
Depreciation expense	(1,100,631)
Net book value of assets disposed	(83,398)
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 assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Amortization of premium	2,170
Amortization of deferred lost on refunding	(13,150)
Principal payments on long-term liabilities	867,532
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 accrued interest payable on bonds	200,924
Change in other postemployment benefit obligation	(137,718)
Change in the accrual for compensated absences	<u>27,076</u>
Change in net position of governmental activities	<u>\$ (377,169)</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, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 6,715,585	\$ 6,715,585	\$ 6,556,789	\$ (158,796)
Licenses and permits	87,800	87,800	86,145	(1,655)
Intergovernmental	2,119,300	2,226,300	2,673,668	447,368
Charges for services	1,294,253	1,304,412	1,435,782	131,370
Fines and forfeitures	10,000	10,000	1,200	(8,800)
Franchise fees	480,000	480,000	512,189	32,189
Investment earnings	5,000	5,000	7,100	2,100
Donations	-	25,000	24,106	(894)
Other revenues	614,200	614,200	506,132	(108,068)
Total revenues	11,326,138	11,468,297	11,803,111	334,814
Expenditures				
General government:				
Township board	48,232	54,832	53,846	(986)
Township supervisor	204,748	204,748	201,452	(3,296)
Elections	193,419	213,859	199,875	(13,984)
Finance	208,549	216,549	214,906	(1,643)
Assessor	472,550	511,750	490,485	(21,265)
Township clerk	333,441	308,441	276,751	(31,690)
Human resources / admin services	298,477	298,477	228,047	(70,430)
Board of review	6,608	6,608	5,432	(1,176)
Administrative	72,500	72,500	53,036	(19,464)
Professional services	142,000	135,400	114,400	(21,000)
Township treasurer	347,740	347,740	313,523	(34,217)
Information technology	286,658	298,658	252,235	(46,423)
Building and grounds	266,882	266,882	246,822	(20,060)
Phase II EPA/DEQ compliance	3,095	3,095	-	(3,095)
Total general government	2,884,899	2,939,539	2,650,810	(288,729)
Public safety -				
Property maintenance inspections	147,808	147,808	138,685	(9,123)
Public works -				
Highways, streets and drains	761,500	1,278,971	1,243,107	(35,864)

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Planning and zoning -				
Municipal services	\$ 455,684	\$ 457,284	\$ 433,127	\$ (24,157)
Culture and recreation:				
Parks and recreation	1,049,319	1,057,319	1,016,673	(40,646)
Historical commission	1,050	1,050	582	(468)
Total culture and recreation	1,050,369	1,058,369	1,017,255	(41,114)
Other unallocated	1,180,000	953,299	670,459	(282,840)
Capital outlay	230,000	551,149	436,786	(114,363)
Total expenditures	6,710,260	7,386,419	6,590,229	(796,190)
Revenues over expenditures	4,615,878	4,081,878	5,212,882	1,131,004
Other financing sources (uses)				
Transfers in	-	79,000	112,176	33,176
Transfers out	(5,085,096)	(5,085,096)	(5,038,122)	(46,974)
Total other financing sources (uses)	(5,085,096)	(5,006,096)	(4,925,946)	80,150
Net change in fund balances	(469,218)	(924,218)	286,936	1,211,154
Fund balances, beginning of year	6,286,210	6,286,210	6,286,210	-
Fund balances, end of year	\$ 5,816,992	\$ 5,361,992	\$ 6,573,146	\$ 1,211,154

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, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 1,672,073	\$ 1,672,073	\$ 1,672,782	\$ 709
Licenses and permits	17,000	17,000	18,100	1,100
Intergovernmental	78,000	78,000	121,360	43,360
Charges for services	18,700	18,700	23,189	4,489
Fines and forfeitures	100,000	100,000	114,301	14,301
Investment earnings	7,500	7,500	2,710	(4,790)
Donations	500	500	245	(255)
Other revenue	111,500	111,500	227,032	115,532
Total revenues	2,005,273	2,005,273	2,179,719	174,446
Expenditures				
Public safety	8,732,257	8,448,057	8,256,721	(191,336)
Capital outlay	344,777	628,977	628,142	(835)
Total expenditures	9,077,034	9,077,034	8,884,863	(192,171)
Revenues under expenditures	(7,071,761)	(7,071,761)	(6,705,144)	366,617
Transfers in	4,911,676	4,911,676	4,911,676	-
Net change in fund balances	(2,160,085)	(2,160,085)	(1,793,468)	366,617
Fund balances, beginning of year	4,412,601	4,412,601	4,412,601	-
Fund balances, end of year	\$ 2,252,516	\$ 2,252,516	\$ 2,619,133	\$ 366,617

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, 2012

Assets

Current assets:

Cash and cash equivalents	\$ 6,196,274
Accounts receivable, net	1,887,054
Due from other governments	75
Due from other funds	140,200
Inventory	222,061
Prepaid items	16,151
Total current assets	<u>8,461,815</u>

Noncurrent assets:

Restricted cash and cash equivalents	1,677,174
Capital assets not being depreciated	510,118
Capital assets being depreciated, net	35,687,908
Total noncurrent assets	<u>37,875,200</u>

Total assets 46,337,015

Liabilities

Current liabilities:

Accounts payable	1,433,605
Accrued payroll	14,957
Escrow payable	80,000
Due to other funds	322
Compensated absences, current portion	20,000
Bonds payable, current portion	505,000
Total current liabilities	<u>2,053,884</u>

Noncurrent liabilities:

Compensated absences, net of current portion	59,365
Bonds payable, net of current portion	9,712,580
Total noncurrent liabilities	<u>9,771,945</u>

Total liabilities 11,825,829

Net position

Net investment in capital assets	25,980,446
Unrestricted	8,530,740

Total net position \$ 34,511,186

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenses and Changes in Fund Net Position

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2012

Operating revenues	
Charges for services	\$ 11,444,615
Other	1,987
	<hr/>
Total operating revenues	11,446,602
	<hr/>
Operating expenses	
Personal services	849,529
Materials and supplies	8,615,625
Contractual	109,214
Insurance	28,647
Maintenance	62,961
Other expense	754,109
Depreciation	1,327,537
	<hr/>
Total operating expenses	11,747,622
	<hr/>
Operating loss	(301,020)
	<hr/>
Nonoperating revenues (expenses)	
Investment earnings	6,226
Gain on sale of capital assets	1,245
Interest expense and fees	(553,617)
	<hr/>
Total nonoperating expenses	(546,146)
	<hr/>
Loss before contributions and transfers	(847,166)
	<hr/>
Capital contributions - tap fees and other	74,840
	<hr/>
Transfers out	(21,561)
	<hr/>
Change in net position	(793,887)
	<hr/>
Net position, beginning of year, as restated	35,305,073
	<hr/>
Net position, end of year	\$ 34,511,186
	<hr/> <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, 2012

Cash flows from operating activities	
Receipts from customers and users	\$ 11,549,653
Payments to suppliers	(9,754,193)
Payments to employees	<u>(1,061,958)</u>
Net cash provided by operating activities	<u>733,502</u>
Cash flows from noncapital financing activities	
Transfers out	<u>(21,561)</u>
Cash flows from capital and related financing activities	
Issuance of debt	292,614
Principal paid on debt	(490,000)
Interest paid on debt	(548,617)
Purchase of capital assets	(1,096,934)
Proceeds from sale of capital assets	1,245
Cash contributions for tap fees	<u>74,840</u>
Net cash used in capital and related financing activities	<u>(1,766,852)</u>
Cash flows from investing activities	
Interest received on investments	<u>6,226</u>
Change in cash and cash equivalents	(1,048,685)
Cash and cash equivalents, beginning of year	<u>8,922,133</u>
Cash and cash equivalents, end of year	<u>\$ 7,873,448</u>
Classified on the statement of net position as:	
Cash and cash equivalents	\$ 6,196,274
Restricted cash and cash equivalents	<u>1,677,174</u>
Total cash and cash equivalents	<u>\$ 7,873,448</u>

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2012

Cash flows from operating activities	
Operating loss	\$ (301,020)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	1,327,537
Change in:	
Accounts receivable, net	103,051
Due from other governments	(75)
Due from other funds	(124,811)
Inventory	252,137
Prepaid items	(15,368)
Accounts payable and accrued liabilities	71,399
Accrued payroll	(230,583)
Escrow payable	80,000
Due to other funds	(446,919)
Compensated absences	18,154
	<hr/>
Net cash provided by operating activities	<u>\$ 733,502</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, 2012

Assets

Cash and cash equivalents	<u>\$ 10,011,707</u>
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Liabilities

Undistributed receipts	<u>\$ 10,011,707</u>
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The accompanying notes are an integral part of these basic financial statements.

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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, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It 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 a future period(s) 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, 2012, 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, 2012:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 18,301,842	\$ 8,924	\$ 18,310,766
Restricted cash and cash equivalents	1,677,174	-	1,677,174
Statement of Fiduciary Net Position			
Cash and cash equivalents	10,011,707	-	10,011,707
Total	\$ 29,990,723	\$ 8,924	\$ 29,999,647
Deposits and investments			
Bank deposits (checking and savings)			\$ 29,750,491
Certificates of deposit (due within one year)			248,456
Cash on hand			700
Total			\$ 29,999,647

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, \$25,065,007 of the combined bank balance of \$29,957,331 (total book balance of \$29,998,947) 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 \$1,677,174 at December 31, 2012 for water and sewer capital improvement projects.

5. RECEIVABLES

Receivables in the governmental activities are 40 percent accounts receivable and 60 percent taxes and special assessments. Approximately 85 percent, or \$2,058,913, 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, 2012, was as follows:

	Beginning Balance	Reclassification	Additions	Disposals	Ending Balance
Governmental activities					
Capital assets					
not being depreciated:					
Land and land					
improvements	\$ 21,005,842	\$ 1,293,908	\$ 860,987	\$ -	\$ 23,160,737
Construction in progress	-	-	87,617	-	87,617
	<u>21,005,842</u>	<u>1,293,908</u>	<u>948,604</u>	<u>-</u>	<u>23,248,354</u>
Capital assets being depreciated:					
Buildings and improvements	6,478,718	(920,152)	58,451	-	5,617,017
Infrastructure	13,445,524	(373,756)	435,891	-	13,507,659
Machinery and equipment	7,597,996	(200)	582,944	(220,722)	7,960,018
	<u>27,522,238</u>	<u>(1,294,108)</u>	<u>1,077,286</u>	<u>(220,722)</u>	<u>27,084,694</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,207,268)	107,490	(236,666)	-	(3,336,444)
Infrastructure	(9,301,735)	(107,490)	(320,468)	-	(9,729,693)
Machinery and equipment	(5,737,268)	200	(543,497)	137,324	(6,143,241)
	<u>(18,246,271)</u>	<u>200</u>	<u>(1,100,631)</u>	<u>137,324</u>	<u>(19,209,378)</u>
Total capital assets					
being depreciated, net	<u>9,275,967</u>	<u>(1,293,908)</u>	<u>(23,345)</u>	<u>(83,398)</u>	<u>7,875,316</u>
Governmental activities					
capital assets, net	<u>\$ 30,281,809</u>	<u>\$ -</u>	<u>\$ 925,259</u>	<u>\$ (83,398)</u>	<u>\$ 31,123,670</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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

General government	\$ 430,730
Public safety	383,708
Public works	16,906
Planning and zoning	241,482
Parks and recreation	<u>27,805</u>
 Total depreciation expense	 <u><u>\$ 1,100,631</u></u>

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 510,118	\$ -	\$ -	\$ 510,118
Construction in progress	668,423	1,078,345	(1,746,768)	-
	<u>1,178,541</u>	<u>1,078,345</u>	<u>(1,746,768)</u>	<u>510,118</u>
Capital assets being depreciated:				
Infrastructure	51,030,347	1,444,388	-	52,474,735
Buildings	949,314	-	-	949,314
Machinery and equipment	1,033,873	320,969	(19,498)	1,335,344
	<u>53,013,534</u>	<u>1,765,357</u>	<u>(19,498)</u>	<u>54,759,393</u>
Less accumulated depreciation for:				
Infrastructure	(16,766,173)	(1,124,150)	-	(17,890,323)
Buildings	(348,084)	(31,644)	-	(379,728)
Machinery and equipment	(649,189)	(171,743)	19,498	(801,434)
	<u>(17,763,446)</u>	<u>(1,327,537)</u>	<u>19,498</u>	<u>(19,071,485)</u>
Total capital assets being depreciated, net	<u>35,250,088</u>	<u>437,820</u>	<u>-</u>	<u>35,687,908</u>
Business-type activities capital assets, net	<u><u>\$ 36,428,629</u></u>	<u><u>\$ 1,516,165</u></u>	<u><u>\$ (1,746,768)</u></u>	<u><u>\$ 36,198,026</u></u>

7. PAYABLES

Payables in the governmental activities are 61 percent due to vendors, 19 percent accrued liabilities, 15 percent accrued interest and five percent due to other governments. Business-type activities payables are 87 percent due to vendors and 13 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, 2012:

	Receivable	Payable
General	\$ 8,892	\$ 7,528
Public safety special revenue fund	8,940	140,518
Nonmajor governmental funds	476	10,140
Waters and sewer enterprise fund	140,200	322
	<u>\$ 158,508</u>	<u>\$ 158,508</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	General	Transfers In			Totals
		Public Safety fund	Michigan Avenue East fund	Nonmajor Governmental Funds	
General	\$ -	\$ 4,911,676	\$ 60,921	\$ 65,525	\$ 5,038,122
Nonmajor governmental funds	112,176	-	-	-	112,176
Water and sewer fund	-	-	-	21,561	21,561
	<u>\$ 112,176</u>	<u>\$ 4,911,676</u>	<u>\$ 60,921</u>	<u>\$ 87,086</u>	<u>\$ 5,171,859</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

9. LONG-TERM DEBT

Installment obligations. Installment obligations outstanding at year-end amounted to \$2,685,000 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
2013	\$ 550,000	\$ 58,625
2014	560,000	47,525
2015	570,000	36,083
2016	585,000	23,220
2017	600,000	8,100
	<u>\$ 2,865,000</u>	<u>\$ 173,553</u>

General obligation bonds - governmental activities. The government 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%.	\$ 180,000
\$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>200,000</u>
Total general obligation bonds	<u>\$ 380,000</u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2013	\$ 160,000	\$ 16,990
2014	160,000	9,425
2015	60,000	1,680
	<u>\$ 380,000</u>	<u>\$ 28,095</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%.	\$ 221,500
\$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%.	301,954
\$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>1,560,000</u>
Total drain assessment bonds payable	<u><u>\$ 2,083,454</u></u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2013	\$ 167,531	\$ 75,115
2014	151,328	69,443
2015	151,328	64,091
2016	90,824	60,163
2017	90,824	57,620
2018-2022	533,856	238,731
2023-2027	642,763	127,975
2028-2029	<u>255,000</u>	<u>12,201</u>
	<u><u>\$ 2,083,454</u></u>	<u><u>\$ 705,339</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:

\$750,000 2002 Huron Utilities Authority Serial Bonds due in annual installments of \$65,000 to \$80,000 through 2013, interest at 4.25% to 4.7%.	\$ 80,000
\$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%.	6,295,000
\$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>3,911,080</u>
Total general obligation bonds	<u>\$ 10,286,080</u>

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

Year Ended December 31,	Business-type Activities	
	Principal	Interest
2013	\$ 505,000	\$ 346,032
2014	440,000	329,609
2015	460,000	316,277
2016	475,000	362,130
2017	495,000	287,139
2018-2022	2,740,000	1,179,296
2023-2027	3,355,000	650,345
2028-2030	<u>1,816,080</u>	<u>84,374</u>
	<u>\$ 10,286,080</u>	<u>\$ 3,555,202</u>

During the year ended December 31, 2012, the Township did not make any draws against the Clean Water State Revolving Fund bonds. As the Township's total disbursements were less than the amount approved by the State of Michigan, the amount of regular principal as well as the amount of ARRA loan forgiveness to be repaid was adjusted. The Township's total regular principal increased \$292,614 during the year to reflect the total ARRA principal that is repayable. The total amount authorized under this issue is \$4,854,650. The total amount drawn for the year ended December 31, 2012 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, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Installment obligations	\$ 3,410,000	\$ -	\$ (545,000)	\$ 2,865,000	\$ 550,000
General obligation bonds	540,000	-	(160,000)	380,000	160,000
Special assessment debt with government commitment	2,245,986	-	(162,532)	2,083,454	167,531
Unamortized premium	13,022	-	(2,170)	10,852	-
Compensated absences	1,284,462	464,651	(491,727)	1,257,386	400,000
Total governmental activities	\$ 7,493,470	\$ 464,651	\$ (1,361,429)	\$ 6,596,692	\$ 1,277,531
Business-type activities					
General obligation bonds	\$ 10,483,466	\$ 292,614	\$ (490,000)	\$ 10,286,080	\$ 505,000
Unamortized discount	(73,500)	-	5,000	(68,500)	-
Compensated absences	61,211	43,330	(25,176)	79,365	20,000
Total business-type activities	\$ 10,471,177	\$ 335,944	\$ (510,176)	\$ 10,296,945	\$ 525,000

10. 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, 2012, 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.

11. 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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

12. 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 \$1,681,997,415. The government's general operating tax rate for fiscal year 2012 was 3.8758 mills.

13. 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, 2011, the date of the latest actuarial valuation, the plan had 123 active members, 24 vested former members and 24 retirees and beneficiaries (for a total of 171 total participants).

Funding Policy. The Township is required to contribute at an actuarially determined rate; the current rates range from 2.54% to 33.90%, depending on the division, of annual covered payroll. Employees contribute 4.00% 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, 2012, the Township's annual pension cost of \$751,402 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2011 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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Annual Pension Cost and Net Pension Obligation. For 2012, 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	\$ 751,402
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual net pension cost	<u>751,402</u>
Contributions made	<u>(751,402)</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
2010	\$ 569,568	100%	\$ -
2011	603,528	100%	-
2012	751,402	100%	-

Funded Status. The funded status of the plan as of December 31, 2011, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)(a)	\$ 21,644,476
Actuarial value of plan assets (b)	<u>16,483,524</u>
Unfunded actuarial accrued liability (UAAL) (a-b)	<u><u>\$ 5,160,952</u></u>
Funded ratio (b/a)	76.2%
Covered payroll (active plan members) (c)	\$ 7,260,531
UAAL as a percentage of covered payroll ((a-b)/c)	71.1%

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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

14. 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 December 31, 2009, the date of the latest actuarial valuation, eight retirees were currently receiving benefits; the Plan has 124 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 \$656,639.

Funding Progress. For the year ended December 31, 2012, the Township estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2009. 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 12.24% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. For 2012, 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	\$ 791,041
Interest on net OPEB obligation	11,458
Adjustment to annual required contribution	<u>(8,142)</u>
Net OPEB cost	794,357
Contributions made	<u>(656,639)</u>
Change in net OPEB obligation	137,718
Net OPEB obligation, beginning of year	<u>143,219</u>
Net OPEB obligation, end of year	<u>\$ 280,937</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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 two 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
12/31/2010	\$ 781,160	\$ 957,986	122.6%	\$ 403,046
12/31/2011	797,809	880,810	110.4%	143,219
12/31/2012	794,357	656,639	82.7%	280,937

Funded Status. The funded status of the Plan as of December 31, 2009, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liabilities (a)	\$ 8,033,569
Actuarial value of plan assets (b)	1,545,277
Unfunded actuarial accrued liability (a-b)	<u>\$ 6,488,292</u>
Funded ratio (b/a)	19.2%
Covered payroll (c)	\$ 6,465,155
Unfunded actuarial accrued liability as a percentage of covered payroll [(a-b)/c]	100.4%

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.

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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2009
Actuarial cost method	Entry age normal cost
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	8.0% grading to 4.5% ultimately
Inflation rate	4.5%

15. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment of capital assets debt as of December 31, 2012, was as follows:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 23,248,354	\$ 510,118
Capital assets being depreciated, net	7,875,316	35,687,908
	<u>31,123,670</u>	<u>36,198,026</u>
Less related debt:		
Bonds payable	380,000	10,286,080
Installment obligations	2,865,000	
Unamortized bond premium	10,852	-
Unamortized bond discount	-	(68,500)
Unamortized refunding loss	(65,753)	-
	<u>3,190,099</u>	<u>10,217,580</u>
Net investment in capital assets	<u>\$ 27,933,571</u>	<u>\$ 25,980,446</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.

16. RESTATEMENT

The Township adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. As a result, the beginning net position of the governmental activities and the water/sewer enterprise fund were decreased by \$73,408 and \$51,300, respectively, to eliminate unamortized bond issuance costs, which no longer meet the definition of an asset and are now required to be recognized as an expense in the period incurred.



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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)
12/31/2003	\$ 5,826,387	\$ 8,233,918	\$ 2,407,531	70.8%	\$ 5,233,763	46.0%
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%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2004	\$ 298,754	100%
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%

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%

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%

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

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 1,620,154	\$ 928,597	\$ 41,410	\$ 2,590,161
Accounts receivable	461,973	-	-	461,973
Special assessments receivable	-	774,246	-	774,246
Due from other funds	476	-	-	476
Prepaid items	7,235	-	-	7,235
Total assets	\$ 2,089,838	\$ 1,702,843	\$ 41,410	\$ 3,834,091
Liabilities				
Accounts payable	\$ 169,242	\$ -	\$ 41,410	\$ 210,652
Accrued liabilities	7,179	-	-	7,179
Due to other funds	10,140	-	-	10,140
Escrow payable	15,613	-	-	15,613
Total liabilities	202,174	-	41,410	243,584
Deferred inflows of resources				
Unavailable revenue - special assessments	-	774,247	-	774,247
Fund balances				
Nonspendable - prepaid items	7,235	-	-	7,235
Restricted:				
General government	167,843	-	-	167,843
Public safety	1,417,997	-	-	1,417,997
Public works	234,981	-	-	234,981
Culture and recreation	59,608	-	-	59,608
Debt service	-	928,596	-	928,596
Total fund balances	1,887,664	928,596	-	2,816,260
Total liabilities, deferred inflows of resources and fund balances	\$ 2,089,838	\$ 1,702,843	\$ 41,410	\$ 3,834,091

PITTSFIELD CHARTER TOWNSHIP

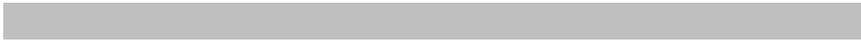
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2012

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Taxes and special assessments	\$ 816,848	\$ 271,635	\$ -	\$ 1,088,483
Licenses and permits	446,512	-	-	446,512
Intergovernmental	130,198	-	-	130,198
Charges for services	1,381,891	-	-	1,381,891
Investment earnings	1,369	751	-	2,120
Other revenues	103,103	-	-	103,103
Total revenues	2,879,921	272,386	-	3,152,307
Expenditures				
Current:				
General government	6,242	-	-	6,242
Public safety	677,853	-	-	677,853
Public works	1,220,123	-	-	1,220,123
Culture and recreation	57,674	-	-	57,674
Debt service:				
Principal	545,000	267,532	-	812,532
Interest and fiscal charges	101,334	45,597	-	146,931
Capital outlay	517,900	-	71,384	589,284
Total expenditures	3,126,126	313,129	71,384	3,510,639
Revenues under expenditures	(246,205)	(40,743)	(71,384)	(358,332)
Other financing sources (uses)				
Transfers in	21,561	13,980	51,545	87,086
Transfers out	(79,000)	(33,176)	-	(112,176)
Total other financing sources (uses)	(57,439)	(19,196)	51,545	(25,090)
Net change in fund balances	(303,644)	(59,939)	(19,839)	(383,422)
Fund balances, beginning of year	2,191,308	988,535	19,839	3,199,682
Fund balances, end of year	\$ 1,887,664	\$ 928,596	\$ -	\$ 2,816,260

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2012

	Refuse Collection	Tree Mitigation	Building Department
Assets			
Cash and cash equivalents	\$ 31,202	\$ 167,843	\$ 387,249
Accounts receivable	323,540	-	23,064
Due from other funds	-	-	158
Prepaid items	-	-	3,295
Total assets	\$ 354,742	\$ 167,843	\$ 413,766
Liabilities			
Accounts payable	\$ 104,148	\$ -	\$ 6,990
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Escrow payable	15,613	-	-
Total liabilities	119,761	-	6,990
Fund balances			
Nonspendable - prepaid items	-	-	3,295
Restricted:			
General government	-	167,843	-
Public safety	-	-	403,481
Public works	234,981	-	-
Culture and recreation	-	-	-
Total fund balances	234,981	167,843	406,776
Total liabilities and fund balances	\$ 354,742	\$ 167,843	\$ 413,766



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 76,899	\$ 934,351	\$ 22,610	\$ 1,620,154
41,300	60,651	13,418	461,973
-	-	318	476
-	3,940	-	7,235
<u>\$ 118,199</u>	<u>\$ 998,942</u>	<u>\$ 36,346</u>	<u>\$ 2,089,838</u>

\$ 57,391	\$ 713	\$ -	\$ 169,242
-	6,177	1,002	7,179
1,200	8,940	-	10,140
-	-	-	15,613
<u>58,591</u>	<u>15,830</u>	<u>1,002</u>	<u>202,174</u>

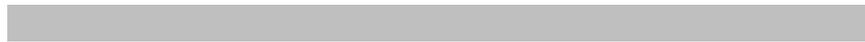
-	3,940	-	7,235
-	-	-	167,843
-	979,172	35,344	1,417,997
-	-	-	234,981
<u>59,608</u>	<u>-</u>	<u>-</u>	<u>59,608</u>
<u>59,608</u>	<u>983,112</u>	<u>35,344</u>	<u>1,887,664</u>
<u>\$ 118,199</u>	<u>\$ 998,942</u>	<u>\$ 36,346</u>	<u>\$ 2,089,838</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Refuse Collection	Tree Mitigation	Building Department
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	446,512
Intergovernmental	-	-	-
Charges for services	1,123,532	-	-
Investment earnings	64	123	279
Other revenues	-	-	98,103
Total revenues	1,123,596	123	544,894
Expenditures			
Current:			
General government	-	6,242	-
Public safety	-	-	345,610
Public works	1,220,123	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	56,685
Total expenditures	1,220,123	6,242	402,295
Revenues over (under) expenditures	(96,527)	(6,119)	142,599
Other financing sources (uses)			
Transfers in	21,561	-	-
Transfers out	-	-	(79,000)
Total other financing sources (uses)	21,561	-	(79,000)
Net change in fund balances	(74,966)	(6,119)	63,599
Fund balances, beginning of year	309,947	173,962	343,177
Fund balances, end of year	\$ 234,981	\$ 167,843	\$ 406,776



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 816,848	\$ -	\$ -	\$ 816,848
-	-	-	446,512
130,198	-	-	130,198
-	213,359	45,000	1,381,891
209	694	-	1,369
5,000	-	-	103,103
<u>952,255</u>	<u>214,053</u>	<u>45,000</u>	<u>2,879,921</u>
-	-	-	6,242
-	280,602	51,641	677,853
-	-	-	1,220,123
57,674	-	-	57,674
545,000	-	-	545,000
101,334	-	-	101,334
425,020	36,195	-	517,900
<u>1,129,028</u>	<u>316,797</u>	<u>51,641</u>	<u>3,126,126</u>
<u>(176,773)</u>	<u>(102,744)</u>	<u>(6,641)</u>	<u>(246,205)</u>
-	-	-	21,561
-	-	-	(79,000)
-	-	-	(57,439)
<u>(176,773)</u>	<u>(102,744)</u>	<u>(6,641)</u>	<u>(303,644)</u>
<u>236,381</u>	<u>1,085,856</u>	<u>41,985</u>	<u>2,191,308</u>
<u>\$ 59,608</u>	<u>\$ 983,112</u>	<u>\$ 35,344</u>	<u>\$ 1,887,664</u>

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Refuse Collection

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,180,000	1,230,000	1,123,532	(106,468)
Investment earnings	100	100	64	(36)
Other revenues	-	-	-	-
Total revenues	1,180,100	1,230,100	1,123,596	(106,504)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,176,967	1,251,967	1,220,123	(31,844)
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,176,967	1,251,967	1,220,123	(31,844)
Revenues over (under) expenditures	3,133	(21,867)	(96,527)	(74,660)
Other financing sources (uses)				
Transfers in	-	25,000	21,561	(3,439)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	25,000	21,561	(3,439)
Net change in fund balance	3,133	3,133	(74,966)	(78,099)
Fund balance, beginning of year	309,947	309,947	309,947	-
Fund balance, end of year	\$ 313,080	\$ 313,080	\$ 234,981	\$ (78,099)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Tree Mitigation

For the Year Ended December 31, 2012

	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	123	(377)
Other revenues	200,000	200,000	-	(200,000)
Total revenues	200,500	200,500	123	(200,377)
Expenditures				
Current:				
General government	200,500	200,500	6,242	(194,258)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	200,500	200,500	6,242	(194,258)
Revenues over (under) expenditures	-	-	(6,119)	(6,119)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(6,119)	(6,119)
Fund balance, beginning of year	173,962	173,962	173,962	-
Fund balance, end of year	\$ 173,962	\$ 173,962	\$ 167,843	\$ (6,119)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Building Department For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	330,000	355,000	446,512	91,512
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	100	100	279	179
Other revenues	60,000	139,000	98,103	(40,897)
Total revenues	390,100	494,100	544,894	50,794
Expenditures				
Current:				
General government	-	-	-	-
Public safety	345,400	351,407	345,610	(5,797)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	40,000	58,993	56,685	(2,308)
Total expenditures	385,400	410,400	402,295	(8,105)
Revenues over expenditures	4,700	83,700	142,599	58,899
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(79,000)	(79,000)	-
Total other financing sources (uses)	-	(79,000)	(79,000)	-
Net change in fund balance	4,700	4,700	63,599	58,899
Fund balance, beginning of year	343,177	343,177	343,177	-
Fund balance, end of year	\$ 347,877	\$ 347,877	\$ 406,776	\$ 58,899

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, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 816,609	\$ 816,609	\$ 816,848	\$ 239
Licenses and permits	-	-	-	-
Intergovernmental	-	125,000	130,198	5,198
Charges for services	-	-	-	-
Investment earnings	300	300	209	(91)
Other revenues	-	5,000	5,000	-
Total revenues	816,909	946,909	952,255	5,346
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	50,900	71,300	57,674	(13,626)
Debt service:				
Principal	545,000	545,000	545,000	-
Interest and fiscal charges	112,123	112,123	101,334	(10,789)
Capital outlay	108,886	428,486	425,020	(3,466)
Total expenditures	816,909	1,156,909	1,129,028	(27,881)
Revenues over (under) expenditures	-	(210,000)	(176,773)	33,227
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(210,000)	(176,773)	33,227
Fund balance, beginning of year	236,381	236,381	236,381	-
Fund balance, end of year	\$ 236,381	\$ 26,381	\$ 59,608	\$ 33,227

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - E 911 Service For the Year Ended December 31, 2012

	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	213,359	(36,641)
Investment earnings	1,000	1,000	694	(306)
Other revenues	500	500	-	(500)
Total revenues	251,500	251,500	214,053	(37,447)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	332,992	302,992	280,602	(22,390)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	6,200	36,200	36,195	(5)
Total expenditures	339,192	339,192	316,797	(22,395)
Revenues over (under) expenditures	(87,692)	(87,692)	(102,744)	(15,052)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(87,692)	(87,692)	(102,744)	(15,052)
Fund balance, beginning of year	1,085,856	1,085,856	1,085,856	-
Fund balance, end of year	\$ 998,164	\$ 998,164	\$ 983,112	\$ (15,052)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 800 MHz Consortium

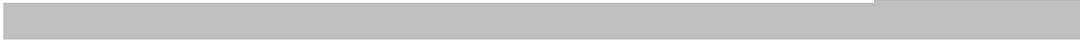
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	40,000	45,000	45,000	-
Investment earnings	-	-	-	-
Other revenues	-	-	-	-
Total revenues	40,000	45,000	45,000	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	42,000	54,000	51,641	(2,359)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	42,000	54,000	51,641	(2,359)
Revenues over (under) expenditures	(2,000)	(9,000)	(6,641)	2,359
Other financing sources (uses)				
Transfers in	-	7,000	-	(7,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	7,000	-	(7,000)
Net change in fund balance	(2,000)	(2,000)	(6,641)	(4,641)
Fund balance, beginning of year	41,985	41,985	41,985	-
Fund balance, end of year	\$ 39,985	\$ 39,985	\$ 35,344	\$ (4,641)

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2012

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Assets			
Cash and cash equivalents	\$ 647,263	\$ 91,885	\$ 39,367
Special assessments receivable	-	150,070	273,079
Total assets	<u>\$ 647,263</u>	<u>\$ 241,955</u>	<u>\$ 312,446</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	\$ -	\$ 150,070	\$ 273,079
Fund balances			
Restricted for debt service	<u>647,263</u>	<u>91,885</u>	<u>39,367</u>
Total deferred inflows of resources and and fund balances	<u>\$ 647,263</u>	<u>\$ 241,955</u>	<u>\$ 312,446</u>



State & Textile Road	Waters Place Road	Munger Road 2001	Ann Arbor/ Waters Road	Total
\$ 97,627	\$ 52,455	\$ -	\$ -	\$ 928,597
162,337	188,760	-	-	774,246
<u>\$ 259,964</u>	<u>\$ 241,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,702,843</u>
\$ 162,338	\$ 188,760	\$ -	\$ -	\$ 774,247
97,626	52,455	-	-	928,596
<u>\$ 259,964</u>	<u>\$ 241,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,702,843</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2012

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Revenues			
Taxes and special assessments	\$ -	\$ 80,643	\$ 27,409
Investment earnings	471	73	28
Total revenues	471	80,716	27,437
Expenditures			
Debt service:			
Principal	-	88,600	18,932
Interest and fiscal charges	-	15,506	5,214
Total expenditures	-	104,106	24,146
Revenues over (under) expenditures	471	(23,390)	3,291
Other financing sources (uses)			
Transfers in	-	13,980	-
Transfers out	-	-	-
Total other financing sources (uses)	-	13,980	-
Net change in fund balances	471	(9,410)	3,291
Fund balances, beginning of year	646,792	101,295	36,076
Fund balances, end of year	\$ 647,263	\$ 91,885	\$ 39,367



State & Textile Road	Waters Place Road	Munger Road 2001	Ann Arbor/ Waters Road	Total
\$ 89,070 126	\$ 74,513 44	\$ - 7	\$ - 2	\$ 271,635 751
<u>89,196</u>	<u>74,557</u>	<u>7</u>	<u>2</u>	<u>272,386</u>
100,000 12,976	60,000 11,901	- -	- -	267,532 45,597
<u>112,976</u>	<u>71,901</u>	<u>-</u>	<u>-</u>	<u>313,129</u>
<u>(23,780)</u>	<u>2,656</u>	<u>7</u>	<u>2</u>	<u>(40,743)</u>
- -	- -	- (25,553)	- (7,623)	13,980 (33,176)
<u>-</u>	<u>-</u>	<u>(25,553)</u>	<u>(7,623)</u>	<u>(19,196)</u>
<u>(23,780)</u>	<u>2,656</u>	<u>(25,546)</u>	<u>(7,621)</u>	<u>(59,939)</u>
<u>121,406</u>	<u>49,799</u>	<u>25,546</u>	<u>7,621</u>	<u>988,535</u>
<u>\$ 97,626</u>	<u>\$ 52,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928,596</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Capital Projects Fund December 31, 2012

	Lohr Road
Assets	
Cash and cash equivalents	\$ <u>41,410</u>
Liabilities	
Accounts payable	\$ <u>41,410</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Nonmajor Capital Projects Fund
For the Year Ended December 31, 2012

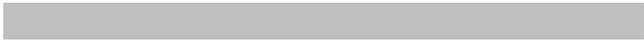
	Lohr Road
Revenues	
Investment earnings	\$ -
Expenditures	
Capital outlay	<u>71,384</u>
Revenues under expenditures	(71,384)
Other financing sources (uses)	
Transfers in	<u>51,545</u>
Net change in fund balances	(19,839)
Fund balances, beginning of year	<u>19,839</u>
Fund balances, end of year	<u><u>\$ -</u></u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2012

	Tax Collection Fund	Performance Bonds Fund	Imprest Payroll Fund
Assets			
Cash and cash equivalents	<u>\$ 9,154,005</u>	<u>\$ 520,127</u>	<u>\$ 314,857</u>
Liabilities			
Undistributed receipts	<u>\$ 9,154,005</u>	<u>\$ 520,127</u>	<u>\$ 314,857</u>



Trust and Agency Fund	World Services Fund	Total
<u>\$ 17,948</u>	<u>\$ 4,770</u>	<u>\$ 10,011,707</u>
<u>\$ 17,948</u>	<u>\$ 4,770</u>	<u>\$ 10,011,707</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2012

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2012
<i>Tax Collection Fund</i>				
Assets				
Cash and cash equivalents	\$ 5,065,521	\$ 81,111,186	\$ 77,022,702	\$ 9,154,005
Liabilities				
Undistributed receipts	\$ 5,065,521	\$ 81,111,186	\$ 77,022,702	\$ 9,154,005
<i>Performance Bonds Fund</i>				
Assets				
Cash and cash equivalents	\$ 518,126	\$ 78,500	\$ 76,499	\$ 520,127
Liabilities				
Undistributed receipts	\$ 518,126	\$ 78,500	\$ 76,499	\$ 520,127
<i>Imprest and Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 15,953	\$ 298,904	\$ -	\$ 314,857
Liabilities				
Undistributed receipts	\$ 15,953	\$ 298,904	\$ -	\$ 314,857
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 39,085	\$ 339,588	\$ 360,725	\$ 17,948
Liabilities				
Undistributed receipts	\$ 39,085	\$ 339,588	\$ 360,725	\$ 17,948
<i>World Services Fund</i>				
Assets				
Cash and cash equivalents	\$ 3,248	\$ 4,785	\$ 3,263	\$ 4,770
Liabilities				
Undistributed receipts	\$ 3,248	\$ 4,785	\$ 3,263	\$ 4,770
<i>Totals</i>				
Assets				
Cash and cash equivalents	\$ 5,641,933	\$ 81,832,963	\$ 77,463,189	\$ 10,011,707
Liabilities				
Undistributed receipts	\$ 5,641,933	\$ 81,832,963	\$ 77,463,189	\$ 10,011,707

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 Nine Years (A)

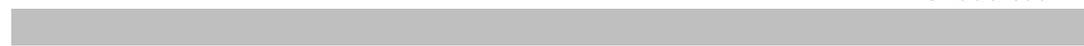
(Accrual Basis of Accounting)

	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

(A) Pittsfield Charter Township implemented GASB 34 as of and for the year ended December 31, 2004; accordingly, data prior to fiscal 2004 is not readily available and, therefore, not presented.

Source: Pittsfield Charter Township Finance Department

Schedule 1
Unaudited



2008	2009	2010	2011	2012
\$ 22,189,818	\$ 21,660,473	\$ 25,132,342	\$ 26,397,690	\$ 27,933,571
1,263,137	1,111,309	1,032,121	1,008,374	1,228,596
<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>\$ 36,732,718</u>	<u>\$ 38,081,743</u>	<u>\$ 38,417,973</u>	<u>\$ 39,228,094</u>	<u>\$ 38,777,517</u>
\$ 23,149,275	\$ 23,372,211	\$ 25,643,948	\$ 26,018,663	\$ 25,980,446
-	-	-	-	-
<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>\$ 33,274,877</u>	<u>\$ 33,261,493</u>	<u>\$ 36,104,194</u>	<u>\$ 35,356,373</u>	<u>\$ 34,511,186</u>
\$ 45,339,093	\$ 45,032,684	\$ 50,776,290	\$ 52,416,353	\$ 53,914,017
1,263,137	1,111,309	1,032,121	1,008,374	1,228,596
<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>\$ 70,007,595</u>	<u>\$ 71,343,236</u>	<u>\$ 74,522,167</u>	<u>\$ 74,584,467</u>	<u>\$ 73,288,703</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Nine Years (A)

(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)

Schedule 2
Unaudited

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

continued...

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Nine Years (A)

(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>

(A) Pittsfield Charter Township implemented GASB 34 as of and for the year ended December 31, 2004; accordingly, data prior to fiscal 2004 is not readily available and, therefore, not presented.

Source: Pittsfield Charter Township Finance Department

Schedule 2
Unaudited

2008	2009	2010	2011	2012
\$ 9,532,657	\$ 8,991,812	\$ 9,452,278	\$ 8,999,710	\$ 8,764,881
2,099,893	1,863,410	1,893,059	2,553,734	2,511,761
601,810	79,205	26,068	21,692	11,948
-	-	-	-	21,561
<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>
262,755	19,051	11,844	10,037	6,226
-	-	-	6,207	1,245
-	-	-	-	(21,561)
<u>262,755</u>	<u>19,051</u>	<u>11,844</u>	<u>16,244</u>	<u>(14,090)</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>
1,738,311	(676,826)	336,230	810,121	(377,169)
(289,571)	(572,723)	2,842,701	(747,821)	(793,887)
<u>\$ 1,448,740</u>	<u>\$ (1,249,549)</u>	<u>\$ 3,178,931</u>	<u>\$ 62,300</u>	<u>\$ (1,171,056)</u>

concluded.

PITTSFIELD CHARTER TOWNSHIP

Fund Balances - Governmental Funds

Last Ten Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006
General Fund				
Nonspendable				
Restricted				
Committed				
Unassigned				
Reserved	\$ 30,878	\$ 30,878	\$ 30,878	\$ 16,801
Unreserved	6,329,405	7,084,113	7,932,600	8,823,608
Total general fund	<u>\$ 6,360,283</u>	<u>\$ 7,114,991</u>	<u>\$ 7,963,478</u>	<u>\$ 8,840,409</u>
All Other Governmental Funds				
Nonspendable				
Restricted				
Committed				
Reserved	\$ 2,705,511	\$ 2,141,623	\$ 1,823,215	\$ 1,469,841
Unreserved, reported in:				
Special revenue funds	4,278,261	5,615,659	5,936,786	6,535,521
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total all other governmental funds	<u>\$ 6,983,772</u>	<u>\$ 7,757,282</u>	<u>\$ 7,760,001</u>	<u>\$ 8,005,362</u>

[1] GASB No. 54 adopted in 2011.

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited

2007	2008	2009	2010	[1] 2011	2012
				\$ 6,591	\$ 54,243
				1,076,932	1,080,154
				245,000	300,000
				4,957,687	5,138,749
\$ 42,878	\$ 39,773	\$ 34,159	\$ 9,853	-	-
4,758,618	4,531,325	4,243,052	4,340,077	-	-
<u>\$ 4,801,496</u>	<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>
				\$ 479	\$ 92,676
				7,598,645	5,377,860
				19,839	-
\$ 1,265,889	\$ 1,223,364	\$ 373,239	\$ 4,752	-	-
8,174,162	9,786,982	9,091,852	8,737,370	-	-
-	-	1,062,490	995,102	-	-
-	-	41,714	37,019	-	-
<u>\$ 9,440,051</u>	<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>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006
Revenues				
Taxes and special assessments	\$ 7,898,005	\$ 8,048,931	\$ 8,513,809	\$ 8,907,137
Licenses and permits	639,919	678,926	512,523	424,620
Intergovernmental	2,485,825	2,255,965	2,428,250	2,439,288
Charges for services	1,631,832	1,740,230	1,869,116	1,906,376
Fines and forfeitures	111,602	131,261	114,583	136,264
Franchise fees	299,286	319,170	344,232	366,197
Investment earnings	317,707	276,331	668,039	1,102,816
Donations	-	-	-	-
Other revenues	748,320	852,191	833,475	879,060
Total revenues	14,132,496	14,303,005	15,284,027	16,161,758
Expenditures				
General government	1,751,300	1,743,609	1,686,450	1,860,689
Public safety	6,052,531	5,157,998	5,528,491	6,021,115
Public works	1,034,125	1,095,227	1,183,389	1,400,321
Planning and zoning	341,152	362,914	322,751	363,210
Culture and recreation	614,566	571,272	644,409	624,528
Other unallocated	1,315,402	1,992,136	1,579,075	2,065,410
Capital outlay	532,649	1,152,994	1,798,135	1,398,979
Debt service:				
Principal	4,942,571	1,208,600	1,158,600	838,600
Interest and other charges	788,257	547,542	531,521	466,614
Total expenditures	17,372,553	13,832,292	14,432,821	15,039,466
Revenues over (under) expenditures	(3,240,057)	470,713	851,206	1,122,292
Other financing sources (uses)				
Sale of capital assets	-	191,255	-	-
Issuance of debt	-	866,250	-	-
Premium on debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Transfers in	57,081	671,937	18,180	17,602
Transfers out	(57,081)	(671,937)	(18,180)	(17,602)
Total other financing sources (uses)	-	1,057,505	-	-
Net change in fund balance	\$ (3,240,057)	\$ 1,528,218	\$ 851,206	\$ 1,122,292
Debt services as a percentage of noncapital expenditures	34.03%	14.04%	14.34%	9.88%

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

	2007	2008	2009	2010	2011	2012
\$	9,539,947	\$ 9,987,080	\$ 9,955,367	\$ 10,109,464	\$ 9,838,106	\$ 9,407,420
	484,164	443,173	400,372	426,274	639,248	550,757
	2,180,513	2,766,545	1,955,297	2,364,884	2,929,228	2,925,226
	2,035,960	2,157,958	2,472,761	2,773,534	3,499,837	2,840,862
	136,941	99,726	91,569	100,299	107,786	115,501
	398,908	412,165	442,812	483,740	499,731	514,309
	1,215,508	601,810	79,205	26,068	12,049	9,828
	-	-	152,500	1,000	-	24,351
	1,809,345	998,901	379,706	611,307	633,799	836,267
	<u>17,801,286</u>	<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>
	1,928,139	1,963,345	2,106,033	2,434,215	2,198,339	2,657,052
	7,100,908	7,250,367	7,325,475	8,449,082	8,802,945	9,073,259
	1,453,941	1,602,267	1,588,487	1,588,022	1,771,989	2,463,230
	360,254	364,286	361,169	287,868	277,006	433,127
	664,270	973,780	2,820,554	1,127,171	1,069,192	1,074,929
	1,655,149	2,015,332	-	1,178,893	1,182,084	670,459
	6,510,640	374,599	801,983	1,167,780	2,129,860	1,654,212
	896,585	1,198,802	1,323,801	1,127,534	752,531	867,532
	429,738	384,683	337,025	346,477	194,838	213,773
	<u>20,999,624</u>	<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>(3,198,338)</u>	<u>1,339,897</u>	<u>(734,938)</u>	<u>(810,472)</u>	<u>(219,000)</u>	<u>(1,883,052)</u>
	-	-	-	-	-	-
	594,433	-	-	3,735,000	-	-
	-	-	-	15,192	-	-
	-	-	-	(3,662,053)	-	-
	17,012	100,965	56,108	221,545	1,336,315	5,171,859
	(17,012)	(100,965)	(56,108)	(221,545)	(1,336,315)	(5,150,298)
	<u>594,433</u>	<u>-</u>	<u>-</u>	<u>88,139</u>	<u>-</u>	<u>21,561</u>
\$	<u>(2,603,905)</u>	<u>\$ 1,339,897</u>	<u>\$ (734,938)</u>	<u>\$ (722,333)</u>	<u>\$ (219,000)</u>	<u>\$ (1,861,491)</u>
	<u>6.82%</u>	<u>10.42%</u>	<u>10.60%</u>	<u>8.88%</u>	<u>5.49%</u>	<u>6.33%</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006
Revenues				
Property taxes	\$ 4,923,390	\$ 5,217,938	\$ 5,620,877	\$ 6,007,405
Licenses and permits	67,736	62,782	45,105	49,275
Intergovernmental	2,383,732	2,242,887	2,276,133	2,234,556
Charges for services	827,597	913,786	940,251	1,012,294
Fines and forfeitures	111,602	131,261	114,583	136,264
Franchise fees	299,286	319,170	344,232	366,197
Investment earnings	224,645	178,985	444,813	742,969
Donations	-	-	-	-
Other revenues	642,096	838,565	615,015	665,282
Total revenues	9,480,084	9,905,374	10,401,009	11,214,242
Expenditures				
General government	1,751,300	1,743,609	1,686,450	1,860,689
Public safety	4,334,142	4,079,697	4,378,933	4,802,996
Public works	412,832	443,131	402,467	451,180
Planning and zoning	341,152	362,914	322,751	363,210
Culture and recreation	471,018	514,921	549,495	580,991
Other unallocated	1,315,402	1,476,525	1,497,840	1,668,913
Capital outlay	-	358,144	404,196	300,000
Debt service	269,155	344,235	292,210	291,730
Total expenditures	8,895,001	9,323,176	9,534,342	10,319,709
Revenues over (under) expenditures	585,083	582,198	866,667	894,533
Other financing sources (uses)				
Loan proceeds	-	-	-	-
Sale of capital assets	-	191,255	-	-
Transfers in	37,783	-	-	-
Transfers out	(19,298)	(18,745)	(18,180)	(17,602)
Total other financing sources (uses)	18,485	172,510	(18,180)	(17,602)
Net change in fund balance	\$ 603,568	\$ 754,708	\$ 848,487	\$ 876,931

Source: Pittsfield Charter Township Finance Department

Schedule 5
Unaudited

2007	2008	2009	2010	2011	2012
\$ 6,471,030	\$ 6,824,545	\$ 6,825,336	\$ 7,052,399	\$ 6,847,597	\$ 6,556,789
102,889	59,340	112,332	66,448	135,084	86,145
2,180,513	2,161,456	1,913,937	2,258,849	2,783,910	2,673,668
1,088,913	1,169,029	1,195,715	1,406,216	1,961,966	1,435,782
136,941	99,726	91,569	100,299	107,786	1,200
398,908	412,165	442,812	483,740	490,088	512,189
798,583	375,038	59,774	13,333	12,049	7,100
-	-	152,500	1,000	-	24,106
1,530,691	687,236	290,457	488,343	487,648	506,132
<u>12,708,468</u>	<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>
1,928,139	1,963,345	2,079,990	2,403,165	2,182,209	2,650,810
5,958,382	6,053,564	5,570,177	5,786,344	4,984,788	138,685
477,685	581,332	550,855	551,552	647,308	1,243,107
360,254	364,286	361,169	287,868	277,006	433,127
631,041	857,532	843,704	971,112	1,003,494	1,017,255
1,467,869	1,376,346	1,416,852	1,178,893	1,182,084	670,459
6,202,818	161,357	500,074	412,429	247,594	436,786
298,614	605,761	-	-	-	-
<u>17,324,802</u>	<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>(4,616,334)</u>	<u>(174,988)</u>	<u>(238,389)</u>	<u>279,264</u>	<u>2,301,645</u>	<u>5,212,882</u>
594,433	-	-	-	-	-
-	-	-	-	-	-
-	-	305	-	-	112,176
<u>(17,012)</u>	<u>(55,410)</u>	<u>(55,803)</u>	<u>(206,545)</u>	<u>(1,330,365)</u>	<u>(5,038,122)</u>
<u>577,421</u>	<u>(55,410)</u>	<u>(55,498)</u>	<u>(206,545)</u>	<u>(1,330,365)</u>	<u>(4,925,946)</u>
<u>\$ (4,038,913)</u>	<u>\$ (230,398)</u>	<u>\$ (293,887)</u>	<u>\$ 72,719</u>	<u>\$ 971,280</u>	<u>\$ 286,936</u>

PITTSFIELD CHARTER TOWNSHIP

Taxable and Estimated Actual Value of Property

Last Ten Years

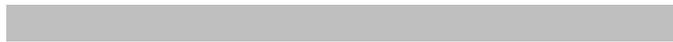
As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2011	2012	\$ 1,529,357,932	\$ 3,058,715,864	\$ 122,398,500	\$ 24,479,700
2010	2011	1,558,976,815	3,117,953,630	123,020,600	24,604,120
2009	2010	1,604,821,156	3,209,642,312	122,029,200	24,405,840
2008	2009	1,653,147,342	3,306,294,684	127,555,000	25,511,000
2007	2008	1,694,059,053	3,388,118,106	127,730,900	25,546,180
2006	2007	1,711,715,683	3,423,431,366	120,334,500	24,066,900
2005	2006	1,618,317,533	3,236,635,066	114,273,900	22,854,780
2004	2005	1,493,683,426	2,987,366,852	118,161,900	23,632,380
2003	2004	1,374,902,806	2,749,805,612	112,208,600	22,441,720
2002	2003	1,272,590,996	2,545,181,992	122,191,200	24,438,240

(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
\$ 1,651,756,432	\$ 3,083,195,564	6.31130
1,681,997,415	3,142,557,750	5.35540
1,726,850,356	3,234,048,152	5.35540
1,780,702,342	3,331,805,684	5.35540
1,821,789,953	3,413,664,286	5.15000
1,832,050,183	3,447,498,266	5.19500
1,732,591,433	3,259,489,846	5.19500
1,611,845,326	3,010,999,232	5.19500
1,487,111,406	2,772,247,332	5.19500
1,394,782,196	2,569,620,232	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	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College
2012	6.31130	21.45000	26.91480	25.85000	6.00000	3.63760
2011	5.35540	21.14970	26.01480	25.85000	6.00000	3.71760
2010	5.35540	25.65700	26.01480	25.85000	6.00000	3.68560
2009	5.35540	25.40810	26.01480	25.85000	6.00000	3.68560
2008	5.15000	25.51520	26.01480	25.83110	6.00000	3.68560
2007	5.19500	25.95590	26.01480	25.83110	6.00000	3.69560
2006	5.19500	26.21750	26.01480	25.83110	6.00000	3.70820
2005	5.19500	26.77540	26.01480	25.83160	6.00000	3.72490
2004	5.19500	27.12750	26.01480	25.83510	6.00000	3.77480
2003	5.19500	27.09190	26.01480	25.83510	5.00000	3.83430

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
5.76540	3.97450	1.55000	1.18300	84.63660	102.63660
5.75180	3.97450	1.55000	1.31640	82.68020	100.68020
5.74480	3.97450	1.55000	1.30950	87.14160	105.14160
5.74180	3.97450	1.55000	1.30660	86.88680	104.88680
5.70180	3.97450	1.92140	1.30110	87.09550	105.09550
5.67680	3.97450	1.92140	1.50030	87.76540	105.76540
5.67680	3.97450	1.92140	1.50410	88.04340	106.04340
5.50240	3.99700	1.93320	0.96230	87.93660	105.93660
5.54930	4.03500	1.94760	0.97840	88.45750	106.45750
5.58190	3.05520	1.95000	0.98920	86.54740	104.54740

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value
McMullen Properties	\$ 21,322,149	1	1.29%	\$ -	-	0.00%
Citimortgage Inc.	16,034,200	2	0.97%	-	-	0.00%
Highland Industrial Properties	14,529,300	3	0.88%	14,817,046	3	1.06%
Pines of Cloverlane Apts	14,292,400	4	0.87%	-	-	0.00%
Meijers Inc.	14,257,594	5	0.86%	14,593,332	4	1.05%
Glencoe Hills LLC	13,307,606	6	0.81%	10,653,898	6	0.76%
Detroit Edison	12,811,717	7	0.78%	15,310,263	2	1.10%
Hunt Club Apts NF LLC	12,757,300	8	0.77%	-	-	0.00%
Michigan Consolidated Gas	12,071,200	9	0.73%	7,740,200	10	0.55%
Waters Place LLC	9,590,335	10	0.58%	-	-	0.00%
NSK Corporation	-	-	0.00%	17,933,614	1	1.29%
ERP Operating Ltd Part	-	-	0.00%	10,771,249	5	0.77%
Airport Boulevard Assoc.	-	-	0.00%	9,686,379	7	0.69%
National Amusements	-	-	0.00%	9,563,910	8	0.69%
Spicetree Apartments	-	-	0.00%	7,709,707	9	0.55%
	<u>\$ 140,973,801</u>		<u>8.53%</u>	<u>\$ 118,779,598</u>		<u>8.52%</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
2003	\$ 6,899,378	\$ 6,535,394	94.72%	\$ 285,052	\$ 6,820,446	98.86%
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%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December

(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

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP

Ratios of Outstanding Debt by Type

Last Ten Years

	2003	2004	2005	2006
Governmental activities				
Installment notes	\$ 6,990,000	\$ 6,620,000	\$ 6,230,000	\$ 5,820,000
General obligation bonds	2,925,000	3,050,000	2,370,000	2,030,000
Special assessment debt	1,018,900	930,300	841,700	1,165,806
	<u>10,933,900</u>	<u>10,600,300</u>	<u>9,441,700</u>	<u>9,015,806</u>
Business-type activities				
General obligation bonds	<u>2,056,539</u>	<u>9,737,637</u>	<u>8,350,000</u>	<u>8,100,000</u>
Total outstanding debt	<u>\$ 12,990,439</u>	<u>\$ 20,337,937</u>	<u>\$ 17,791,700</u>	<u>\$ 17,115,806</u>
Total taxable value	\$1,394,782,196	\$1,487,111,406	\$1,611,845,326	\$1,732,591,433
Ratio of total debt to taxable value	0.93%	1.37%	1.10%	0.99%
Total population	31,724	32,276	33,550	34,012
Total debt per capita	\$ 409	\$ 630	\$ 530	\$ 503
% of personal income	1.11%	1.68%	1.43%	1.31%

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

2007	2008	2009	2010	2011	2012
\$ 5,964,433	\$ 5,167,216	\$ 4,270,000	\$ 3,735,000	\$ 3,410,000	\$ 2,865,000
1,690,000	1,395,000	1,075,000	805,000	540,000	380,000
1,059,221	952,636	2,566,051	2,408,517	2,245,986	2,083,454
<u>8,713,654</u>	<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>7,840,000</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>\$ 16,553,654</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>
\$1,832,050,183	\$1,821,789,953	\$1,780,702,342	\$1,726,850,356	\$1,681,997,415	\$1,651,756,432
0.90%	0.83%	0.85%	1.03%	0.99%	0.95%
34,276	34,191	34,509	34,663	35,288	35,821
\$ 483	\$ 441	\$ 440	\$ 514	\$ 473	\$ 436
1.24%	1.10%	1.16%	1.36%	1.22%	1.07%

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	Net General Bonded Debt Outstanding					% 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			
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
2003	6,990,000	2,925,000	2,056,539	(2,511,151)	4,478,849	0.38%	0.32%	141.18

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, 2012

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation bonds and notes	\$ 3,245,000	\$ -	\$ 3,245,000
Special assessment bonds	2,083,454	2,083,454	-
Net direct debt	<u>\$ 5,328,454</u>	<u>\$ 2,083,454</u>	<u>3,245,000</u>
Overlapping debt			
School districts:			
Saline (34.02%)			44,112,666
Ann Arbor (14.74%)			27,364,073
Milan (8.17%)			8,806,552
Washtenaw County (11.82%)			8,875,767
Washtenaw Community College (12.10%)			2,815,670
Saline District Library (34.02%)			<u>588,546</u>
Net overlapping debt			<u>92,563,274</u>
Net direct and overlapping debt			<u>\$ 95,808,274</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 2012

Assessed value (excluding IFT values)	<u>\$ 1,651,756,432</u>
Debt limit (10% of assessed value)	\$ 165,175,643
Less: net debt applicable to limit	<u>(3,245,000)</u>
Legal debt margin	<u>\$ 161,930,643</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
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%
2003	157,567,940	9,915,000	147,652,940	6.29%

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
2012	35,821	\$ 1,462,249	\$ 40,821	4.80%
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%
2003	31,724	1,171,536	36,929	3.80%

(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	2012		2009	
		Employees	Rank	Employees	Rank
Citigroup	Financial	1000-4999	1	N/A	-
Infra Source	Site preparation contractors	500-999	2	500-900	1
Meijer	Supermarket and other grocery stores	250-499	3	500-900	1
Kroger	Supermarket and other grocery stores	250-499	3	250-499	3
Target	Department stores, except discounts	250-499	3	250-499	3
Mobility Transportation	Special needs transportation	250-499	3	250-499	3
ANS Communications	Data processing and related services	N/A	-	250-499	3
Saline High School	Elementary and secondary schools	250-499	3	250-499	3
Huron Valley Correctional	Correctional institutions	N/A	-	250-499	3
A&D Technology	Testing apparatus manufacturers	100-249	3	100-250	9
Tecumseh Products	AC, refrigeration, and forced air heating	N/A	-	100-249	9
Ann Arbor Hospice Residence	Nursing care facilities	100-249	3	N/A	-
Costco	Warehouse clubs and supercenters	100-249	9	N/A	-
FAAC Inc	Engineering services	100-249	9	N/A	-

(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				
	2003	2004	2005	2006	2007
General Government					
Supervisor	2	2	3	2	2
Clerk/Elections	6	6	5	6	5
Treasurer	5	5	5	5	5
Assessing	4	4	4	4	4
Accounting	2	2	2	2	2
Administrative Services					
Human Resources	2	2	2	2	2
Information Technology	1	1	1	1	1
Community Development					
Building Safety	5	4	5	6	6
	7	7	7	6	7
Public Safety					
Police	36	39	37	40	37
Fire	13	20	20	20	20
Dispatch/Clerical	12	9	12	11	12
Public Works					
Department of Public Works	10	11	12	11	12
Parks and recreation	8	9	9	9	10
Total	<u>113</u>	<u>121</u>	<u>124</u>	<u>125</u>	<u>125</u>

Source: Pittsfield Charter Township Finance Department

Schedule 16
Unaudited



2008	2009	2010	2011	2012
3	2	2	2	2
5	5	6	5	5
4	4	4	4	4
4	4	5	5	5
2	2	1	2	2
	2	2	1	1
1	-	-	1	1
1	1	1	1	1
5	6	5	5	5
5	5	5	5	5
39	38	39	40	42
21	21	24	24	24
12	13	11	12	10
10	11	9	9	8
10	10	10	10	10
<u>122</u>	<u>124</u>	<u>124</u>	<u>126</u>	<u>125</u>

PITTSFIELD CHARTER TOWNSHIP

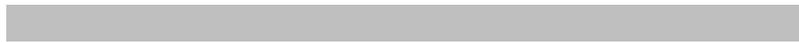
Operating Indicators by Function/Program

Last Ten Years

Function/Program	2003	2004	2005	2006	2007
Election Data					
Registered voters	8,865	11,204	11,621	13,747	14,351
Voters (at the polls or absentee)	338	9,028	1,597	8,884	560
Percentage voting	4.40%	80.60%	13.70%	64.60%	3.90%
Police					
Traffic citations	4,791	4,816	3,682	4,510	3,573
Arrests	760	824	773	847	796
Calls for service	12,636	13,255	13,007	13,849	15,755
Fire					
Medical Runs	915	971	1,133	1,181	1,155
Accident Runs	414	406	462	449	511
Fire Runs	339	390	425	426	430
Other calls for service	222	213	215	224	254

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

Schedule 17
Unaudited



2008	2009	2010	2011	2012
18,758	20,973	22,049	22,673	23,878
10,800	3,684	14,561	6,190	16,367
57.60%	17.60%	66.04%	27.30%	68.54%
2,943	3,364	2,975	2,564	3,181
1,168	1,325	1,280	1,417	1,737
16,399	13,161	13,407	13,827	14,469
1,248	1,342	1,383	1,426	1,487
487	520	482	523	479
377	360	352	130	133
293	257	312	498	557

PITTSFIELD CHARTER

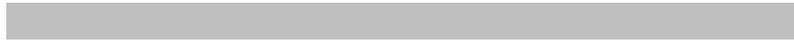
Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2003	2004	2005	2006	2007
Police					
Police department building	1	1	1	1	1
Vehicle patrol units	25	30	33	29	26
Fire					
Number of stations serving C	3	3	3	3	3
Fire units serving City:					
Fire engines	4	4	4	4	3
Ladder trucks	1	1	2	2	2
Tanker trucks	1	1	1	1	1
Rescue vehicles	1	1	1	1	1
Brush trucks	2	2	1	1	1
Adm/Utility trucks	3	4	5	5	4
Public Works					
Sewer:					
Feet of sanitary mains	676,629	678,966	694,870	696,593	698,321
Water:					
Feet of water mains	896,467	901,093	932,922	940,635	949,870
Number of fire hydrants	2,005	2,026	2,113	2,138	2,164
Parks and Recreation					
Parks:					
Twp	10	10	10.5	10.5	14
Park acreage	767	767	810	810	1,004
Fishing Docks	2	2	2	2	2
Play structures	5	5	6	9	10
Historical Farm	1	1	1	1	1
Community center	1	5	1	1	1
Tennis courts	4	4	4	4	4
Pavilions	6	6	6	7	7

Source: Pittsfield Charter Township

Schedule 18
Unaudited



2008	2009	2010	2011	2012
1	1	1	1	1
28	26	26	26	27
3	3	3	3	3
3	3	4	4	3
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
4	4	4	4	3
712,646	712,646	712,861	712,861	712,861
968,718	969,827	970,230	972,442	974,554
2,232	2,240	2,244	2,249	2,255
14	14	14	18	18
1,004	1,004	1,004	1,032	1,036
2	2	2	2	2
10	10	10	11	12
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
7	7	7	7	8