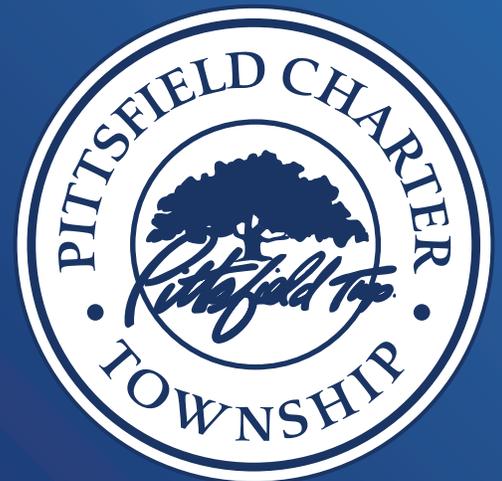


Comprehensive Annual Financial Report

Pittsfield Charter Township, Michigan

Fiscal Year ended December 31, 2011



Pittsfield
Charter
Township



Year Ended
December 31,
2011

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



Pittsfield Charter Township
Office of the Supervisor

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Phone: (734) 822-3135 • Fax: (734) 944-6103
Website: www.pittsfield-mi.gov

Mandy Grewal
Township Supervisor
grewalm@pittsfield-mi.gov

Barbara Ryan Fuller
Deputy Supervisor
fullerb@pittsfield-mi.gov

May 15, 2012

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, 2011.

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 unqualified (“clean”) opinion on the Township’s financial statements for the year ended December 31, 2011. 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 34,633, 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 700 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 the 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 a legally separate entity, which is reported separately within the Townships' financial statements. Additional information on this component unit 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 current taxable valuation of \$1,726,850,356 represents a 3.02% decrease from the previous year. The ratio of total township tax collections to date for tax year 2010 (current and delinquent) to the current tax levy is 99.64%.

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 ensuing 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 identified changes and trends. 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 \$143,219 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 the Lohr-Textile Roads Greenway Path Project. This project is approximately two miles of a non-motorized transportation path that will ultimately connect the Township with the City of Saline and the City of Ann Arbor via the existing sidewalk network. The benefit of this project includes expanded non-motorized recreational options to thousands of county residents and the creation of a pathway system that will ultimately link residents to hundreds of acres of public parks and natural resources. This project was 72% funded by a local grant. This grant was awarded by Washtenaw County Parks and Recreation Commission through their Connecting Communities Grant.

The Township has commenced upon Phase II of the Hickory Woods Park. This phase will include a new entrance drive and parking lot, restroom facility, additional trails and pond enhancement. The Township was awarded a \$300,000 grant by the Michigan Department of Natural Resources Trust Fund. This Phase is scheduled to be completed in 2012.

The "2010 Pittsfield Master Plan" was put into place in early 2011. The new master plan builds upon previous plans to highlight the interconnected relationships between transportation, land use, economic development, agriculture, natural area, open spaces and for the first time, arts and culture. The 2010 Pittsfield Master Plan is a commitment to create a coherent and comprehensive development and preservation pattern that will result in practical, productive, and sustainable growth and conservation in Pittsfield Charter Township. The first signs of the success of this vision are manifest in the increased attractiveness of Pittsfield for two major national retailers: Costco and Dick's Sporting Goods. Both retailers are undertaking in fill development that will increase density within existing commercial nodes. Costco is also committed to incorporating the following concepts promoted in our new master plan into their site: non-motorized access; public gathering spaces; and adhering to high energy efficiency standards in the built environment.

In May of 2011, the Township voters successfully passed a new ten-year public safety millage. Based on long-term financial forecasts, the Township Board requested an increase from 1.0 to 1.95 mills. The increase is to compensate for significantly declining revenues and a commitment to maintain existing service levels.

The Pittsfield Township Department of Public Safety initiated an automated crime-mapping system, updated daily, of crime incidents in the community. One of our primary community-policing goals of maximizing operational transparency is measured by our ability to publicly communicate information about crime occurrences in an effort to increase crime awareness and prevention, which are key elements of a safe community. At this time, the types of mapped crimes include homicides, robberies, sexual assaults, aggravated assaults, burglaries, larcenies, vehicle thefts and arsons.

The Township has been committed to maintaining and improving the Township's infrastructure. By doing so, the Utilities & Municipal Services Department has completed two projects at a combined cost of \$595,000. The first project was the Platt Road Force Main replacement project, which adds improvements to its existing waste water collections system. The second project, the Warner Creek Lift Station project, was an upgrade to ensure safe and efficient operation of the lift station. These improvements include a standby generator, which will provide power immediately upon power failure from the main supply.

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, 2010. This was the first 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, the American Public Works Association (APWA) Metro Detroit Branch announced that the Pittsfield Charter Township Department of Utilities & Municipal Services was the recipient of the prestigious "2011 Project of the Year Award" for the Washtenaw Heights water main project. In 2009, the Township received \$3.138 million dollars in federal grant monies for use towards the renewal of the aging water main system in the Washtenaw Heights neighborhood located in the northeast corner of Pittsfield. The project began in March 2009 and was completed in November 2011.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance 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, 2010

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. Emmer

Executive Director

PITTSFIELD CHARTER TOWNSHIP

ELECTED OFFICERS

For the Year Ended December 31, 2011

Elected Officials

Mandy Grewal, Supervisor
Alan Israel, Clerk
Patricia Tupacz Scribner, Treasurer
Andrea Brown-Harrison, Trustee
Stephanie D. Hunt, Trustee
Gerald Krone, Trustee
Michael Yi, Trustee

Appointed Officials

Barbara Fuller, Deputy Supervisor
Lyn Badalamenti, Deputy Clerk
Orna Angus, Deputy Treasurer

Administration

Matthew Harshberger, Public Safety Director
Craig Lyons, Utilities & Municipal Services Director
Anna Hornyak, HR/Administrative Services Director
Dan Cooperrider, Parks and Recreation Director
Tracy Watkins, Finance Director
Kurt Weiland, Building Director
Dwayne McLachlan, Assessor
John Adams, Information Technology Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

May 15, 2012

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of *Pittsfield Charter Township, Michigan* (the "Township"), as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Pittsfield Charter Township, Michigan. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Pittsfield Charter Township, Michigan as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2012, on our consideration of Pittsfield Charter Township, Michigan's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 21 and the schedules of funding progress on pages 63 to 64 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 assurance.

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

The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Lehmann Johnson".

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-6 of this report.

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, 2011.

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$74,584,467 (net assets). Of this amount, \$21,159,740 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$62,300.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$13,905,173, a decrease of \$219,000 in comparison with the prior year. Approximately 35.5% of this total amount, or \$4,939,687, 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 \$4,939,687 or 41.7% of total general fund expenditures and other financing uses.
- The Township's total long-term debt (excluding compensated absences) decreased by a net amount of \$1,134,676.

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 assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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).

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

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 community parks and recreations.

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 this *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 funds, proprietary funds, 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 18 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 Michigan Avenue East debt service fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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 this budget.

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. The Township uses an enterprise fund to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer operations, which is considered to be a major fund of the Township.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

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.

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.

The combining statements referred to earlier in connection with nonmajor and fiduciary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets 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 \$74,584,467 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net assets as of fiscal year end 2011 as compared to the prior fiscal year):

	Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$17,918,376	\$18,415,020	\$11,006,667	\$11,828,331	\$28,925,043	\$30,243,351
Capital assets, net	30,281,809	29,595,481	36,428,629	36,431,059	66,710,438	66,026,540
Total assets	48,200,185	48,010,501	47,435,296	48,259,390	95,635,481	96,269,891
Long-term liabilities	7,557,786	8,022,900	10,471,177	10,831,792	18,028,963	18,854,692
Other liabilities	1,414,305	1,569,628	1,607,746	1,323,404	3,022,051	2,893,032
Total liabilities	8,972,091	9,592,528	12,078,923	12,155,196	21,051,014	21,747,724
Invested in capital assets, net of related debt	26,397,690	25,132,342	26,018,663	25,643,948	52,416,353	50,776,290
Restricted	1,008,374	1,032,121	-	-	1,008,374	1,032,121
Unrestricted	11,822,030	12,253,510	9,337,710	10,460,246	21,159,740	22,713,756
Total net assets	\$39,228,094	\$38,417,973	\$35,356,373	\$36,104,194	\$74,584,467	\$74,522,167

The largest portion of the Township's net assets (70.3% or \$52,416,353) 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 investment in its 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.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

An additional portion of the Township's net assets (1.4% or \$1,008,374) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (28.4% or \$21,159,740) may be used to meet the government's ongoing obligations. The Township's total net assets increased approximately 0.1% from the prior year.

Governmental activities revenue increased approximately 6% from the prior year. This was primarily a result of the Township receiving several significant grants and charges to other local units for project costs.

Business-type activities revenue decreased approximately 22.2% from the prior year do the decline in capital grants and contributions for the completion of the Washtenaw Heights Water Main Replacement Project in the prior year. The Township had received a 40% forgiveness of indebtedness on both principal and interest on this project.

	Change in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program revenues						
Charges for services	\$ 5,375,222	\$ 4,391,826	\$ 9,653,203	\$ 9,334,315	\$15,028,425	\$13,726,141
Grants/contributions:						
Operating	486,388	612,133	-	-	486,388	612,133
Capital	369,859	369,128	160,703	3,290,454	530,562	3,659,582
General revenues						
Property taxes	8,999,710	9,452,278	-	-	8,999,710	9,452,278
State shared revenue	2,553,734	1,893,059	-	-	2,553,734	1,893,059
Unrestricted investment earnings	21,692	26,068	16,244	11,844	37,936	37,912
Total revenues	17,806,605	16,744,492	9,830,150	12,636,613	27,636,755	29,381,105
Expenses						
General government	3,812,930	4,078,120	-	-	3,812,930	4,078,120
Public safety	9,067,580	8,551,293	-	-	9,067,580	8,551,293
Public works	2,130,785	2,007,627	-	-	2,130,785	2,007,627
Planning and zoning	278,881	290,955	-	-	278,881	290,955
Parks and recreation	1,505,128	1,169,157	-	-	1,505,128	1,169,157
Long-term debt interest	201,180	311,110	-	-	201,180	311,110
Water and sewer	-	-	10,577,971	9,793,912	10,577,971	9,793,912
Total expenses	16,996,484	16,408,262	10,577,971	9,793,912	27,574,455	26,202,174
Change in net assets	810,121	336,230	(747,821)	2,842,701	62,300	3,178,931
Net assets, beginning	38,417,973	38,081,743	36,104,194	33,261,493	74,522,167	71,343,236
Net assets, ending	\$39,228,094	\$38,417,973	\$35,356,373	\$36,104,194	\$74,584,467	\$74,522,167

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 \$13,905,173, a decrease of \$219,000 in comparison with the prior year. Approximately 35.5% of this total amount (or \$4,939,687) 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 \$6,286,210, of which \$4,939,687 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 41.7% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund increased by \$971,280 for the year, resulting in a final favorable budget variance of an equal amount.

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

- Total general fund revenue was up about 8% compared to the prior fiscal year. Most of the Township's operating revenue is provided by property taxes collected, which were lower by 3% compared to last fiscal year. State shared revenue increased significantly higher by about 23% from the previous year. As mentioned above, the increase in State shared revenue was due to an increase in the population count based on the 2010 census and retro adjustment payments.
- The Township completed the Lohr-Textile Greenway with 72% of the project funded by a local grant. This grant came from Washtenaw County's Parks & Recreation through their Connecting Communities Grant, which was more than anticipated.
- The Township moved forward with upgrading and improving the Township's information technology. These improvements include a redounded server, fiber optic connections between some Township facilities, Microsoft exchange server, offsite backup/information retrieval system and preparations for an SQL based server.

The public safety special revenue fund had an ending fund balance of \$4,412,601. This balance is a decrease from the previous year of \$1,509,855 due to a major equipment replacement purchase, building renovations and increased economic support of Public Safety Department personnel.

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 \$117,643 during the year that were financed by special assessments revenue and transfers in. The fund has \$1,666,264 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 Energy Efficiency and Conservation Block Grant (EECBG) project, the Lohr-Textile Greenway, a non-motorized pathway, and the sidewalk gap-filling 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 2011, the Township had \$66,710,438 invested in a broad range of net capital assets including land, 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	
	2011	2010	2011	2010	2011	2010
Land	\$21,005,842	\$21,005,842	\$ 510,118	\$ 510,118	\$21,515,960	\$21,515,960
Construction in progress	-	-	668,423	14,104	668,423	14,104
Buildings/improvements	3,271,450	3,431,412	601,230	632,874	3,872,680	4,064,286
Machinery and equipment	1,860,728	2,184,536	384,684	304,135	2,245,412	2,488,671
Infrastructure	4,143,789	2,973,691	34,264,174	34,969,828	38,407,963	37,943,519
Total capital assets, net	<u>\$30,281,809</u>	<u>\$29,595,481</u>	<u>\$36,428,629</u>	<u>\$36,431,059</u>	<u>\$66,710,438</u>	<u>\$66,026,540</u>

Major capital asset events during the current fiscal year included:

- Purchase of a Ford Expedition utility vehicle for use by the Department of Public Safety Fire Department.
- Purchase of three Ford Fusion vehicles for use by the Department of Public Safety Police Department.
- Facility improvements at Public Safety Department Building including a secure detention room, interview rooms, evidence/property collection system, digital camera system and storage room for equipment.
- Facility improvements at the Township Administration building consisting of new energy efficient window treatments, new HR office, redesign office space for the UMS Department and boiler improvements.
- Purchase of a Ford Escape vehicle for use by the Building Safety Department.
- Purchase of a GMC Dump Truck for use by the Utilities Department.
- Purchase of a Caterpillar Multi-Terrain Loader and trailer for use by the Utilities Department.

Additional information on the Township's capital assets can be found in Note 6 of the notes to the financial statements.

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 \$16,679,452, which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 540,000	\$ 805,000	\$10,483,466	\$10,865,611	\$11,023,466	\$11,670,611
Installment notes	3,410,000	3,735,000	-	-	3,410,000	3,735,000
Special assessments debt w/ government commitment	2,245,986	2,408,517	-	-	2,245,986	2,408,517
Total outstanding debt	\$ 6,195,986	\$ 6,948,517	\$10,483,466	\$10,865,611	\$16,679,452	\$17,814,128

The Township has an AA rating from Standard & Poor's on its general obligation bonds. Additional information on the Township's long term debt can be found in Note 9 of 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 \$1,214,125 less than the current year amended budget which includes \$469,218 of fund balance that will be used for capital expenditures. Revenues are budgeted to be about \$744,907 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 Assets December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
	Assets			
Cash and cash equivalents	\$ 13,462,882	\$ 6,118,354	19,581,236	\$ 8,707
Restricted cash and cash equivalents	-	2,803,779	2,803,779	-
Receivables	3,941,821	1,990,105	5,931,926	-
Internal balances	433,195	(431,852)	1,343	-
Other assets	80,478	526,281	606,759	-
Capital assets not being depreciated	21,005,842	1,178,541	22,184,383	-
Capital assets being depreciated, net	9,275,967	35,250,088	44,526,055	-
Total assets	48,200,185	47,435,296	95,635,481	8,707
Liabilities				
Accounts payable and accrued expenses	1,163,815	1,362,206	2,526,021	-
Accrued liabilities	222,631	245,540	468,171	-
Unearned revenue	27,859	-	27,859	-
Long-term liabilities:				
Due within one year	1,267,531	525,000	1,792,531	-
Due in more than one year	6,147,036	9,946,177	16,093,213	-
Other noncurrent liability - net other postemployment benefit liability	143,219	-	143,219	-
Total liabilities	8,972,091	12,078,923	21,051,014	-
Net assets				
Invested in capital assets, net of related debt	26,397,690	26,018,663	52,416,353	-
Restricted for:				
Debt service	988,535	-	988,535	-
Capital projects	19,839	-	19,839	-
Unrestricted	11,822,030	9,337,710	21,159,740	8,707
Total net assets	\$ 39,228,094	\$ 35,356,373	\$ 74,584,467	\$ 8,707

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities For the Year Ended December 31, 2011

FUNCTIONS / PROGRAMS	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 3,812,930	\$ 3,901,421	\$ 395,791	\$ -	484,282
Public safety	9,067,580	863,627	84,061	-	(8,119,892)
Public works	2,130,785	361,037	6,536	369,859	(1,393,353)
Planning and zoning	278,881	-	-	-	(278,881)
Parks and recreation	1,505,128	249,137	-	-	(1,255,991)
Interest and fiscal charges	201,180	-	-	-	(201,180)
Total governmental activities	16,996,484	5,375,222	486,388	369,859	(10,765,015)
Business-type activities -					
Water and sewer	10,577,971	9,653,203	-	160,703	(764,065)
Total primary government	<u>\$ 27,574,455</u>	<u>\$ 15,028,425</u>	<u>\$ 486,388</u>	<u>\$ 530,562</u>	<u>\$ (11,529,080)</u>
Component unit					
Economic Development Corporation	<u>\$ 310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (310)</u>

Continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities For the Year Ended December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net revenue (expense)	\$ (10,765,015)	\$ (764,065)	\$ (11,529,080)	\$ (310)
General revenues:				
Property taxes	8,999,710	-	8,999,710	-
State shared revenue	2,553,734	-	2,553,734	-
Unrestricted investment earnings	21,692	10,037	31,729	-
Gain of sale of capital assets	-	6,207	6,207	-
Total general revenues	11,575,136	16,244	11,591,380	-
Change in net assets	810,121	(747,821)	62,300	(310)
Net assets, beginning of year	38,417,973	36,104,194	74,522,167	9,017
Net assets, end of year	\$ 39,228,094	\$ 35,356,373	\$ 74,584,467	\$ 8,707

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

FUND FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Balance Sheet Governmental Funds December 31, 2011

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,867,002	\$ 4,548,344	\$ 6,680	\$ 3,040,856	\$ 13,462,882
Accounts receivable	1,118,862	-	-	199,675	1,318,537
Taxes and special assessments	-	-	1,666,264	958,363	2,624,627
Due from other funds	234,033	-	-	283,066	517,099
Prepaid items	6,591	255	-	224	7,070
Total assets	\$ 7,226,488	\$ 4,548,599	\$ 1,672,944	\$ 4,482,184	\$ 17,930,215
Liabilities					
Accounts payable	\$ 270,903	\$ 51,006	\$ -	\$ 218,979	\$ 540,888
Accrued liabilities	126,318	84,992	-	11,321	222,631
Due to other funds	5,178	-	-	80,069	85,247
Due to other governments	107,300	-	-	-	107,300
Escrow payable	260,490	-	-	13,770	274,260
Deferred revenue	170,089	-	1,666,264	958,363	2,794,716
Total liabilities	940,278	135,998	1,666,264	1,282,502	4,025,042
Fund balances					
Nonspendable -					
Prepaid items	6,591	255	-	224	7,070
Restricted:					
General government	-	-	-	173,962	173,962
Public safety	-	4,412,346	-	1,470,794	5,883,140
Public works	-	-	-	309,947	309,947
Culture and recreation	-	-	-	236,381	236,381
Budget stabilization	965,000	-	-	-	965,000
Debt service funds	-	-	6,680	988,535	995,215
Drug enforcement	41,648	-	-	-	41,648
Right-a-way	53,234	-	-	-	53,234
PA302 and PA 32 grants	20,050	-	-	-	20,050
Donations	15,000	-	-	-	15,000
Committed:					
Capital projects	245,000	-	-	19,839	264,839
Unassigned	4,939,687	-	-	-	4,939,687
Total fund balances	6,286,210	4,412,601	6,680	3,199,682	13,905,173
Total liabilities and fund balances	\$ 7,226,488	\$ 4,548,599	\$ 1,672,944	\$ 4,482,184	\$ 17,930,215

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Fund Balances for Governmental Funds
To Net Assets of Governmental Activities
December 31, 2011

Fund balances - total governmental funds	\$ 13,905,173
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets	48,528,080
Accumulated depreciation	(18,246,271)
Deferred revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds	
	2,766,857
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, contracts and notes payable	(6,195,986)
Unamortized deferred loss on refunding	78,903
Unamortized premium on refunding bonds	(13,022)
Unamortized bond issuance costs	73,408
Accrued interest on bonds and installment contracts payable	(241,367)
Other postemployment benefit obligation	(143,219)
Compensated absences	(1,284,462)
Net assets of governmental activities	<u>\$ 39,228,094</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenue, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2011

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Revenue					
Taxes and special assessments	\$ 6,847,597	\$ 1,717,869	\$ 64,872	\$ 1,207,768	\$ 9,838,106
Licenses and permits	135,084	-	-	504,164	639,248
Intergovernmental	2,783,910	-	-	145,318	2,929,228
Charges for services	1,961,966	-	-	1,537,871	3,499,837
Fines and forfeitures	107,786	-	-	-	107,786
Franchise fees	490,088	6,212	9	3,422	499,731
Investment earnings	12,049	-	-	-	12,049
Other revenue	487,648	-	-	146,151	633,799
Total revenue	12,826,128	1,724,081	64,881	3,544,694	18,159,784
Expenditures					
Current:					
General government	2,182,209	-	-	16,130	2,198,339
Public safety	4,984,788	3,037,180	-	780,977	8,802,945
Public works	647,308	-	-	1,124,681	1,771,989
Planning and zoning	277,006	-	-	-	277,006
Culture and recreation	1,003,494	-	-	65,698	1,069,192
Other unallocated	1,182,084	-	-	-	1,182,084
Debt service:					
Principal	-	-	55,000	697,531	752,531
Interest and fiscal charges	-	-	62,643	132,195	194,838
Capital outlay	247,594	196,756	-	1,685,510	2,129,860
Total expenditures	10,524,483	3,233,936	117,643	4,502,722	18,378,784
Revenue over (under) expenditures	2,301,645	(1,509,855)	(52,762)	(958,028)	(219,000)
Other financing sources (uses)					
Transfers in	-	-	59,439	1,276,876	1,336,315
Transfers out	(1,330,365)	-	-	(5,950)	(1,336,315)
Total other financing sources (uses)	(1,330,365)	-	59,439	1,270,926	-
Net change in fund balances	971,280	(1,509,855)	6,677	312,898	(219,000)
Fund balances, beginning of year	5,314,930	5,922,456	3	2,886,784	14,124,173
Fund balances, end of year	\$ 6,286,210	\$ 4,412,601	\$ 6,680	\$ 3,199,682	\$ 13,905,173

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

of the Statement of Revenue, Expenditure and Changes
in Fund Balances of Governmental Funds to the
Statement of Activities

Net change in fund balances - total governmental funds \$ (219,000)

Amounts reported for *governmental activities* 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 assets*. (353,179)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay 1,695,606
Depreciation expense (1,009,278)

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 assets.

Amortization of premium 2,170
Amortization of loss (13,150)
Amortization of bond issuance costs (12,235)
Principal payments on long-term liabilities 752,531

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.

Increase in accrued interest payable on bonds 16,873
Decrease in other postemployment benefit obligation 83,001
Increase in the accrual for compensated absences (133,218)

Change in net assets of governmental activities \$ 810,121

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenue, Expenditures and Changes in Fund Balances Budget and Actual - General Fund For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ 6,844,426	\$ 6,844,426	\$ 6,847,597	\$ 3,171
Licenses and permits	104,300	104,300	135,084	30,784
Intergovernmental	2,361,714	2,533,830	2,783,910	250,080
Charges for services	1,605,225	2,455,225	1,961,966	(493,259)
Fines and forfeitures	100,000	100,000	107,786	7,786
Franchise fees	450,000	450,000	490,088	40,088
Investment earnings	10,000	10,000	12,049	2,049
Other revenue	511,700	511,700	487,648	(24,052)
Total revenue	11,987,365	13,009,481	12,826,128	(183,353)
Expenditures				
General government				
Township board	45,900	45,900	43,487	(2,413)
Township supervisor	148,367	148,367	143,993	(4,374)
Elections	148,337	159,337	131,602	(27,735)
Finance	147,100	147,100	141,174	(5,926)
Assessor	323,170	378,070	374,486	(3,584)
Township clerk	235,686	235,686	224,390	(11,296)
HR/Admin Services	253,350	253,350	196,566	(56,784)
Purchasing	32,300	32,900	32,892	(8)
Board of review	5,000	5,300	5,280	(20)
Administrative	72,500	82,300	65,602	(16,698)
Professional services	197,625	150,625	146,813	(3,812)
Township treasurer	205,600	205,000	193,409	(11,591)
Information technology	231,950	269,066	224,381	(44,685)
Building and grounds	223,100	267,050	258,134	(8,916)
Phase II EPA/DEQ compliance	2,950	2,950	-	(2,950)
Total general government	2,272,935	2,383,001	2,182,209	(200,792)
Public safety				
Police	3,091,398	3,236,048	3,231,584	(4,464)
Dispatch	325,541	325,541	304,825	(20,716)
Fire	1,518,428	1,518,428	1,352,361	(166,067)
Property maintenance inspections	91,300	97,300	96,018	(1,282)
Total public safety	5,026,667	5,177,317	4,984,788	(192,529)
Public works				
Highways, streets and drains	606,000	675,500	647,308	(28,192)
Planning and zoning				
Planning and zoning	303,800	307,800	230,809	(76,991)
Code enforcement	74,745	69,745	46,197	(23,548)
Total planning and zoning	378,545	377,545	277,006	(100,539)

Continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenue, Expenditures and Changes in Fund Balances Budget and Actual - General Fund For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Culture and recreation				
Parks and recreation	\$ 956,506	\$ 1,042,506	\$ 1,003,354	\$ (39,152)
Historical commission	1,050	1,050	140	(910)
Total culture and recreation	<u>957,556</u>	<u>1,043,556</u>	<u>1,003,494</u>	<u>(40,062)</u>
Other unallocated expenditures	<u>1,736,500</u>	<u>1,479,000</u>	<u>1,182,084</u>	<u>(296,916)</u>
Capital outlay	<u>209,527</u>	<u>292,927</u>	<u>247,594</u>	<u>(45,333)</u>
Total expenditures	<u>11,187,730</u>	<u>11,428,846</u>	<u>10,524,483</u>	<u>(904,363)</u>
Revenue over (under) expenditures	799,635	1,580,635	2,301,645	721,010
Transfers out	<u>(799,635)</u>	<u>(1,580,635)</u>	<u>(1,330,365)</u>	<u>250,270</u>
Net change in fund balances	-	-	971,280	971,280
Fund balances, beginning of year	<u>5,314,930</u>	<u>5,314,930</u>	<u>5,314,930</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,314,930</u>	<u>\$ 5,314,930</u>	<u>\$ 6,286,210</u>	<u>\$ 971,280</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenue, Expenditures and Changes in Fund Balances Budget and Actual - Public Safety Special Revenue Fund For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ 1,716,662	\$ 1,716,662	\$ 1,717,869	\$ 1,207
Investment earnings	2,500	2,500	6,212	3,712
Total revenue	<u>1,719,162</u>	<u>1,719,162</u>	<u>1,724,081</u>	<u>4,919</u>
Expenditures				
Public safety	3,203,677	3,122,677	3,037,180	(85,497)
Capital outlay	116,000	197,000	196,756	(244)
Total expenditures	<u>3,319,677</u>	<u>3,319,677</u>	<u>3,233,936</u>	<u>(85,741)</u>
Net change in fund balances	(1,600,515)	(1,600,515)	(1,509,855)	90,660
Fund balances, beginning of year	<u>5,922,456</u>	<u>5,922,456</u>	<u>5,922,456</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,321,941</u>	<u>\$ 4,321,941</u>	<u>\$ 4,412,601</u>	<u>\$ 90,660</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Net Assets

Water and Sewer Enterprise Fund

December 31, 2011

Assets

Current assets:

Cash and cash equivalents	\$ 6,118,354
Accounts receivable, net	1,990,105
Due from other funds	15,389
Inventory	474,198
Bond issuance costs	51,300
Prepaid items	783
Total current assets	<u>8,650,129</u>

Noncurrent assets:

Restricted cash and cash equivalents	2,803,779
Capital assets not being depreciated	1,178,541
Capital assets being depreciated, net	<u>35,250,088</u>
Total noncurrent assets	<u>39,232,408</u>

Total assets	<u>47,882,537</u>
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Liabilities

Current liabilities:

Accounts payable and accrued liabilities	1,362,206
Accrued payroll	245,540
Due to other funds	447,241
Compensated absences, current portion	20,000
Bonds payable, current portion	<u>505,000</u>
Total current liabilities	<u>2,579,987</u>

Noncurrent liabilities:

Compensated absences, net of current portion	41,211
Bonds payable, net of current portion	<u>9,904,966</u>
Total noncurrent liabilities	<u>9,946,177</u>

Total liabilities	<u>12,526,164</u>
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Net assets

Invested in capital assets, net of related debt	26,018,663
Unrestricted	<u>9,337,710</u>

Total net assets	<u>\$ 35,356,373</u>
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The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenue, Expenses and Changes in Fund Net Assets

Water and Sewer Enterprise Fund
For the Year Ended December 31, 2011

Operating revenue	
Charges for services	\$ 9,632,276
Other	20,927
	<hr/>
Total operating revenue	9,653,203
	<hr/>
Operating expenses	
Personal services	901,666
Materials and supplies	7,263,721
Contractual	214,282
Insurance	26,339
Maintenance	160,529
Other expense	358,118
Depreciation	1,281,973
	<hr/>
Total operating expenses	10,206,628
	<hr/>
Operating loss	(553,425)
	<hr/>
Nonoperating revenue (expenses)	
Investment earnings	10,037
Gain on sale of capital assets	6,207
Interest expense and fees	(371,343)
	<hr/>
Total nonoperating expenses	(355,099)
	<hr/>
Loss before contributions	(908,524)
	<hr/>
Capital contributions - tap fees and other	160,703
	<hr/>
Change in net assets	(747,821)
	<hr/>
Net assets, beginning of year	36,104,194
	<hr/>
Net assets, end of year	\$ 35,356,373
	<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, 2011

Cash flows from operating activities	
Receipts from customers and users	\$ 9,444,752
Payments to suppliers	(7,985,769)
Payments to employees	<u>(685,640)</u>
Net cash provided by operating activities	<u>773,343</u>
Cash flows from capital and related financing activities	
Issuance of debt	99,855
Principal paid on debt	(482,000)
Interest paid on debt	(363,643)
Purchase of capital assets	(1,280,836)
Proceeds from sale of capital assets	7,500
Cash contributions for tap fees	<u>160,703</u>
Net cash used in capital and related financing activities	<u>(1,858,421)</u>
Cash flows from investing activities	
Interest received on investments	<u>10,037</u>
Change in cash and cash equivalents	(1,075,041)
Cash and cash equivalents, beginning of year	<u>9,997,174</u>
Cash and cash equivalents, end of year	<u>\$ 8,922,133</u>
Classified on the statement of net assets as:	
Cash and cash equivalents	\$ 6,118,354
Restricted cash and cash equivalents	<u>2,803,779</u>
Total cash and cash equivalents	<u>\$ 8,922,133</u>

Continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Proprietary Funds

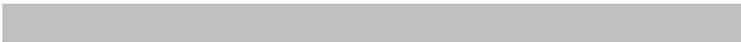
For the Year Ended December 31, 2011

Cash flows from operating activities	
Operating loss	\$ (553,425)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	1,281,973
Change in:	
Accounts receivable, net	(208,451)
Due from other funds	15,977
Inventory	(192,654)
Prepaid items	(50)
Accounts payable and accrued liabilities	89,316
Accrued payroll	199,496
Due to other funds	129,101
Due to other governments	(4,470)
Compensated absences	16,530
Net cash provided by operating activities	<u>\$ 773,343</u>

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

PITTSFIELD CHARTER TOWNSHIP

■ Statement of Fiduciary Net Assets
Agency Funds
December 31, 2011



Assets	
Cash and cash equivalents	<u>\$ 5,641,933</u>
Liabilities	
Undistributed receipts	<u>\$ 5,641,933</u>

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

NOTES TO FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, Washtenaw County, Michigan (the “Township” or “government”) 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 assets 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*.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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.

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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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.

The *capital projects* 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 and Net Assets 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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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 fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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 life of the assets as follows:

	Years
Building and improvements	15-30
Equipment	5-20
Infrastructure	15-50

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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 assets.

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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

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 reports 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. Unassigned fund balance is the residual classification for the general fund or deficit fund balances.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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.

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. Expenditures in excess of appropriations in individual funds, which were funded by available fund balance, were as follows for the year ended December 31, 2011:

	Final Budget	Actual	Variance
Other governmental funds			
Tree mitigation fund -			
General government	\$ 500	\$ 16,130	\$ 15,630

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

4. DEPOSITS AND INVESTMENTS

Deposits and Investments

Following is a reconciliation of deposits and investments as of December 31, 2011:

	Primary Government	Component Units	Totals
Statement of Net Assets			
Cash and cash equivalents	\$ 19,581,236	\$ 8,707	\$ 19,589,943
Restricted cash and cash equivalents	2,803,779	-	2,803,779
Statement of Fiduciary Net Assets			
Cash and cash equivalents	5,641,933	-	5,641,933
Total	\$ 28,026,948	\$ 8,707	\$ 28,035,655
Deposits and investments			
Bank deposits (checking, savings and certificates of deposit)			\$ 28,034,955
Cash on hand			700
Total			\$ 28,035,655

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.

At year-end, \$24,528,526 of the combined bank balance of \$27,793,734 (total book balance of \$28,034,955) 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.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

The Township has restricted cash and cash equivalents of \$2,803,778 at December 31, 2011 for water and sewer capital improvement projects.

5. RECEIVABLES

Receivables in the governmental activities are 34 percent accounts receivable and 66 percent taxes and special assessments. Approximately 87 percent, or \$2,240,410, of the special assessment receivables are not expected to be collected within one year. Business-type activities accounts receivable are 100% due from customers.

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the components of deferred revenue and unearned revenue reported in governmental activities were as follows:

	Unavailable	Unearned	Total
Special assessments not yet due	\$ 1,100,593	\$ -	\$ 1,100,593
Drain assessments not yet due	1,666,264	-	1,666,264
Prepaid rent	-	27,859	27,859
	<u>\$ 2,766,857</u>	<u>\$ 27,859</u>	<u>\$ 2,794,716</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

6. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 21,005,842	\$ -	\$ -	\$ 21,005,842
Capital assets, being depreciated:				
Buildings and improvements	6,375,541	103,177	-	6,478,718
Infrastructure	12,034,983	1,410,541	-	13,445,524
Machinery and equipment	7,684,452	181,888	(268,344)	7,597,996
	<u>26,094,976</u>	<u>1,695,606</u>	<u>(268,344)</u>	<u>27,522,238</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,944,129)	(263,139)	-	(3,207,268)
Infrastructure	(9,061,292)	(240,443)	-	(9,301,735)
Machinery and equipment	(5,499,916)	(505,696)	268,344	(5,737,268)
	<u>(17,505,337)</u>	<u>(1,009,278)</u>	<u>268,344</u>	<u>(18,246,271)</u>
Total capital assets being depreciated, net	<u>8,589,639</u>	<u>686,328</u>	<u>-</u>	<u>9,275,967</u>
Governmental activities capital assets, net	<u>\$ 29,595,481</u>	<u>\$ 686,328</u>	<u>\$ -</u>	<u>\$ 30,281,809</u>

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

General government	\$ 344,165
Public safety	259,357
Public works	1,875
Planning and zoning	358,796
Parks and recreation	45,085
Total depreciation expense	<u>\$ 1,009,278</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 510,118	\$ -	\$ -	\$ 510,118
Construction in progress	14,104	668,423	(14,104)	668,423
	<u>524,222</u>	<u>668,423</u>	<u>(14,104)</u>	<u>1,178,541</u>
Capital assets, being depreciated:				
Infrastructure	50,578,426	451,921	-	51,030,347
Buildings	949,314	-	-	949,314
Machinery and equipment	868,977	174,596	(9,700)	1,033,873
	<u>52,396,717</u>	<u>626,517</u>	<u>(9,700)</u>	<u>53,013,534</u>
Less accumulated depreciation for:				
Infrastructure	(15,608,598)	(1,157,575)	-	(16,766,173)
Buildings	(316,440)	(31,644)	-	(348,084)
Machinery and equipment	(564,842)	(92,754)	8,407	(649,189)
	<u>(16,489,880)</u>	<u>(1,281,973)</u>	<u>8,407</u>	<u>(17,763,446)</u>
Total capital assets being depreciated, net	<u>35,906,837</u>	<u>(655,456)</u>	<u>(1,293)</u>	<u>35,250,088</u>
Business-type activities capital assets, net	<u>\$ 36,431,059</u>	<u>\$ 12,967</u>	<u>\$ (15,397)</u>	<u>\$ 36,428,629</u>

7. PAYABLES

Payables in the governmental activities are 46 percent due to vendors, 24 percent accrued liabilities, 21 percent accrued interest and nine percent due to other governments. Business-type activities payables are 100 percent due to vendors.

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Following is a summary of interfund balances as of December 31, 2011:

	Receivable	Payable
General fund	\$ 234,033	\$ 5,178
Public safety special revenue fund	-	-
Nonmajor governmental funds	283,066	80,069
Waters and sewer enterprise fund	15,389	447,241
	<u>\$ 532,488</u>	<u>\$ 532,488</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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	Michigan	Nonmajor	Totals
	Avenue East fund	Governmental Funds	
General Fund	\$ 59,439	1,270,926	\$ 1,330,365
Nonmajor governmental funds	-	5,950	5,950
	<u>\$ 59,439</u>	<u>\$ 1,276,876</u>	<u>\$ 1,336,315</u>

9. LONG-TERM DEBT

Installment obligations. Installment obligations outstanding at year-end amounted to \$3,410,000 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	Interest
2012	\$ 545,000	\$ 67,123
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>\$ 3,410,000</u>	<u>\$ 240,676</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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%	\$ 240,000
\$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>300,000</u>
Total general obligation bonds	<u><u>\$ 540,000</u></u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 160,000	\$ 24,375
2013	160,000	16,990
2014	160,000	9,425
2015	<u>60,000</u>	<u>1,680</u>
	<u><u>\$ 540,000</u></u>	<u><u>\$ 52,470</u></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%.	\$ 310,100
\$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%.	320,886
\$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>1,615,000</u>
Total drain assessment bonds payable	<u><u>\$ 2,245,986</u></u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 162,531	\$ 81,145
2013	167,531	75,115
2014	151,328	69,443
2015	151,328	64,091
2016	90,824	60,163
2017-2021	506,962	256,227
2022-2026	640,482	153,289
2027-2029	375,000	27,011
	<u>\$ 2,245,986</u>	<u>\$ 786,484</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 \$13,457,000.

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%.	\$ 155,000
\$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%.	6,535,000
\$4,707, 2010 Drinking Water Revolving Bonds, due in annual installments of \$182,000 to \$295,000 through 2030, interest at 2.50%.	<u>3,793,466</u>
Total general obligation bonds	<u><u>\$ 10,483,466</u></u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 505,000	\$ 352,006
2013	525,000	335,844
2014	460,000	318,922
2015	480,000	305,090
2016	495,000	290,442
2017-2021	2,760,000	1,201,551
2022-2026	3,340,000	686,752
2027-2030	<u>2,650,000</u>	<u>108,172</u>
	11,215,000	<u>\$ 3,598,779</u>
Less amount available to be drawn	<u>(731,534)</u>	
	<u><u>\$ 10,483,466</u></u>	

During the year ended December 31, 2011, the Township drew \$99,855 against the Clean Water State Revolving Fund bonds. The total amount authorized under this issue is \$4,707,000; of this total, \$731,534 is still available as of December 31, 2011.

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, 2011 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Installment obligations	\$ 3,735,000	\$ -	\$ (325,000)	\$ 3,410,000	\$ 545,000
General obligation bonds	805,000	-	(265,000)	540,000	160,000
Special assessment debt with government commitment	2,408,517	-	(162,531)	2,245,986	162,531
Compensated absences	1,151,244	555,771	(422,553)	1,284,462	400,000
Unamortized premium	15,192	-	(2,170)	13,022	-
Unamortized refunding loss	(92,053)	-	13,150	(78,903)	-
Total governmental activities	\$ 8,022,900	\$ 555,771	\$ (1,164,104)	\$ 7,414,567	\$ 1,267,531

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type Activities					
General obligation bonds	\$ 10,865,611	\$ 99,855	\$ (482,000)	\$ 10,483,466	\$ 505,000
Unamortized discount	(78,500)	-	5,000	(73,500)	-
Compensated absences	44,681	34,148	(17,618)	61,211	20,000
Total business-type activities	\$ 10,831,792	\$ 134,003	\$ (494,618)	\$ 10,471,177	\$ 525,000

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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, 2011, 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.

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 \$1,726,850,356. The government's general operating tax rate for fiscal year 2011 was 3.8758 mills.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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, 2010, the date of the latest actuarial valuation, the plan had 123 active members, 24 vested former members and 22 retirees and beneficiaries (for a total of 169 total participants).

Funding Policy. The Township is required to contribute at an actuarially determined rate; the current rate is 7.9% of annual covered payroll. Employees are not required to contribute to the plan. 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, 2011, the Township's annual pension cost of \$603,528 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2010 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 8.4% per year, depending on age, attributable to seniority/merit.

Annual Pension Cost and Net Pension Obligation. For 2011, 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	\$ 603,528
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual net pension cost	<u>603,528</u>
Contributions made	<u>(603,528)</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u><u>\$ -</u></u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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
2009	\$ 484,152	100%	\$ -
2010	569,568	100%	-
2011	603,528	100%	-

Funded Status. The funded status of the plan as of December 31, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 18,841,079
Actuarial value of plan assets	14,829,823
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,011,256</u>
Funded ratio	78.7%
Covered payroll (active plan members)	\$ 7,162,957
UAAL as a percentage of covered payroll	56.0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year 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 \$880,810.

Funding Progress. For the year ended December 31, 2011, 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 2011, 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	\$ 791,582
Interest on net OPEB obligation	18,098
Adjustment to annual required contribution	<u>(11,871)</u>
Net OPEB cost	797,809
Contributions made	<u>(880,810)</u>
Change in net OPEB obligation	(83,001)
Net OPEB obligation, beginning of year	<u>226,220</u>
Net OPEB obligation, end of year	<u>\$ 143,219</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 last three years were as follows:

Three-Year Trend Information				
Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 680,134	\$ 277,088	40.7%	\$ 403,046
12/31/2010	781,160	957,986	122.6%	226,220
12/31/2011	791,582	880,810	111.3%	143,219

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. INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT

The composition of net assets invested in capital assets, net of related debt as of December 31, 2011, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 21,005,842	\$ 1,178,541
Capital assets being depreciated, net	9,275,967	35,250,088
	<u>30,281,809</u>	<u>36,428,629</u>
Less related debt:		
Bonds payable	540,000	10,483,466
Installment obligations	3,410,000	
Unamortized bond premium	13,022	-
Unamortized bond discount	-	(73,500)
Unamortized refunding loss	(78,903)	-
	<u>3,884,119</u>	<u>10,409,966</u>
Invested in capital assets, net of capital - related debt	<u>\$ 26,397,690</u>	<u>\$ 26,018,663</u>

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



REQUIRED SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP

Required Supplementary Information
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%

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%

PITTSFIELD CHARTER TOWNSHIP

Required Supplementary Information
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	770,066	124.4%
2011	791,582	111.3%

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

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2011

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash	\$ 1,952,652	\$ 988,535	\$ 99,669	\$ 3,040,856
Accounts receivable	199,675	-	-	199,675
Special assessments receivable	-	958,363	-	958,363
Due from other funds	283,066	-	-	283,066
Prepaid items	224	-	-	224
Total assets	\$ 2,435,617	\$ 1,946,898	\$ 99,669	\$ 4,482,184
Liabilities				
Accounts payable	\$ 139,149	\$ -	\$ 79,830	\$ 218,979
Accrued liabilities	11,321	-	-	11,321
Due to other funds	80,069	-	-	80,069
Escrow payable	13,770	-	-	13,770
Deferred revenue	-	958,363	-	958,363
Total liabilities	244,309	958,363	79,830	1,282,502
Fund balances				
Nonspendable -				
Prepays	224	-	-	224
Restricted:				
General government	173,962	-	-	173,962
Public safety	1,470,794	-	-	1,470,794
Public works	309,947	-	-	309,947
Culture and recreation	236,381	-	-	236,381
Debt service funds	-	988,535	-	988,535
Committed -				
Capital projects	-	-	19,839	19,839
Total fund balances	2,191,308	988,535	19,839	3,199,682
Total liabilities and fund balances	\$ 2,435,617	\$ 1,946,898	\$ 99,669	\$ 4,482,184

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds December 31, 2011

	Special Revenue	Debt Service	Capital Projects	Total
Revenue				
Taxes and special assessments	\$ 838,843	\$ 368,925	\$ -	\$ 1,207,768
Licenses and permits	504,164	-	-	504,164
Intergovernmental	145,318	-	-	145,318
Charges for services	1,537,871	-	-	1,537,871
Investment earnings	2,345	1,050	27	3,422
Other revenue	104,358	41,793	-	146,151
Total revenue	3,132,899	411,768	27	3,544,694
Expenditures				
Current:				
General government	16,130	-	-	16,130
Public safety	780,977	-	-	780,977
Public works	1,124,681	-	-	1,124,681
Cultural and recreation	65,698	-	-	65,698
Debt service:				
Principal	325,000	372,531	-	697,531
Interest and fiscal charges	71,503	60,692	-	132,195
Capital outlay	418,268	-	1,267,242	1,685,510
Total expenditures	2,802,257	433,223	1,267,242	4,502,722
Revenue over (under) expenditures	330,642	(21,455)	(1,267,215)	(958,028)
Other financing sources (uses)				
Transfers in	11,950	14,891	1,250,035	1,276,876
Transfers out	(5,950)	-	-	(5,950)
Total other financing sources (uses)	6,000	14,891	1,250,035	1,270,926
Net change in fund balances	336,642	(6,564)	(17,180)	312,898
Fund balances, beginning of year	1,854,666	995,099	37,019	2,886,784
Fund balances, end of year	\$ 2,191,308	\$ 988,535	\$ 19,839	\$ 3,199,682

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Special Revenue Funds For the Year Ended December 31, 2011

	Refuse Collection	Tree Mitigation	Building Department
Assets			
Cash and cash equivalents	\$ 142,191	\$ 173,962	\$ 388,672
Accounts receivable	-	-	25,248
Due from other funds	282,116	-	-
Prepaid items	-	-	224
Total assets	\$ 424,307	\$ 173,962	\$ 414,144
Liabilities			
Accounts payable	\$ 89,429	\$ -	\$ 1,834
Accrued liabilities	-	-	225
Due to other funds	11,161	-	68,908
Escrow payable	13,770	-	-
Total liabilities	114,360	-	70,967
Fund balances			
Nonspendable -			
Prepaid items	-	-	224
Restricted -			
General government	-	173,962	-
Public safety	-	-	342,953
Public works	309,947	-	-
Culture and recreation	-	-	-
Total fund balances	309,947	173,962	343,177
Total liabilities and fund balances	\$ 424,307	\$ 173,962	\$ 414,144



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 190,745	\$ 1,034,842	\$ 22,240	\$ 1,952,652
87,572	66,855	20,000	199,675
-	-	950	283,066
-	-	-	224
<u>\$ 278,317</u>	<u>\$ 1,101,697</u>	<u>\$ 43,190</u>	<u>\$ 2,435,617</u>
\$ 41,936	\$ 5,950	\$ -	\$ 139,149
-	9,891	1,205	11,321
-	-	-	80,069
-	-	-	13,770
<u>41,936</u>	<u>15,841</u>	<u>1,205</u>	<u>244,309</u>
-	-	-	224
-	-	-	173,962
-	1,085,856	41,985	1,470,794
-	-	-	309,947
236,381	-	-	236,381
<u>236,381</u>	<u>1,085,856</u>	<u>41,985</u>	<u>2,191,308</u>
<u>\$ 278,317</u>	<u>\$ 1,101,697</u>	<u>\$ 43,190</u>	<u>\$ 2,435,617</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds December 31, 2011

	Refuse Collection	Tree Mitigation	Building Department
Revenue			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	504,164
Intergovernmental	-	-	-
Charges for services	1,270,714	-	-
Investment earnings	175	179	451
Other revenue	-	-	103,366
Total revenue	1,270,889	179	607,981
Expenditures			
Current:			
General government	\$ -	\$ 16,130	\$ -
Public safety	-	-	359,190
Public works	1,124,681	-	-
Cultural and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	28,322
Total expenditures	1,124,681	16,130	387,512
Revenue over (under) expenditures	146,208	(15,951)	220,469
Other financing sources (uses)			
Transfers in	-	6,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	6,000	-
Net change in fund balances	146,208	(9,951)	220,469
Fund balances, beginning of year	163,739	183,913	122,708
Fund balances, end of year	\$ 309,947	\$ 173,962	\$ 343,177



Parks & Recreation Millage	E 911 Service	800 MHz Consortium	Total
\$ 838,843	\$ -	\$ -	\$ 838,843
-	-	-	504,164
145,318	-	-	145,318
-	227,157	40,000	1,537,871
481	1,059	-	2,345
750	242	-	104,358
<u>985,392</u>	<u>228,458</u>	<u>40,000</u>	<u>3,132,899</u>
\$ -	\$ -	\$ -	16,130
-	392,822	28,965	780,977
-	-	-	1,124,681
65,698	-	-	65,698
325,000	-	-	325,000
71,503	-	-	71,503
389,946	-	-	418,268
<u>852,147</u>	<u>392,822</u>	<u>28,965</u>	<u>2,802,257</u>
<u>133,245</u>	<u>(164,364)</u>	<u>11,035</u>	<u>330,642</u>
-	-	5,950	11,950
-	(5,950)	-	(5,950)
-	(5,950)	5,950	6,000
133,245	(170,314)	16,985	336,642
103,136	1,256,170	25,000	1,854,666
<u>\$ 236,381</u>	<u>\$ 1,085,856</u>	<u>\$ 41,985</u>	<u>\$ 2,191,308</u>

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures
and Changes in Fund Balances - Budget and Actual
Refuse Collection
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,100,000	1,120,000	1,270,714	150,714
Investment earnings	2,500	2,500	175	(2,325)
Other revenue	-	-	-	-
Total revenue	1,102,500	1,122,500	1,270,889	148,389
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,113,970	1,133,970	1,124,681	(9,289)
Cultural and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,113,970	1,133,970	1,124,681	(9,289)
Revenue over (under) expenditures	(11,470)	(11,470)	146,208	157,678
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(11,470)	(11,470)	146,208	157,678
Fund balance, beginning of year	163,739	163,739	163,739	-
Fund balance, end of year	\$ 152,269	\$ 152,269	\$ 309,947	\$ 157,678

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures
and Changes in Fund Balances - Budget and Actual
Tree Mitigation
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	500	500	179	(321)
Other revenue	-	-	-	-
Total revenue	500	500	179	(321)
Expenditures				
Current:				
General government	500	500	16,130	15,630
Public safety	-	-	-	-
Public works	-	-	-	-
Cultural and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	500	500	16,130	15,630
Revenue over (under) expenditures	-	-	(15,951)	(15,951)
Other financing sources (uses)				
Transfers in	-	-	6,000	6,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	6,000	6,000
Net change in fund balance	-	-	(9,951)	(9,951)
Fund balance, beginning of year	183,913	183,913	183,913	-
Fund balance, end of year	\$ 183,913	\$ 183,913	\$ 173,962	\$ (9,951)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures
and Changes in Fund Balances - Budget and Actual
Building Department
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	275,000	318,800	504,164	185,364
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	1,000	1,000	451	(549)
Other revenue	60,000	60,000	103,366	43,366
Total revenue	336,000	379,800	607,981	228,181
Expenditures				
Current:				
General government	-	-	-	-
Public safety	349,693	365,993	359,190	(6,803)
Public works	-	-	-	-
Cultural and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	1,000	28,500	28,322	(178)
Total expenditures	350,693	394,493	387,512	(6,981)
Revenue over (under) expenditures	(14,693)	(14,693)	220,469	235,162
Other financing sources (uses)				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	50,000	50,000	-	(50,000)
Net change in fund balance	35,307	35,307	220,469	185,162
Fund balance, beginning of year	122,708	122,708	122,708	-
Fund balance, end of year	\$ 158,015	\$ 158,015	\$ 343,177	\$ 185,162

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual Parks and Recreation Millage For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ 827,245	\$ 827,245	\$ 838,843	\$ 11,598
Licenses and permits	-	-	-	-
Intergovernmental	300,000	300,000	145,318	(154,682)
Charges for services	-	-	-	-
Investment earnings	250	250	481	231
Other revenue	-	-	750	750
Total revenue	1,127,495	1,127,495	985,392	(142,103)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Cultural and recreation	122,700	122,700	65,698	(57,002)
Debt service:				
Principal	325,000	325,000	325,000	-
Interest and fiscal charges	71,503	71,503	71,503	-
Capital outlay	954,386	954,386	389,946	(564,440)
Total expenditures	1,473,589	1,473,589	852,147	(621,442)
Revenue over (under) expenditures	(346,094)	(346,094)	133,245	479,339
Other financing sources (uses)				
Transfers in	400,000	400,000	-	(400,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	400,000	400,000	-	(400,000)
Net change in fund balance	53,906	53,906	133,245	79,339
Fund balance, beginning of year	103,136	103,136	103,136	-
Fund balance, end of year	\$ 157,042	\$ 157,042	\$ 236,381	\$ 79,339

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual E 911 Service For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	250,000	250,000	227,157	(22,843)
Investment earnings	1,000	1,000	1,059	59
Other revenue	-	-	242	242
Total revenue	251,000	251,000	228,458	(22,542)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	403,122	403,172	392,822	(10,350)
Public works	-	-	-	-
Cultural and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	6,200	200	-	(200)
Total expenditures	409,322	403,372	392,822	(10,550)
Revenue over (under) expenditures	(158,322)	(152,372)	(164,364)	(11,992)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(5,950)	(5,950)	-
Total other financing sources (uses)	-	(5,950)	(5,950)	-
Net change in fund balance	(158,322)	(158,322)	(170,314)	(11,992)
Fund balance, beginning of year	1,256,170	1,256,170	1,256,170	-
Fund balance, end of year	\$ 1,097,848	\$ 1,097,848	\$ 1,085,856	\$ (11,992)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual 800 MHz Consortium For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	40,000	40,000	40,000	-
Investment earnings	50	50	-	(50)
Other revenue	-	-	-	-
Total revenue	40,050	40,050	40,000	(50)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	29,100	29,100	28,965	(135)
Public works	-	-	-	-
Cultural and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	29,100	29,100	28,965	(135)
Revenue over (under) expenditures	10,950	10,950	11,035	85
Other financing sources (uses)				
Transfers in	-	-	5,950	5,950
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	5,950	5,950
Net change in fund balance	10,950	10,950	16,985	6,035
Fund balance, beginning of year	25,000	25,000	25,000	-
Fund balance, end of year	\$ 35,950	\$ 35,950	\$ 41,985	\$ 6,035

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2011

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Assets			
Cash and cash equivalents	\$ 646,792	\$ 101,295	\$ 36,076
Special assessments receivable	-	207,492	283,184
Total assets	<u>\$ 646,792</u>	<u>\$ 308,787</u>	<u>\$ 319,260</u>
Liabilities			
Deferred revenue	\$ -	\$ 207,492	\$ 283,184
Fund balances			
Restricted for debt service	<u>646,792</u>	<u>101,295</u>	<u>36,076</u>
Total liabilities and fund balances	<u>\$ 646,792</u>	<u>\$ 308,787</u>	<u>\$ 319,260</u>



State & Textile Road	Waters Place Road	Munger Road 2001	Ann Arbor/Waters Road	Total
\$ 121,406	\$ 49,799	\$ 25,546	\$ 7,621	\$ 988,535
231,463	236,224	-	-	958,363
<u>\$ 352,869</u>	<u>\$ 286,023</u>	<u>\$ 25,546</u>	<u>\$ 7,621</u>	<u>\$ 1,946,898</u>
\$ 231,463	\$ 236,224	\$ -	\$ -	\$ 958,363
121,406	49,799	25,546	7,621	988,535
<u>\$ 352,869</u>	<u>\$ 286,023</u>	<u>\$ 25,546</u>	<u>\$ 7,621</u>	<u>\$ 1,946,898</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2011

	1991 Water & Sewer	Carpenter Road Drain	Mallets Creek
Revenue			
Taxes and special assessments	\$ 14,427	\$ 71,735	\$ 31,685
Investment earnings	651	113	32
Other revenue	-	-	-
Total revenue	<u>15,078</u>	<u>71,848</u>	<u>31,717</u>
Expenditures			
Debt service:			
Principal	-	88,600	18,931
Interest and fiscal charges	-	19,935	5,523
Total expenditures	<u>-</u>	<u>108,535</u>	<u>24,454</u>
Revenue over (under) expenditures	15,078	(36,687)	7,263
Transfers in	-	14,891	-
Net change in fund balances	15,078	(21,796)	7,263
Fund balances, beginning of year	<u>631,714</u>	<u>123,091</u>	<u>28,813</u>
Fund balances, end of year	<u>\$ 646,792</u>	<u>\$ 101,295</u>	<u>\$ 36,076</u>



State & Textile Road	Waters Place Road	Munger Road 2001	Ann Arbor/ Waters Road	Total
\$ 109,117	\$ 78,377	\$ 34,928	\$ 28,656	\$ 368,925
148	59	36	11	1,050
41,793	-	-	-	41,793
<u>151,058</u>	<u>78,436</u>	<u>34,964</u>	<u>28,667</u>	<u>411,768</u>
100,000	60,000	75,000	30,000	372,531
16,975	15,148	2,163	948	60,692
<u>116,975</u>	<u>75,148</u>	<u>77,163</u>	<u>30,948</u>	<u>433,223</u>
34,083	3,288	(42,199)	(2,281)	(21,455)
-	-	-	-	14,891
<u>34,083</u>	<u>3,288</u>	<u>(42,199)</u>	<u>(2,281)</u>	<u>(6,564)</u>
87,323	46,511	67,745	9,902	995,099
<u>\$ 121,406</u>	<u>\$ 49,799</u>	<u>\$ 25,546</u>	<u>\$ 7,621</u>	<u>\$ 988,535</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2011

	Lohr Road	State & Textile Road	Total
Assets			
Cash and cash equivalents	\$ 99,669	\$ -	\$ 99,669
Liabilities			
Accounts payable	\$ 79,830	\$ -	\$ 79,830
Fund balances			
Committed for capital projects	19,839	-	19,839
Total liabilities and fund balances	\$ 99,669	\$ -	\$ 99,669

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2011

	Lohr Road	State & Textile Road	Total
Revenue			
Investment earnings	\$ -	\$ 27	\$ 27
Expenditures			
Capital outlay	1,225,449	41,793	1,267,242
Revenue over (under) expenditures	(1,225,449)	(41,766)	(1,267,215)
Transfers in	1,250,035	-	1,250,035
Net change in fund balances	24,586	(41,766)	(17,180)
Fund balances, beginning of year	(4,747)	41,766	37,019
Fund balances, end of year	\$ 19,839	\$ -	\$ 19,839

PITTSFIELD CHARTER TOWNSHIP

■ Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2011

	Tax Collection Fund	Performance Bonds Fund
Assets		
Cash and cash equivalents	<u>\$ 5,065,521</u>	<u>\$ 518,126</u>
Liabilities		
Undistributed receipts	<u>\$ 5,065,521</u>	<u>\$ 518,126</u>



Imprest a Payroll Fund	Trust and Agency Fund	World Services Fund	Total
<u>\$ 15,953</u>	<u>\$ 39,085</u>	<u>\$ 3,248</u>	<u>\$ 5,641,933</u>
<u>\$ 15,953</u>	<u>\$ 39,085</u>	<u>\$ 3,248</u>	<u>\$ 5,641,933</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended December 31, 2011

	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2011
<i>Tax Collection Fund</i>				
Assets				
Cash and cash equivalents	\$ 7,850,478	\$ 135,109,897	\$ 137,894,854	\$ 5,065,521
Liabilities				
Undistributed receipts	\$ 7,850,478	\$ 135,109,897	\$ 137,894,854	\$ 5,065,521
<i>Performance Bonds Fund</i>				
Assets				
Cash and cash equivalents	\$ 646,640	\$ 285,036	\$ 413,550	\$ 518,126
Liabilities				
Undistributed receipts	\$ 646,640	\$ 285,036	\$ 413,550	\$ 518,126
<i>Imprest and Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 17,923	\$ 2,286	\$ 4,256	\$ 15,953
Liabilities				
Undistributed receipts	\$ 17,923	\$ 2,286	\$ 4,256	\$ 15,953
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 71,747	\$ 753,590	\$ 786,252	\$ 39,085
Liabilities				
Undistributed receipts	\$ 71,747	\$ 753,590	\$ 786,252	\$ 39,085
<i>World Services Fund</i>				
Assets				
Cash and cash equivalents	\$ 1,270	\$ 4,786	\$ 2,808	\$ 3,248
Liabilities				
Undistributed receipts	\$ 1,270	\$ 4,786	\$ 2,808	\$ 3,248
<i>Totals</i>				
Assets				
Cash and cash equivalents	\$ 8,588,058	\$ 136,155,595	\$ 139,101,720	\$ 5,641,933
Liabilities				
Undistributed receipts	\$ 8,588,058	\$ 136,155,595	\$ 139,101,720	\$ 5,641,933

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.	91-102
Revenue Capacity	These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	103-106
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.	107-110
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.	111-115

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include data beginning in that year.

PITTSFIELD CHARTER TOWNSHIP

Net Assets by Component Last Eight Years (A) (Accrual Basis of Accounting)

	2004	2005	2006	2007
Governmental Activities				
Invested in capital assets, net of related debt	\$ 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 assets	\$ 27,355,673	\$ 29,696,447	\$ 31,983,431	\$ 34,994,407
Business-type Activities				
Invested in capital assets, net of related debt	\$ 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 assets	\$ 31,369,845	\$ 32,233,755	\$ 32,875,459	\$ 33,564,448
Total Primary Government				
Invested in capital assets, net of related debt	\$ 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 assets	\$ 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
\$ 22,189,818	\$ 21,660,473	\$ 25,132,342	\$ 26,397,690
1,263,137	1,111,309	1,032,121	1,008,374
13,279,763	15,309,961	12,253,510	11,822,030
<u>\$ 36,732,718</u>	<u>\$ 38,081,743</u>	<u>\$ 38,417,973</u>	<u>\$ 39,228,094</u>
\$ 23,149,275	\$ 23,372,211	\$ 25,643,948	\$ 26,018,663
-	-	-	-
10,125,602	9,889,282	10,460,246	9,337,710
<u>\$ 33,274,877</u>	<u>\$ 33,261,493</u>	<u>\$ 36,104,194</u>	<u>\$ 35,356,373</u>
\$ 45,339,093	\$ 45,032,684	\$ 50,776,290	\$ 52,416,353
1,263,137	1,111,309	1,032,121	1,008,374
23,405,365	25,199,243	22,713,756	21,159,740
<u>\$ 70,007,595</u>	<u>\$ 71,343,236</u>	<u>\$ 74,522,167</u>	<u>\$ 74,584,467</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Assets

Last Eight Years (A)

(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$ 1,886,811	\$ 1,874,670	\$ 1,957,225	\$ 3,704,845	\$ 4,059,630
Public safety	5,731,179	6,181,387	6,521,746	7,674,377	7,829,666
Public works	1,717,388	1,748,678	1,848,223	1,903,279	2,030,837
Planning and zoning	372,070	330,525	362,701	360,737	370,600
Parks and recreation	614,299	697,397	654,427	717,334	1,053,631
Other unallocated	1,992,136	1,579,075	2,063,838	-	-
Interest on long-term debt	556,292	531,521	466,614	429,738	384,683
Subtotal governmental activities	12,870,175	12,943,253	13,874,774	14,790,310	15,729,047
Business-type activities -					
Water and sewer	7,816,853	8,502,652	8,519,813	9,530,617	9,627,408
Total expenses	20,687,028	21,445,905	22,394,587	24,320,927	25,356,455
Program revenues					
Governmental activities:					
Charges for services:					
General government	2,168,569	2,166,816	2,399,543	2,753,611	2,625,317
Public safety	862,131	705,600	661,849	678,607	724,694
Public works	1,141,289	264,185	287,188	260,523	264,271
Parks and recreation	165,788	159,891	167,887	172,175	166,713
Operating grants and contributions	305,606	254,121	276,201	319,314	292,966
Capital grants and contributions	13,078	1,107,032	725,334	1,248,278	1,159,037
Subtotal governmental activities	4,656,461	4,657,645	4,518,002	5,432,508	5,232,998
Business-type activities:					
Charges for services	7,431,884	8,440,206	8,155,670	9,314,032	8,737,990
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	456,817	526,618	425,862	293,706	337,092
Subtotal business-type activities	7,888,701	8,966,824	8,581,532	9,607,738	9,075,082
Total program revenues	12,545,162	13,624,469	13,099,534	15,040,246	14,308,080
Net (expense)/revenue					
Governmental activities	(8,213,714)	(8,285,608)	(9,356,772)	(9,357,802)	(10,496,049)
Business-type activities	71,848	464,172	61,719	77,121	(552,326)
Total net expense	(8,141,866)	(7,821,436)	(9,295,053)	(9,280,681)	(11,048,375)

Schedule 2
Unaudited

2009	2010	2011
\$ 2,332,030	\$ 4,078,120	\$ 3,812,930
8,110,750	8,551,293	9,067,580
1,934,371	2,007,627	2,130,785
366,557	290,955	278,881
2,887,250	1,169,157	1,505,128
-	-	-
544,989	311,110	201,180
16,175,947	16,408,262	16,996,484
9,253,922	9,793,912	10,577,971
25,429,869	26,202,174	27,574,455
2,709,575	2,968,165	3,901,421
650,619	900,443	863,627
256,560	288,061	361,037
180,560	235,157	249,137
336,912	612,133	486,388
430,468	369,128	369,859
4,564,694	5,373,087	6,231,469
8,552,060	9,334,315	9,653,203
-	-	-
110,088	3,290,454	160,703
8,662,148	12,624,769	9,813,906
13,226,842	17,997,856	16,045,375
(11,611,253)	(11,035,175)	(10,765,015)
(591,774)	2,830,857	(764,065)
(12,203,027)	(8,204,318)	(11,529,080)

Continued...

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Assets Last Eight Years (A) (Accrual Basis of Accounting)

	2004	2005	2006	2007	2008
General revenues					
Governmental activities:					
Property taxes	\$ 7,228,368	\$ 7,771,794	\$ 8,401,535	\$ 9,040,019	\$ 9,532,657
State shared revenues	2,141,845	2,186,549	2,139,405	2,113,251	2,099,893
Unrestricted investment earnings	276,331	668,039	1,102,816	1,215,508	601,810
Subtotal governmental activities	<u>9,646,544</u>	<u>10,626,382</u>	<u>11,643,756</u>	<u>12,368,778</u>	<u>12,234,360</u>
Business-type activities:					
Unrestricted investment earnings	240,374	399,738	579,985	611,868	262,755
Gain on sale of capital assets	-	-	-	-	-
Subtotal business-type activities	<u>240,374</u>	<u>399,738</u>	<u>579,985</u>	<u>611,868</u>	<u>262,755</u>
Total general revenues	<u>9,886,918</u>	<u>11,026,120</u>	<u>12,223,741</u>	<u>12,980,646</u>	<u>12,497,115</u>
Change in net assets					
Governmental activities	1,432,830	2,340,774	2,286,984	3,010,976	1,738,311
Business-type activities	312,222	863,910	641,704	688,989	(289,571)
Total change in net assets	<u>\$ 1,745,052</u>	<u>\$ 3,204,684</u>	<u>\$ 2,928,688</u>	<u>\$ 3,699,965</u>	<u>\$ 1,448,740</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

<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 8,991,812	\$ 9,452,278	\$ 8,999,710
1,863,410	1,893,059	2,553,734
79,205	26,068	21,692
<u>10,934,427</u>	<u>11,371,405</u>	<u>11,575,136</u>
19,051	11,844	10,037
-	-	6,207
<u>19,051</u>	<u>11,844</u>	<u>16,244</u>
<u>10,953,478</u>	<u>11,383,249</u>	<u>11,591,380</u>
(676,826)	336,230	810,121
<u>(572,723)</u>	<u>2,842,701</u>	<u>(747,821)</u>
<u><u>\$(1,249,549)</u></u>	<u><u>\$ 3,178,931</u></u>	<u><u>\$ 62,300</u></u>

PITTSFIELD CHARTER TOWNSHIP

Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable				
Restricted				
Committed				
Unassigned				
Reserved	\$ 57,001	\$ 30,878	\$ 30,878	\$ 30,878
Unreserved	5,699,714	6,329,405	7,084,113	7,932,600
Total general fund	<u>\$ 5,756,715</u>	<u>\$ 6,360,283</u>	<u>\$ 7,114,991</u>	<u>\$ 7,963,478</u>
All Other Governmental Funds				
Nonspendable				
Restricted				
Committed				
Reserved	\$ 6,952,854	\$ 2,705,511	\$ 2,141,623	\$ 1,823,215
Unreserved, reported in:				
Special revenue funds	3,874,543	4,278,261	5,615,659	5,936,786
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Total all other governmental funds	<u>\$ 10,827,397</u>	<u>\$ 6,983,772</u>	<u>\$ 7,757,282</u>	<u>\$ 7,760,001</u>

[1] GASB No. 54 adopted in 2011.

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited

2006	2007	2008	2009	2010	[1] 2011
					\$ 6,591
					1,076,932
					245,000
					4,957,687
\$ 16,801	\$ 42,878	\$ 39,773	\$ 34,159	\$ 9,853	-
8,823,608	4,758,618	4,531,325	4,243,052	4,340,077	-
<u>\$ 8,840,409</u>	<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>
					\$ 479
					7,598,645
					19,839
\$ 1,469,841	\$ 1,265,889	\$ 1,223,364	\$ 373,239	\$ 4,752	-
6,535,521	8,174,162	9,786,982	9,091,852	8,737,370	-
-	-	-	1,062,490	995,102	-
-	-	-	41,714	37,019	-
<u>\$ 8,005,362</u>	<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>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005
Revenue				
Taxes and special assessments	\$ 7,936,480	\$ 7,898,005	\$ 8,048,931	\$ 8,513,809
Licenses and permits	502,948	639,919	678,926	512,523
Intergovernmental	3,149,176	2,485,825	2,255,965	2,428,250
Charges for services	1,366,424	1,631,832	1,740,230	1,869,116
Fines and forfeitures	76,896	111,602	131,261	114,583
Franchise fees	287,832	299,286	319,170	344,232
Investment earnings	591,182	317,707	276,331	668,039
Donations	-	-	-	-
Other revenue	740,425	748,320	852,191	833,475
Total revenue	14,651,363	14,132,496	14,303,005	15,284,027
Expenditures				
General government	1,612,324	1,751,300	1,743,609	1,686,450
Public safety	4,892,694	6,052,531	5,157,998	5,528,491
Public works	859,999	1,034,125	1,095,227	1,183,389
Planning and zoning	469,774	341,152	362,914	322,751
Culture and recreation	609,856	614,566	571,272	644,409
Other unallocated	1,404,988	1,315,402	1,992,136	1,579,075
Capital outlay	12,813,573	532,649	1,152,994	1,798,135
Debt service:				
Principal	1,438,600	4,942,571	1,208,600	1,158,600
Interest and other charges	816,696	788,257	547,542	531,521
Total expenditures	24,918,504	17,372,553	13,832,292	14,432,821
Revenues over (under) expenditures	(10,267,141)	(3,240,057)	470,713	851,206
Other financing sources (uses)				
Sale of capital assets	-	-	191,255	-
Issuance of debt	7,350,000	-	866,250	-
Premium on debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Transfers in	1,492,849	57,081	671,937	18,180
Transfers out	(1,492,849)	(57,081)	(671,937)	(18,180)
Total other financing sources (uses)	7,350,000	-	1,057,505	-
Net change in fund balance	\$ (2,917,141)	\$ (3,240,057)	\$ 1,528,218	\$ 851,206
Debt services as a percentage of noncapital expenditures	18.63%	34.03%	14.04%	14.34%

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

	2006	2007	2008	2009	2010	2011
\$	8,907,137	\$ 9,539,947	\$ 9,987,080	\$ 9,955,367	\$ 10,109,464	\$ 9,838,106
	424,620	484,164	443,173	400,372	426,274	639,248
	2,439,288	2,180,513	2,766,545	1,955,297	2,364,884	2,929,228
	1,906,376	2,035,960	2,157,958	2,472,761	2,773,534	3,499,837
	136,264	136,941	99,726	91,569	100,299	107,786
	366,197	398,908	412,165	442,812	483,740	499,731
	1,102,816	1,215,508	601,810	79,205	26,068	12,049
	-	-	-	152,500	1,000	-
	879,060	1,809,345	998,901	379,706	611,307	633,799
	<u>16,161,758</u>	<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>
	1,860,689	1,928,139	1,963,345	2,106,033	2,434,215	2,198,339
	6,021,115	7,100,908	7,250,367	7,325,475	8,449,082	8,802,945
	1,400,321	1,453,941	1,602,267	1,588,487	1,588,022	1,771,989
	363,210	360,254	364,286	361,169	287,868	277,006
	624,528	664,270	973,780	2,820,554	1,127,171	1,069,192
	2,065,410	1,655,149	2,015,332	-	1,178,893	1,182,084
	1,398,979	6,510,640	374,599	801,983	1,167,780	2,129,860
	838,600	896,585	1,198,802	1,323,801	1,127,534	752,531
	466,614	429,738	384,683	337,025	346,477	194,838
	<u>15,039,466</u>	<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>1,122,292</u>	<u>(3,198,338)</u>	<u>1,339,897</u>	<u>(734,938)</u>	<u>(810,472)</u>	<u>(219,000)</u>
	-	-	-	-	-	-
	-	594,433	-	-	3,735,000	-
	-	-	-	-	15,192	-
	-	-	-	-	(3,662,053)	-
	17,602	17,012	100,965	56,108	221,545	1,336,315
	(17,602)	(17,012)	(100,965)	(56,108)	(221,545)	(1,336,315)
	<u>-</u>	<u>594,433</u>	<u>-</u>	<u>-</u>	<u>88,139</u>	<u>-</u>
\$	<u>1,122,292</u>	<u>\$ (2,603,905)</u>	<u>\$ 1,339,897</u>	<u>\$ (734,938)</u>	<u>\$ (722,333)</u>	<u>\$ (219,000)</u>
	<u>9.88%</u>	<u>6.82%</u>	<u>10.42%</u>	<u>10.60%</u>	<u>8.88%</u>	<u>5.68%</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2002	2003	2004	2005
Revenue				
Property taxes	\$ 4,491,874	\$ 4,923,390	\$ 5,217,938	\$ 5,620,877
Licenses and permits	75,148	67,736	62,782	45,105
Intergovernmental	2,574,849	2,383,732	2,242,887	2,276,133
Charges for services	777,303	827,597	913,786	940,251
Fines and forfeitures	76,896	111,602	131,261	114,583
Franchise fees	287,832	299,286	319,170	344,232
Investment earnings	358,745	224,645	178,985	444,813
Donations	-	-	-	-
Other revenue	722,927	642,096	838,565	615,015
Total revenue	9,365,574	9,480,084	9,905,374	10,401,009
Expenditures				
General government	1,612,324	1,751,300	1,743,609	1,686,450
Public safety	3,876,554	4,334,142	4,079,697	4,378,933
Public works	252,731	412,832	443,131	402,467
Planning and zoning	469,774	341,152	362,914	322,751
Culture and recreation	441,836	471,018	514,921	549,495
Other unallocated	1,179,827	1,315,402	1,476,525	1,497,840
Capital outlay	11,309,739	-	358,144	404,196
Debt service	167,723	269,155	344,235	292,210
Total expenditures	19,310,508	8,895,001	9,323,176	9,534,342
Revenues over (under) expenditures	(9,944,934)	585,083	582,198	866,667
Other financing sources (uses)				
Loan proceeds	7,350,000	-	-	-
Sale of capital assets	-	-	191,255	-
Transfers in	-	37,783	-	-
Transfers out	(962,450)	(19,298)	(18,745)	(18,180)
Total other financing sources (uses)	6,387,550	18,485	172,510	(18,180)
Net change in fund balance	\$ (3,557,384)	\$ 603,568	\$ 754,708	\$ 848,487

Source: Pittsfield Charter Township Finance Department

	2006	2007	2008	2009	2010	2011
\$	6,007,405	\$ 6,471,030	\$ 6,824,545	\$ 6,825,336	\$ 7,052,399	\$ 6,847,597
	49,275	102,889	59,340	112,332	66,448	135,084
	2,234,556	2,180,513	2,161,456	1,913,937	2,258,849	2,783,910
	1,012,294	1,088,913	1,169,029	1,195,715	1,406,216	1,961,966
	136,264	136,941	99,726	91,569	100,299	107,786
	366,197	398,908	412,165	442,812	483,740	490,088
	742,969	798,583	375,038	59,774	13,333	12,049
	-	-	-	152,500	1,000	-
	665,282	1,530,691	687,236	290,457	488,343	487,648
	<u>11,214,242</u>	<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>
	1,860,689	1,928,139	1,963,345	2,079,990	2,403,165	2,182,209
	4,802,996	5,958,382	6,053,564	5,570,177	5,786,344	4,984,788
	451,180	477,685	581,332	550,855	551,552	647,308
	363,210	360,254	364,286	361,169	287,868	277,006
	580,991	631,041	857,532	843,704	971,112	1,003,494
	1,668,913	1,467,869	1,376,346	1,416,852	1,178,893	1,182,084
	300,000	6,202,818	161,357	500,074	412,429	247,594
	291,730	298,614	605,761	-	-	-
	<u>10,319,709</u>	<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>
	894,533	(4,616,334)	(174,988)	(238,389)	279,264	2,301,645
	-	594,433	-	-	-	-
	-	-	-	-	-	-
	-	-	-	305	-	-
	(17,602)	(17,012)	(55,410)	(55,803)	(206,545)	(1,330,365)
	<u>(17,602)</u>	<u>577,421</u>	<u>(55,410)</u>	<u>(55,498)</u>	<u>(206,545)</u>	<u>(1,330,365)</u>
\$	<u>876,931</u>	<u>\$ (4,038,913)</u>	<u>\$ (230,398)</u>	<u>\$ (293,887)</u>	<u>\$ 72,719</u>	<u>\$ 971,280</u>

**Taxable and Estimated Actual Value of Property
Last Ten Years**

As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)		Total		(2) Total Direct Tax Rate
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
2010	2011	\$ 1,558,976,815	\$ 3,117,953,630	\$ 123,020,600	\$ 24,604,120	\$ 1,681,997,415	\$ 3,142,557,750	5.35540
2009	2010	1,604,821,156	3,209,642,312	122,029,200	24,405,840	1,726,850,356	3,234,048,152	5.35540
2008	2009	1,653,147,342	3,306,294,684	127,555,000	25,511,000	1,780,702,342	3,331,805,684	5.35540
2007	2008	1,694,059,053	3,388,118,106	127,730,900	25,546,180	1,821,789,953	3,413,664,286	5.15000
2006	2007	1,711,715,683	3,423,431,366	120,334,500	24,066,900	1,832,050,183	3,447,498,266	5.19500
2005	2006	1,618,317,533	3,236,635,066	114,273,900	22,854,780	1,732,591,433	3,259,489,846	5.19500
2004	2005	1,493,683,426	2,987,366,852	118,161,900	23,632,380	1,611,845,326	3,010,999,232	5.19500
2003	2004	1,374,902,806	2,749,805,612	112,208,600	22,441,720	1,487,111,406	2,772,247,332	5.19500
2002	2003	1,272,590,996	2,545,181,992	122,191,200	24,438,240	1,394,782,196	2,569,620,232	5.19500
2001	2002	1,196,426,442	2,392,852,884	128,710,100	25,742,020	1,325,136,542	2,418,594,904	5.19500

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

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

Source: Pittsfield Charter Township Assessing Department

PITTSFIELD CHARTER TOWNSHIP

Schedule 7
Unaudited

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	Washtenaw Intermediate School District	Washtenaw County	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non-Homestead
2011	5.35540	21.14970	26.01480	25.85000	6.00000	3.71760	5.75180	3.97450	1.55000	1.31640	82.68020	100.68020
2010	5.35540	25.65700	26.01480	25.85000	6.00000	3.68560	5.74480	3.97450	1.55000	1.30950	87.14160	105.14160
2009	5.35540	25.40810	26.01480	25.85000	6.00000	3.68560	5.74180	3.97450	1.55000	1.30660	86.88680	104.88680
2008	5.15000	25.51520	26.01480	25.83110	6.00000	3.68560	5.70180	3.97450	1.92140	1.30110	87.09550	105.09550
2007	5.19500	25.95590	26.01480	25.83110	6.00000	3.69560	5.67680	3.97450	1.92140	1.50030	87.76540	105.76540
2006	5.19500	26.21750	26.01480	25.83110	6.00000	3.70820	5.67680	3.97450	1.92140	1.50410	88.04340	106.04340
2005	5.19500	26.77540	26.01480	25.83160	6.00000	3.72490	5.50240	3.99700	1.93320	0.96230	87.93660	105.93660
2004	5.19500	27.12750	26.01480	25.83510	6.00000	3.77480	5.54930	4.03500	1.94760	0.97840	88.45750	106.45750
2003	5.19500	27.09190	26.01480	25.83510	5.00000	3.83430	5.58190	3.05520	1.95000	0.98920	86.54740	104.54740
2002	5.19500	28.13900	26.04000	25.84200	6.00000	3.85590	5.61860	3.07380	1.95000	0.99750	88.71180	106.71180

Source: Pittsfield Charter Township Treasurer's Department

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2011			2002		
	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value
McMullen Properties	\$ 20,603,098	1	1.22%	\$ -	-	0.00%
Citimortgage Inc.	17,229,800	2	1.02%	-	-	0.00%
Highland Industrial Properties	16,004,900	3	0.95%	14,368,919	3	1.08%
Meijer Inc	14,295,718	4	0.85%	14,692,540	2	1.11%
Pines of Cloverlane Apts	14,283,800	5	0.85%	-	-	0.00%
Glencoe Hills LLC	12,957,749	6	0.77%	10,496,454	6	0.79%
Detroit Edison	12,790,977	7	0.76%	13,989,473	4	1.06%
Hunt Club Apts NF LLC	12,757,300	8	0.76%	-	-	0.00%
Oak Valley Center Partnership	10,511,100	9	0.62%	-	-	0.00%
Ann Arbor Offset LLC	10,178,300	10	0.61%	-	-	0.00%
NSK Corporation	-	-	0.00%	17,103,456	1	1.29%
ERP Operating Ltd Part	-	-	0.00%	10,612,069	5	0.80%
Airport Boulevard Assoc.	-	-	0.00%	9,543,232	7	0.72%
National Amusements	-	-	0.00%	9,422,572	8	0.71%
Michigan Consolidated Gas	-	-	0.00%	7,713,400	9	0.58%
Spicetree Apartments	-	-	0.00%	7,595,771	10	0.57%
	<u>\$ 141,612,742</u>		<u>8.42%</u>	<u>\$ 115,537,886</u>		<u>8.72%</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		(3) Delinquent Collections	Total Collections to Date	
		Fiscal Year of the Levy Amount	% of Levy		Amount	% of Levy
2002	\$ 5,999,362	\$ 5,717,897	95.31%	\$ 224,319	\$ 5,942,216	99.05%
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%

- (1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The Township's delinquent real property taxes are purchased by Washtenaw County. Uncollected personal property taxes must be collected by the Township Treasurer.
- (2) Includes Industrial Facility Tax. Taxies levied for 2004 and 2005 have been adjusted to STC ruling.
- (3) Includes settlement payment from Washtenaw County Treasurers department for purchase of delinquent real property tax roll.

Source: Pittsfield Charter Township Treasurer's Department

Ratios of Outstanding Debt by Type
Last Ten Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Installment notes	\$ 7,350,000	\$ 6,990,000	\$ 6,620,000	\$ 6,230,000	\$ 5,820,000	\$ 5,964,433	\$ 5,167,216	\$ 4,270,000	\$ 3,735,000	\$ 3,410,000
General obligation bonds	7,380,000	2,925,000	3,050,000	2,370,000	2,030,000	1,690,000	1,395,000	1,075,000	805,000	540,000
Special assessment debt	1,128,471	1,018,900	930,300	841,700	1,165,806	1,059,221	952,636	2,566,051	2,408,517	2,245,986
	<u>15,858,471</u>	<u>10,933,900</u>	<u>10,600,300</u>	<u>9,441,700</u>	<u>9,015,806</u>	<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>
Business-type activities										
General obligation bonds	<u>2,371,549</u>	<u>2,056,539</u>	<u>9,737,637</u>	<u>8,350,000</u>	<u>8,100,000</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>
Total outstanding debt	<u>\$ 18,230,020</u>	<u>\$ 12,990,439</u>	<u>\$ 20,337,937</u>	<u>\$ 17,791,700</u>	<u>\$ 17,115,806</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>
Total taxable value	\$ 1,325,136,542	\$ 1,394,782,196	\$ 1,487,111,406	\$ 1,611,845,326	\$ 1,732,591,433	\$ 1,832,050,183	\$ 1,821,789,953	\$ 1,780,702,342	\$ 1,726,850,356	\$ 1,681,997,415
Ratio of total debt to taxable value	1.38%	0.93%	1.37%	1.10%	0.99%	0.90%	0.83%	0.85%	1.03%	0.99%
Total population	31,353	31,724	32,276	33,550	34,012	34,276	34,191	34,509	34,663	35,288
Total debt per capita	\$ 581	\$ 409	\$ 630	\$ 530	\$ 503	\$ 483	\$ 441	\$ 440	\$ 514	\$ 473
% of personal income	1.63%	1.11%	1.68%	1.43%	1.31%	1.24%	1.10%	1.16%	1.36%	1.22%

Source: Pittsfield Charter Township Finance Department

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

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 Available in Debt Service Funds			
	Installment Obligations	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds				
					Total			
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
2002	7,350,000	7,380,000	2,371,549	(6,364,539)	985,461	0.09%	0.07%	31.43

Source: Pittsfield Charter Township Finance Department

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

PITTSFIELD CHARTER TOWNSHIP

Schedule 12
Unaudited

Computation of Net Direct and Overlapping Debt
As of December 31, 2011

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation bonds and notes	\$ 3,950,000	\$ -	\$ 3,950,000
Special assessment bonds	2,245,986	2,245,986	-
General obligation bonds	10,483,466	10,483,466	-
Net direct debt	\$ 16,679,452	\$ 12,729,452	3,950,000
Overlapping debt			
School districts:			
Saline (34.26%)			46,818,487
Ann Arbor (15.10%)			26,610,730
Milan (8.45%)			9,150,443
Washtenaw County (12.04%)			9,601,841
Washtenaw Community College (12.23%)			2,845,921
Saline District Library (34.26%)			688,626
Net overlapping debt			95,716,048
Net direct and overlapping debt			\$ 99,666,048

Source: Municipal Advisory Council of Michigan

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for fiscal 2011

Assessed value (excluding IFT values)	<u>\$1,681,997,415</u>
Debt limit (10% of assessed value)	\$ 168,199,742
Less: net debt applicable to limit	<u>(3,950,000)</u>
Legal debt margin	<u>\$ 164,249,742</u>

	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2011	\$ 168,199,742	\$ 3,410,000	\$ 164,789,742	2.03%
2010	172,685,036	3,735,000	168,950,036	2.16%
2009	189,357,360	4,270,000	185,087,360	2.25%
2008	197,607,620	5,167,216	192,440,404	2.61%
2007	205,721,150	5,964,433	199,756,717	2.90%
2006	197,126,190	5,820,000	191,306,190	2.95%
2005	184,431,510	6,230,000	178,201,510	3.38%
2004	170,065,660	6,620,000	163,445,660	3.89%
2003	157,567,940	6,990,000	150,577,940	4.44%
2002	147,744,830	7,350,000	140,394,830	4.97%

Source: Pittsfield Charter Township Finance Department & Assessing Department

PITTSFIELD CHARTER TOWNSHIP

Schedule 14
Unaudited

Demographic and Economic Statistics
Last Ten Years

Year	Population	(1) Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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%
2002	31,353	1,120,995	35,754	3.40%

(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

Principal Employers
Current Year and Two Years Ago (1)

Employer	Category	2011		2009	
		Employees	Rank	Employees	Rank
Citigroup	Financial	500-999	1	n/a	-
Infra Source	Site preparation contractors	500-999	1	500-999	1
Meijer	Supermarket and other grocery stores	500-999	1	500-999	1
Kroger	Supermarket and other grocery stores	250-499	4	250-499	3
Target	Department stores, except discounts	250-499	4	250-499	3
Mobility Transportation	Special needs transportation	250-499	4	250-499	3
ANS Communications	Data processing and related services	250-499	4	250-499	3
Saline High School	Elementary and secondary schools	250-499	4	250-499	3
Huron Valley Correctional	Correctional institutions	250-499	4	250-499	3
Tecumseh Products	AC, refrigeration, and forced air heating	100-249	9	100-249	9
A&D Technology	Testing apparatus manufacturers	100-249	9	100-249	9

(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

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

Function/Program	Full Time Equivalent Employees as of December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Supervisor	3	2	2	3	2	2	3	2	2	2
Clerk/Elections	6	6	6	5	6	5	5	5	6	5
Treasurer	5	5	5	5	5	5	4	4	4	4
Assessing	4	4	4	4	4	4	4	4	5	5
Accounting	2	2	2	2	2	2	2	2	1	2
Administrative Services								2	2	1
Human Resources	2	2	2	2	2	2	1	-	-	1
Information Technology	1	1	1	1	1	1	1	1	1	1
Community Development										
Building Safety	2	5	4	5	6	6	5	6	5	5
Public Safety										
Police	7	7	7	7	6	7	5	5	5	5
Fire	37	36	39	37	40	37	39	38	39	40
Dispatch/Clerical	14	13	20	20	20	20	21	21	24	24
Public Works										
Department of Public Works	12	12	9	12	11	12	12	13	11	12
Parks and recreation										
	9	10	11	12	11	12	10	11	9	9
Total	<u>7</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
	111	113	121	124	125	125	122	124	124	126

Source: Pittsfield Charter Township Finance Department

Operating Indicators by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Election Data										
Registered voters	8,484	8,865	11,204	11,621	13,747	14,351	18,758	20,973	22,049	22,673
Voters (at the polls or absentee)	5,193	338	9,028	1,597	8,884	560	10,800	3,684	14,561	6,190
Percentage voting	61.20%	4.40%	80.60%	13.70%	64.60%	3.90%	57.60%	17.60%	66.04%	27.30%
Police										
Traffic citations	3,485	4,791	4,816	3,682	4,510	3,573	2,943	3,364	2,975	2,564
Arrests	588	760	824	773	847	796	1,168	1,325	1,280	1,417
Calls for service	13,027	12,636	13,255	13,007	13,849	15,755	16,399	13,161	13,407	13,827
Fire										
Medical Runs	953	915	971	1,133	1,181	1,155	1,248	1,342	1,383	1,426
Accident Runs	439	414	406	462	449	511	487	520	482	523
Fire Runs	361	339	390	425	426	430	377	360	352	130
Other calls for service	300	222	213	215	224	254	293	257	312	498

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

PITTSFIELD CHARTER

Schedule 18
Unaudited

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Police department building	1	1	1	1	1	1	1	1	1	1
Vehicle patrol units	25	25	30	33	29	26	28	26	26	26
Fire										
Number of stations serving City	3	3	3	3	3	3	3	3	3	3
Fire units serving City:										
Fire engines	4	4	4	4	4	3	3	3	4	4
Ladder trucks	1	1	1	2	2	2	2	2	2	2
Tanker trucks	1	1	1	1	1	1	1	1	1	1
Rescue vehicles	1	1	1	1	1	1	1	1	1	1
Brush trucks	2	2	2	1	1	1	1	1	1	1
Adm/Utility trucks	3	3	4	5	5	4	4	4	4	4
Public Works										
Sewer:										
Feet of sanitary mains	N/A	676,629	678,966	694,870	696,593	698,321	712,646	712,646	712,861	712,861
Water:										
Feet of water mains	N/A	896,467	901,093	932,922	940,635	949,870	968,718	969,827	970,230	972,442
Number of fire hydrants	N/A	2,005	2,026	2,113	2,138	2,164	2,232	2,240	2,244	2,249
Parks and Recreation										
Parks:										
Twp	10	10	10	10.5	10.5	14	14	14	14	18
Park acreage	767	767	767	810	810	1,004	1,004	1,004	1,004	1,032
Fishing Docks	2	2	2	2	2	2	2	2	2	2
Play structures	5	5	5	6	9	10	10	10	10	11
Historical Farm	1	1	1	1	1	1	1	1	1	1
Community center	1	1	5	1	1	1	1	1	1	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Pavilions	6	6	6	6	7	7	7	7	7	7

Source: Pittsfield Charter Township