

Comprehensive Annual Financial Report

Pittsfield Charter Township, Michigan

Fiscal Year ended December 31, 2010



PITTSFIELD CHARTER TOWNSHIP, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
December 31, 2010**

Prepared by:

Finance Department

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010

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INTRODUCTORY SECTION



Pittsfield Charter Township
Office of the Supervisor

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Website: www.pittsfield-mi.gov

Mandy Grewal
Township Supervisor
grewalm@pittsfield-mi.gov

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

May 25, 2011

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 conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended December 31, 2010.

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

Rehmann Robson, a firm of licensed certified public accountants, has issued an unqualified opinion on the Pittsfield Charter Township's financial statements for the year ended December 31, 2010. The independent auditor's report is presented at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and 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 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 Township Act (*MCL 42.1 – 42.34*) gives charter townships broad powers to enact and enforce a variety of ordinances. Zoning ordinances enacted under the Michigan Zoning Enabling Act (*MCL 125.3101 -125.3702*) give townships the authority to regulate land use, while many other specific ordinances control activities that infringe on the rights of citizens. The Michigan Constitution and state statutes also limit the amount of property tax millage that townships can levy for general township operations. Charter townships may levy up to five mills. Townships also utilize other sources of revenue to support services. User fees, permits, fines and special assessments on real property are the most frequently used sources.

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

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

The Township is also financially accountable for certain legally separate entities, which are reported separately within the Township’s financial statements. Additional information on each of these legally separate entities can be found in the notes to the basic financial statements.

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

Factors Affecting Economic Condition

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

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

The Township's current taxable valuation of \$1,780,702,342 represents a 2.25% decrease from the previous year. The ratio of total township tax collections to date for tax year 2009 (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 ensuring the economic health and vitality of the Township's future.

Long-term financial planning. Continued economic development looks challenging, but favorable for the future. Pittsfield Township continues to refine and update its financial forecast model to address changes and trends identified. By seeing what potential outcomes are available, the Township can position itself to more adequately deal with its future.

As reflected in the financial statement, the Township had an actuarial valuation of its retiree health care plan completed as required under GASB No 45. The combined current year liability for the governmental and business-type activities is \$504,072 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 Washington Heights Water Main Replacement and Rehabilitation Project. This replacement project consisted of the installation of an 8-inch ductile iron water main of over 29,000 feet by directional drill and 2,500 feet by open cut construction. The work includes the installation of water main appurtenances including 77 gate valves in wells and 69 fire hydrants, the replacement of 532 existing water service leads, the abandonment of 31,000 feet of existing 6-inch and 8-inch water mains, and related restoration work. The rehabilitation portion of the project consists of rehabilitating 10,700 feet of existing 12-inch water main by cured-in-place pipe, installation of associated appurtenances and the installation and removal of a temporary water system.

The financing for this project is provided by bonding and the Michigan Municipal Bond Authority Drinking Water Revolving Fund (DWRF) financing. As part of the American Recovery and Reinvestment Act of 2009, the Township will realize a 40% forgiveness of indebtedness on both principal and interest on the DWRF financing. The Township also issued general obligation bonds in 2010 pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the amount \$7,845,000 as part of the project funding.

The Township has embarked upon 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 will be partially funded by a local grant. This grant was awarded by Washtenaw County Parks and Recreation Commission through their Connecting Communities Grant.

The Township has embarked 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 \$300,000 by the Michigan Department of Natural Resources Trust Fund Grant.

The Township was awarded nearly \$140,000 through the Energy Efficiency and Conservation Block Grant (EECBG). The purpose of the EECBG program is to assist in implementing energy efficiency and conservation strategies that reduce fossil fuel emissions and total energy use, and that improve energy efficiency in the transportation, building and other public sectors. The Township is focusing on auditing its public facilities to identify energy savings upgrades and retrofits with a goal of at least a 10% savings in energy costs and pollution reductions.

The Township has been awarded \$54,000 by the Washtenaw County Homeland Security Taskforce to install an electric generator at the Township Hall to be used as an emergency reception center to provide heating/cooling services during major extended power failures. The installation of the generator has been completed.

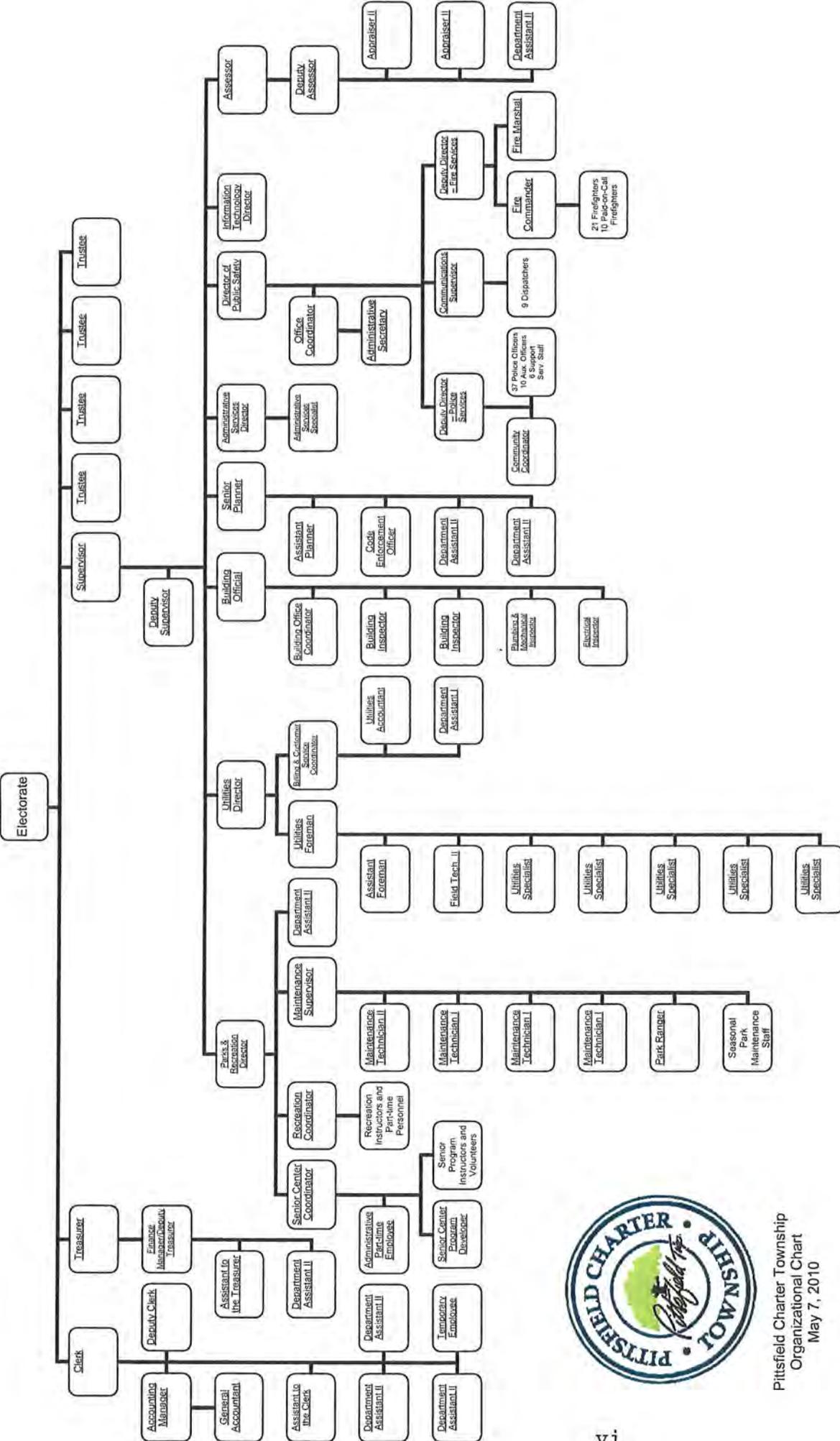
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this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

Respectfully submitted,

Signature not included for security purposes

Mandy Grewal
Township Supervisor

Tracy Watkins
Finance Director



Pittsfield Charter Township
Organizational Chart
May 7, 2010

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN
List of Elected and Appointed Officials
For the Fiscal Year Ended December 31, 2010

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
Felicia Rutledge, Deputy Clerk
Orna Angus, Deputy Treasurer

Administration

Matthew Harshberger, Public Safety Director
Craig Lyons, Utilities & Municipal Services Director
Karen Edman, 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

Prepared by Finance Department
Tracy Watkins, Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

May 25, 2011

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*, as of and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund and each 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 25, 2011, 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.

The Management's Discussion and Analysis on pages 3-10 and the schedules of funding progress and employer contributions on pages 49-50 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of *Pittsfield Charter Township, Michigan*, 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, 2010. 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 i-vi 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, 2010.

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$74,522,167 (*net assets*). Of this amount, \$22,713,756 (*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 \$3,178,931.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$14,124,173, a decrease of \$722,333 in comparison with the prior year. Approximately 99.9 percent of this total amount, or \$14,109,568, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$4,340,077 or 37.4% of total general fund expenditures and other financing uses.
- The Township's total long-term debt (excluding compensated absences) increased by a net amount of \$2,618,077.

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., earned but unused vacation leave).

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

The government-wide financial statements include not only the Township itself (known as the *primary government*), but also legally separate entities for which the Township is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 11-13 of this report.

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 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund 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, which are considered to be major funds. Data from the other 16 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 and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 14-21 of this report.

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.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

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.

The basic fiduciary fund financial statements can be found on page 26 of this report.

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. The notes to the financial statements can be found on pages 27-47 of this report.

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. Required supplementary information can be found on page 48-49 of this report.

The combining statements referred to earlier in connection with nonmajor and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund financial statements and schedules can be found on pages 50-65 of this report.

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 \$74,244,315 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 2010 as compared to the prior fiscal year):

Pittsfield Charter Township's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 18,415,020	\$ 19,446,690	\$ 11,828,331	\$ 10,423,618	\$ 30,243,351	\$ 29,870,308
Capital assets, net	29,595,481	29,571,524	36,431,059	30,573,711	66,026,540	60,145,235
Total assets	<u>48,010,501</u>	<u>49,018,214</u>	<u>48,259,390</u>	<u>40,997,329</u>	<u>96,269,891</u>	<u>90,015,543</u>
Long-term liabilities	8,022,900	8,997,391	10,831,792	7,252,421	18,854,692	16,249,812
Other liabilities	1,569,628	1,939,080	1,323,404	483,415	2,893,032	2,422,495
Total liabilities	<u>9,592,528</u>	<u>10,936,471</u>	<u>12,155,196</u>	<u>7,735,836</u>	<u>21,747,724</u>	<u>18,672,307</u>
Net assets						
Invested in capital assets, net of related debt	25,132,342	21,660,473	25,643,948	23,372,211	50,776,290	45,032,684
Restricted	1,032,121	1,111,309	-	-	1,032,121	1,111,309
Unrestricted	<u>12,253,510</u>	<u>15,309,961</u>	<u>10,460,246</u>	<u>9,889,282</u>	<u>22,713,756</u>	<u>25,199,243</u>
Total net assets	<u>\$ 38,417,973</u>	<u>\$ 38,081,743</u>	<u>\$ 36,104,194</u>	<u>\$ 33,261,493</u>	<u>\$ 74,522,167</u>	<u>\$ 71,343,236</u>

The largest portion of the Township's net assets (68.1% or \$50,776,290) 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.

An additional portion of the Township's net assets (1.4% or \$1,032,121) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (30.5% or \$22,713,756) may be used to meet the government's ongoing obligations.

The Township's total net assets increased approximately 4.5% from the prior year. This change resulted from a number of factors. The Township was involved in the completion of the Washington Heights water main replacement and rehabilitation project, the purchase of replacement patrol and utilities vehicles, the purchase of a new phone system, and finishing various building renovation projects.

Governmental activities revenue increased approximately 6% from the prior year. This was primarily a result of the Township receiving several significant grants through various programs such as the Community Development Block Grant (CDBG), the Energy Efficiency and Conservation Block Grant (EECBG), the Local Law Enforcement Block Grant (LLEBG), Connecting Communities Grant and a private grant through the McCalla Trust.

Pittsfield Charter Township

Management's Discussion and Analysis

Business-type activities revenue increased approximately 9% from prior year. The main contributing factor in this increase is due to the current economic condition of the area; that is, primarily Township populations have changed their habits and are staying home more, snow birds are not going south for the winter, and vacant homes are being occupied for a greater portion of the year.

Pittsfield Charter Township's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
Program revenues:						
Charges for services	\$ 4,391,826	\$ 3,797,314	\$ 9,334,315	\$ 8,552,060	\$ 13,726,141	\$ 12,349,374
Operating grants and contributions	612,133	336,912	-	-	612,133	336,912
Capital grants and contributions	369,128	430,468	3,290,454	110,088	3,659,582	540,556
General revenues:						
Property taxes	9,452,278	8,991,812	-	-	9,452,278	8,991,812
State shared revenue	1,893,059	1,863,410	-	-	1,893,059	1,863,410
Unrestricted investment earnings	26,068	79,205	11,844	19,051	37,912	98,256
Total revenues	16,744,492	15,499,121	12,636,613	8,681,199	29,381,105	24,180,320
Expenses						
General government	4,078,120	2,332,030	-	-	4,078,120	2,332,030
Public safety	8,551,293	8,110,750	-	-	8,551,293	8,110,750
Public works	2,007,627	1,934,371	-	-	2,007,627	1,934,371
Planning and zoning	290,955	366,557	-	-	290,955	366,557
Parks and recreation	1,169,157	2,887,250	-	-	1,169,157	2,887,250
Interest on long-term debt	311,110	544,989	-	-	311,110	544,989
Water and sewer	-	-	9,793,912	9,253,922	9,793,912	9,253,922
Total expenses	16,408,262	16,175,947	9,793,912	9,253,922	26,202,174	25,429,869
Change in net assets	336,230	(676,826)	2,842,701	(572,723)	3,178,931	(1,249,549)
Net assets, beginning	38,081,743	38,758,569	33,261,493	33,834,216	71,343,236	72,592,785
Net assets, ending	\$ 38,417,973	\$ 38,081,743	\$ 36,104,194	\$ 33,261,493	\$ 74,522,167	\$ 71,343,236

Financial Analysis of the Township's Governmental 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, *unreserved 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 \$14,124,173, a decrease of \$722,333 in comparison with the prior year. Approximately 99.89% of this total amount (or \$14,109,568) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for prepayments.

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 \$4,349,930, of which \$4,340,077 was entirely unreserved and undesignated. As a measure of the general fund's liquidity, it may be useful to compare unreserved undesignated fund balance to total general fund expenditures. Unreserved undesignated fund balance represents 37.4% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund increased by \$72,719 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 5.8% compared to the prior fiscal year. Most of the Township's operating revenue is provided by property taxes collected, which were higher by 2.8% compared to last fiscal year. State shared revenue increased slightly about 1.2% from the previous year and grant funds received were significantly higher.
- The Township moved forward in completing the installation of an emergency generator for the Township Hall to participate in Washtenaw County's Homeland Security Emergency program as a designated 'Reception Center'.
- The Township is in the process of completing the Sidewalk Gap-Filling project. This project connects missing sidewalks along major roads in the Township. The project is fully funded by Community Development Block Grants (CDBG) monies.

The public safety special revenue fund had an ending fund balance of \$5,922,456. This balance is a decrease from the previous year of \$518,650 due to a major equipment replacement purchase of a fire emergency response rescue pumper truck.

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 \$115,060 during the year that were financed by special assessments revenue and transfers in. The fund has \$1,662,470 of deferred special assessments receivable at year end.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account various events occurring during the year. Such events include 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 Assets and Debt Administration

Capital Assets. At the end of fiscal 2010, the Township had \$66,026,540 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, water and sewer systems.

Pittsfield Charter Township's Capital Assets
(net of depreciation)

	Governmental Activities		Business Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 21,005,842	\$ 21,005,842	\$ 510,118	\$ 510,118	\$ 21,515,960	\$ 21,515,960
Construction in progress	-	-	14,104	259,591	14,104	259,591
Buildings and improvements	3,431,412	3,663,121	632,874	664,518	4,064,286	4,327,639
Machinery and equipment	2,973,691	1,855,242	304,135	306,213	3,277,826	2,161,455
Infrastructure	2,184,536	3,047,319	34,969,828	28,833,271	37,154,364	31,880,590
Total	\$ 29,595,481	\$ 29,571,524	\$ 36,431,059	\$ 30,573,711	\$ 66,026,540	\$ 60,145,235

Major capital asset events during the current fiscal year included:

- Purchase of two Ford Explorers and one Dodge Charger vehicles, with patrol car equipment setup, for use by the Department of Public Safety.
- Purchase of a Ford Fusion and Dodge Caravan for use by the Department of Public Safety.
- Purchase of a HME Fire Response Apparatus, Rescue Pumper Truck for use by the Department of Public Safety.
- Installation of an emergency generator for Township Hall to participate in Washtenaw County’s Homeland Security Emergency program as a designated ‘Reception Center’.
- Facility improvements including new IT/Recycle room and remodeling of the kitchen at Township Hall, and a new IT server room at the Public Safety Building.
- Purchase of three Ford F250 4x4 Super Cab trucks and one Ford Explorer for use by the Utilities Department.
- Purchase of a new township phone system for use by all township departments.

Additional information on the Township’s capital assets can be found in Note 3-C on pages 36-37 of this report.

Long-term debt. At the end of the current fiscal year, the Township had total long-term debt (excluding compensated absences) outstanding of \$17,814,128, which is backed by the full faith and credit of the government.

Pittsfield Charter Township's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 805,000	\$ 1,075,000	\$ 10,865,611	\$ 7,285,000	\$ 11,670,611	\$ 8,360,000
Installment notes	3,735,000	4,270,000	-	-	3,735,000	4,270,000
Special assessment debt w/ government commitment	<u>2,408,517</u>	<u>2,566,051</u>	<u>-</u>	<u>-</u>	<u>2,408,517</u>	<u>2,566,051</u>
Total	<u>\$ 6,948,517</u>	<u>\$ 7,911,051</u>	<u>\$ 10,865,611</u>	<u>\$ 7,285,000</u>	<u>\$ 17,814,128</u>	<u>\$ 15,196,051</u>

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 3-F on pages 38-43 of this report.

Economic Factors and Next Year’s Budgets and Rates

The Township’s expenditure budget for next fiscal year is \$835,031 less than the current year amended budget which includes \$437,414 of fund balance that will be used for capital expenditures. Revenues are budgeted to be about \$397,617 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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 14,296,647	\$ 6,999,738	\$ 21,296,385	\$ 9,017
Restricted cash and cash equivalents	-	2,997,436	2,997,436	-
Receivables	3,731,351	1,781,644	5,512,995	-
Internal balances	286,774	(286,774)	-	-
Other assets	100,248	336,287	436,535	-
Capital assets not being depreciated	21,005,842	524,222	21,530,064	-
Capital assets being depreciated, net	8,589,639	35,906,837	44,496,476	-
Total assets	48,010,501	48,259,390	96,269,891	9,017
Liabilities				
Accounts payable and accrued expenses	1,096,462	1,277,360	2,373,822	-
Accrued liabilities	218,711	46,044	264,755	-
Unearned revenue	28,235	-	28,235	-
Long-term liabilities:				
Due within one year	1,152,531	504,000	1,656,531	-
Due in more than one year	6,870,369	10,327,792	17,198,161	-
Other noncurrent liability - net other postemployment benefit liability	226,220	-	226,220	-
Total liabilities	9,592,528	12,155,196	21,747,724	-
Net assets				
Invested in capital assets, net of related debt	25,132,342	25,643,948	50,776,290	-
Restricted for:				
Debt service	995,102	-	995,102	-
Capital projects	37,019	-	37,019	-
Unrestricted	12,253,510	10,460,246	22,713,756	9,017
Total net assets	\$ 38,417,973	\$ 36,104,194	\$ 74,522,167	\$ 9,017

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Activities
For the Year Ended December 31, 2010

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Primary government					
Governmental activities:					
General government	\$ 4,078,120	\$ 2,968,165	\$ 511,491	\$ -	\$ (598,464)
Public safety	8,551,293	900,443	84,302	-	(7,566,548)
Public works	2,007,627	288,061	16,340	369,128	(1,334,098)
Planning and zoning	290,955	-	-	-	(290,955)
Parks and recreation	1,169,157	235,157	-	-	(934,000)
Interest on long-term debt	311,110	-	-	-	(311,110)
Total governmental activities	16,408,262	4,391,826	612,133	369,128	(11,035,175)
Business-type activities -					
Water and sewer	9,793,912	9,334,315	-	3,290,454	2,830,857
Total primary government	<u>\$ 26,202,174</u>	<u>\$ 13,726,141</u>	<u>\$ 612,133</u>	<u>\$ 3,659,582</u>	<u>\$ (8,204,318)</u>
Component unit					
Economic Development Corporation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued...

PITTSFIELD CHARTER TOWNSHIP
Statement of Activities (Concluded)
For the Year Ended December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Changes in net assets				
Net expense	\$ (11,035,175)	\$ 2,830,857	\$ (8,204,318)	\$ -
General revenues:				
Property taxes	9,452,278	-	9,452,278	-
State shared revenue	1,893,059	-	1,893,059	-
Unrestricted investment earnings	26,068	11,844	37,912	119
Total general revenues	11,371,405	11,844	11,383,249	119
Change in net assets	336,230	2,842,701	3,178,931	119
Net assets, beginning of year	38,081,743	33,261,493	71,343,236	8,898
Net assets, end of year	\$ 38,417,973	\$ 36,104,194	\$ 74,522,167	\$ 9,017

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

FUND FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2010

	<u>General</u>	<u>Public Safety</u>	<u>Michigan Avenue East</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Assets					
Cash and cash equivalents	\$ 4,125,956	\$ 5,982,948	\$ 3	\$ 4,187,740	\$ 14,296,647
Accounts receivable	594,376	-	-	148,623	742,999
Taxes and special assessments	-	-	1,662,470	1,325,882	2,988,352
Due from other funds	613,327	-	-	95,490	708,817
Prepaid items	9,853	4,544	-	208	14,605
	<u>\$ 5,343,512</u>	<u>\$ 5,987,492</u>	<u>\$ 1,662,473</u>	<u>\$ 5,757,943</u>	<u>\$ 18,751,420</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 315,195	\$ 16,872	\$ -	\$ 138,223	\$ 470,290
Accrued liabilities	162,955	45,233	-	10,523	218,711
Due to other funds	548	2,931	-	418,564	422,043
Due to other governments	76,500	-	-	-	76,500
Escrow payable	278,463	-	-	12,969	291,432
Deferred revenue	159,921	-	1,662,470	1,325,880	3,148,271
	<u>993,582</u>	<u>65,036</u>	<u>1,662,470</u>	<u>1,906,159</u>	<u>4,627,247</u>
Fund balances					
Reserved for prepaid items	9,853	4,544	-	208	14,605
Unreserved:					
Designated for subsequent year expenditures reported in nonmajor special revenue funds	-	-	-	68,137	68,137
Undesignated	4,340,077	5,917,912	3	-	10,257,992
Undesignated, reported in nonmajor					
Special revenue funds	-	-	-	2,751,321	2,751,321
Debt service funds	-	-	-	995,099	995,099
Capital projects funds	-	-	-	37,019	37,019
Total fund balances	<u>4,349,930</u>	<u>5,922,456</u>	<u>3</u>	<u>3,851,784</u>	<u>14,124,173</u>
	<u>\$ 5,343,512</u>	<u>\$ 5,987,492</u>	<u>\$ 1,662,473</u>	<u>\$ 5,757,943</u>	<u>\$ 18,751,420</u>
TOTAL LIABILITIES AND FUND BALANCES					

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

PITTSFIELD CHARTER TOWNSHIP
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
December 31, 2010

Fund balances - total governmental funds	\$ 14,124,173
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Amounts reported for *governmental activities* 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 funds.

Add - capital assets	47,100,818
Deduct - accumulated depreciation	(17,505,337)

Deferred revenue is not a *current financial resource* and therefore is not reported as revenue in the governmental funds.

3,120,036

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - bonds, contracts and notes payable	(6,948,517)
Add - unamortized deferred loss on refunding	92,053
Deduct - unamortized premium on refunding bonds	(15,192)
Add - unamortized bond issuance costs	85,643
Deduct - accrued interest on bonds and installment contracts payable	(258,240)
Deduct - other postemployment benefit obligation	(226,220)
Deduct - compensated absences	<u>(1,151,244)</u>

Net assets of governmental activities	<u>\$ 38,417,973</u>
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The accompanying notes are an integral part of these financial statements.

PITTSFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>General</u>	<u>Public Safety</u>	<u>Michigan Avenue East</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes and special assessments	\$ 7,052,399	\$ 1,766,758	\$ 57,530	\$ 1,232,777	\$ 10,109,464
Licenses and permits	66,448	-	-	359,826	426,274
Intergovernmental	2,258,849	14,535	-	91,500	2,364,884
Charges for services	1,406,216	-	-	1,367,318	2,773,534
Fines and forfeitures	100,299	-	-	-	100,299
Franchise fees	483,740	-	-	-	483,740
Investment earnings	13,333	8,353	3	4,379	26,068
Donations	1,000	-	-	-	1,000
Other revenue	488,343	-	-	122,964	611,307
Total revenue	<u>11,870,627</u>	<u>1,789,646</u>	<u>57,533</u>	<u>3,178,764</u>	<u>16,896,570</u>
Expenditures					
Current expenditures:					
General government	2,403,165	-	-	31,050	2,434,215
Public safety	5,786,344	1,722,264	-	940,474	8,449,082
Public works	551,552	-	-	1,036,470	1,588,022
Planning and zoning	287,868	-	-	-	287,868
Culture and recreation	971,112	-	-	156,059	1,127,171
Other unallocated	1,178,893	-	-	-	1,178,893
Debt service:					
Principal	-	-	50,000	1,077,534	1,127,534
Interest and fiscal charges	-	-	65,060	195,774	260,834
Bond issuance costs	-	-	-	85,643	85,643
Capital outlay	412,429	586,032	-	169,319	1,167,780
Total expenditures	<u>11,591,363</u>	<u>2,308,296</u>	<u>115,060</u>	<u>3,692,323</u>	<u>17,707,042</u>
Revenue over (under) expenditures	<u>279,264</u>	<u>(518,650)</u>	<u>(57,527)</u>	<u>(513,559)</u>	<u>(810,472)</u>
Other financing sources (uses)					
Issuance of refunding debt	-	-	-	3,735,000	3,735,000
Premium on refunding debt	-	-	-	15,192	15,192
Payment to refunding escrow agent	-	-	-	(3,662,053)	(3,662,053)
Transfers in	-	-	57,530	164,015	221,545
Transfers out	(206,545)	-	-	(15,000)	(221,545)
Total other financing sources (uses)	<u>(206,545)</u>	<u>-</u>	<u>57,530</u>	<u>237,154</u>	<u>88,139</u>
Net change in fund balances	72,719	(518,650)	3	(276,405)	(722,333)
Fund balances, beginning of year	<u>4,277,211</u>	<u>6,441,106</u>	<u>-</u>	<u>4,128,189</u>	<u>14,846,506</u>
Fund balances, end of year	<u>\$ 4,349,930</u>	<u>\$ 5,922,456</u>	<u>\$ 3</u>	<u>\$ 3,851,784</u>	<u>\$ 14,124,173</u>

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

PITTSFIELD CHARTER TOWNSHIP
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds	\$ (722,333)
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p>	
<p>Collection of special assessments revenue levied in prior years provide <i>current financial gains</i> in the funds, but do not affect <i>net assets</i> .</p>	(152,078)
<p>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.</p>	
Add - capital outlay	1,109,520
Deduct - depreciation expense	(1,045,279)
Deduct - loss on disposal of capital assets	(40,284)
<p>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.</p>	
Deduct - refunding debt proceeds	(3,735,000)
Add - payment to refunding debt escrow agent	3,662,053
Deduct - premium on refunding debt	(15,192)
Add - debt issuance costs	85,643
Add - principal payments on long-term liabilities	1,127,534
<p>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 the funds.</p>	
Deduct - increase in accrued interest payable on bonds	(50,276)
Add - decrease in other postemployment benefit obligation	176,826
Deduct - increase in the accrual for compensated absences	(64,904)
	(64,904)
Change in net assets of governmental activities	\$ 336,230

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Taxes and special assessments	\$ 7,047,146	\$ 7,047,146	\$ 7,052,399	\$ 5,253
Licenses and permits	81,000	81,000	66,448	(14,552)
Intergovernmental	2,323,650	2,947,733	2,258,849	(688,884)
Charges for services	1,221,506	1,626,006	1,406,216	(219,790)
Fines and forfeitures	100,000	100,000	100,299	299
Franchise fees	430,000	430,000	483,740	53,740
Investment earnings	75,000	75,000	13,333	(61,667)
Donations	100	19,100	1,000	(18,100)
Other revenue	495,411	496,411	488,343	(8,068)
	<u>11,773,813</u>	<u>12,822,396</u>	<u>11,870,627</u>	<u>(951,769)</u>
Expenditures				
General government				
Township board	45,900	45,900	41,227	(4,673)
Township supervisor	149,367	149,367	145,414	(3,953)
Elections	122,902	122,902	91,512	(31,390)
Accounting	133,700	135,500	132,311	(3,189)
Assessor	289,000	314,500	329,907	15,407
Township clerk	273,121	273,121	258,505	(14,616)
Personnel	200,545	200,545	191,389	(9,156)
Purchasing	32,100	37,100	38,576	1,476
Board of review	5,000	5,000	5,040	40
Administrative	120,500	120,500	102,268	(18,232)
Professional services	97,625	362,825	364,944	2,119
Township treasurer	205,600	205,600	210,596	4,996
Network administrator	68,527	68,527	62,011	(6,516)
Information technology	140,000	140,000	94,732	(45,268)
Building and grounds	283,100	361,574	330,080	(31,494)
Phase II EPA/DEQ compliance	2,950	6,950	4,653	(2,297)
Total general government	<u>2,169,937</u>	<u>2,549,911</u>	<u>2,403,165</u>	<u>(146,746)</u>
Public safety				
Police	3,244,139	3,413,139	3,529,983	116,844
Fire	2,012,736	2,102,736	2,162,319	59,583
Property maintenance inspections	91,550	96,550	94,042	(2,508)
Total public safety	<u>5,348,425</u>	<u>5,612,425</u>	<u>5,786,344</u>	<u>173,919</u>

Continued...

PITTSFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Expenditures (concluded)				
Public works				
Highways, streets and drains	\$ 621,000	\$ 671,970	\$ 551,552	\$ (120,418)
Planning and zoning				
Planning and zoning	345,800	345,800	241,909	(103,891)
Code enforcement	53,862	53,862	45,959	(7,903)
Total planning and zoning	<u>399,662</u>	<u>399,662</u>	<u>287,868</u>	<u>(111,794)</u>
Culture and recreation				
Parks and recreation	854,506	957,006	970,817	13,811
Historical commission	1,150	1,150	295	(855)
Total culture and recreation	<u>855,656</u>	<u>958,156</u>	<u>971,112</u>	<u>12,956</u>
Other unallocated expenditures	<u>1,860,834</u>	<u>1,541,834</u>	<u>1,178,893</u>	<u>(362,941)</u>
Debt service:				
Principal	280,000	30,000	-	(30,000)
Interest and other charges	183,104	123,904	-	(123,904)
Total debt service	<u>463,104</u>	<u>153,904</u>	<u>-</u>	<u>(153,904)</u>
Capital outlay	<u>-</u>	<u>536,809</u>	<u>412,429</u>	<u>(124,380)</u>
Total expenditures	<u>11,718,618</u>	<u>12,424,671</u>	<u>11,591,363</u>	<u>(833,308)</u>
Revenue over (under) expenditures	55,195	397,725	279,264	(118,461)
Other financing uses				
Transfers out	<u>(55,195)</u>	<u>(397,725)</u>	<u>(206,545)</u>	<u>191,180</u>
Net change in fund balance	-	-	72,719	72,719
Fund balance, beginning of year	<u>4,277,211</u>	<u>4,277,211</u>	<u>4,277,211</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,277,211</u>	<u>\$ 4,277,211</u>	<u>\$ 4,349,930</u>	<u>\$ 72,719</u>

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Public Safety Special Revenue Fund
For the Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
Revenues				
Taxes and special assessments	\$ 1,770,196	\$ 1,770,196	\$ 1,766,758	\$ (3,438)
Intergovernmental	-	450,000	14,535	(435,465)
Investment earnings	25,000	25,000	8,353	(16,647)
	<u>1,795,196</u>	<u>2,245,196</u>	<u>1,789,646</u>	<u>(455,550)</u>
Expenditures				
Public safety	1,447,600	1,447,600	1,722,264	274,664
Capital outlay	207,917	657,917	586,032	(71,885)
	<u>1,655,517</u>	<u>2,105,517</u>	<u>2,308,296</u>	<u>202,779</u>
Net change in fund balance	139,679	139,679	(518,650)	(658,329)
Fund balance, beginning of year	<u>6,441,106</u>	<u>6,441,106</u>	<u>6,441,106</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,580,785</u>	<u>\$ 6,580,785</u>	<u>\$ 5,922,456</u>	<u>\$ (658,329)</u>

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Net Assets
Water and Sewer Enterprise Fund
December 31, 2010

Assets

Current assets:

Cash and cash equivalents	\$ 6,999,738
Accounts receivable, net	1,781,644
Due from other funds	31,366
Inventory	281,554
Bond issuance costs	54,000
Prepaid items	<u>733</u>

Total current assets 9,149,035

Noncurrent assets:

Restricted cash and cash equivalents	2,997,436
Capital assets not being depreciated	524,222
Capital assets being depreciated, net	<u>35,906,837</u>

Total noncurrent assets 39,428,495

Total assets 48,577,530

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	1,272,890
Accrued payroll	46,044
Due to other funds	318,140
Due to other governments	4,470
Compensated absences, current portion	22,000
Bonds payable, current portion	<u>482,000</u>

Total current liabilities 2,145,544

Noncurrent liabilities:

Compensated absences, net of current portion	22,681
Bonds payable, net of current portion	<u>10,305,111</u>

Total noncurrent liabilities 10,327,792

Total liabilities 12,473,336

Net assets

Invested in capital assets, net of related debt	25,643,948
Unrestricted	<u>10,460,246</u>

Total net assets \$ 36,104,194

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Water and Sewer Enterprise Fund
For the Year Ended December 31, 2010

Operating revenues	
Charges for services	\$ 9,306,943
Other	<u>27,372</u>
Total operating revenues	<u>9,334,315</u>
Operating expenses	
Personal services	752,736
Materials and supplies	6,722,373
Contractual	235,007
Insurance	27,640
Maintenance	265,016
Other expense	360,699
Depreciation	<u>1,135,747</u>
Total operating expenses	<u>9,499,218</u>
Operating loss	<u>(164,903)</u>
Nonoperating revenues (expenses)	
Intergovernmental - grants	3,138,000
Investment earnings	11,844
Loss on sale of capital assets	(9,157)
Interest expense and fees	<u>(285,537)</u>
Total nonoperating revenues	<u>2,855,150</u>
Income before contributions	2,690,247
Capital contributions - tap fees and other	<u>152,454</u>
Change in net assets	2,842,701
Net assets, beginning of year	<u>33,261,493</u>
Net assets, end of year	<u><u>\$ 36,104,194</u></u>

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Cash Flows
Water and Sewer Enterprise Fund
For the Year Ended December 31, 2010

Cash flows from operating activities	
Receipts from customers and users	\$ 8,623,447
Payments to suppliers	(6,523,885)
Payments to employees	<u>(762,217)</u>
Net cash provided by operating activities	<u>1,337,345</u>
Cash flows from capital and related financing activities	
Proceeds from issuance of debt	3,875,611
Payment of debt issuance costs	(54,000)
Capital contributions from grants	3,138,000
Principal paid on debt	(295,000)
Interest paid on debt	(280,537)
Purchase of capital assets	(7,002,252)
Cash contributions for tap fees	<u>152,454</u>
Net cash used in capital and related financing activities	<u>(465,724)</u>
Cash flows from investing activities	
Interest received on investments	<u>11,844</u>
Net change in cash and cash equivalents	883,465
Cash and cash equivalents, beginning of year	<u>9,113,709</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,997,174</u></u>
Reconciliation to statement of net assets	
Cash and cash equivalents	\$ 6,999,738
Restricted cash and cash equivalents	<u>2,997,436</u>
	<u><u>\$ 9,997,174</u></u>

PITTSFIELD CHARTER TOWNSHIP
Statement of Cash Flows (Concluded)
Water and Sewer Enterprise Fund
For the Year Ended December 31, 2010

Reconciliation of operating loss to net cash provided by operating activities

Operating loss	\$ (164,903)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,135,747
Changes in assets and liabilities:	
Accounts receivable	(710,868)
Due from other funds	519,886
Inventory	36,004
Prepaid items	214
Accounts payable and accrued liabilities	931,415
Accrued payroll	(3,241)
Contracts payable	(4,000)
Due to other funds	(312,484)
Due to other governments	(84,185)
Compensated absences	(6,240)
	(6,240)
Net cash provided by operating activities	\$ 1,337,345

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

PITTSFIELD CHARTER TOWNSHIP
Statement of Net Assets
Fiduciary Funds
December 31, 2010

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 8,588,058</u>
Liabilities	
Undistributed receipts	<u>\$ 8,588,058</u>

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

NOTES TO THE FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, 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.

A. 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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, sewer disposal, and treatment system, which are financed primarily by user charges.

Additionally, the government reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

The *debt service funds* account for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds not being financed by proprietary funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The *agency funds* account for assets held for other governments in an agency capacity, specifically for library penal fines and payroll withholdings.

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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

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

D. Assets, Liabilities and Net Assets or Equity

1. 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.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

3. 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.

4. 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:

Buildings and improvements	15-30 years
Equipment	5-20 years
Infrastructure	15-50 years

5. 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

6. 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.

7. Fund Equity

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

B. Excess of Expenditures over Appropriations

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, 2010:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund			
General government:			
Assessor	\$ 314,500	\$ 329,907	\$ 15,407
Purchasing	37,100	38,576	1,476
Board of review	5,000	5,040	40
Professional services	362,825	364,944	2,119
Township treasurer	205,600	210,596	4,996
Public safety:			
Police	3,413,139	3,529,983	116,844
Fire	2,102,736	2,162,319	59,583
Culture and recreation -			
Parks and recreation	957,006	970,817	13,811
Public safety fund			
Public safety	1,447,600	1,722,264	274,664
Other governmental funds			
Refuse collection fund-			
Public works	1,029,550	1,036,470	6,920
Parks and recreation fund -			
Debt service - principal	523,660	700,000	176,340
E 911 services fund -			
Public safety	557,738	568,723	10,985
800 MHz consortium fund -			
Other financing uses - transfer out	-	15,000	15,000

C. Deficit Fund Balance

At year-end, the Lohr Road capital projects fund had a deficit of \$4,747, which will be eliminated in subsequent years as the project and the related funding is completed.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Following is a reconciliation of deposits and investments as of December 31, 2010:

	Primary Government	Component Units	Total
Statement of Net Assets			
Cash and cash equivalents	\$ 21,296,385	\$ 9,017	\$ 21,305,402
Restricted cash and cash equivalents	2,997,436	-	2,997,436
Statement of Fiduciary Net Assets			
Cash and cash equivalents	8,588,058	-	8,588,058
Total	\$ 32,881,879	\$ 9,017	\$ 32,890,896
Deposits and investments:			
Bank deposits (checking, savings and certificates of deposit)			\$ 32,890,196
Cash on hand			700
Total			\$ 32,890,896

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, \$26,763,559 of the combined bank balance of \$30,041,384 (total book balance of \$32,890,196) was exposed to custodial credit risk as it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

The Township has restricted cash and cash equivalents of \$2,997,436 at December 31, 2010 for capital improvement projects.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

B. Receivables

Receivables in the governmental activities are 36 percent accounts receivable and 64 percent taxes and special assessments. Approximately 74 percent, or \$978,295, 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:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Special assessments not yet due (governmental funds)	\$ 1,457,566	\$ -	\$ 1,457,566
Drain assessments not yet due (governmental funds)	1,662,470	-	1,662,470
Prepaid rent	-	28,235	28,235
	<u>\$ 3,120,036</u>	<u>\$ 28,235</u>	<u>\$ 3,148,271</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

C. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 21,005,842	\$ -	\$ -	\$ 21,005,842
Capital assets, being depreciated:				
Building and improvements	6,314,093	61,448	-	6,375,541
Infrastructure	11,839,900	195,083	-	12,034,983
Machinery and equipment	6,885,687	852,989	(54,224)	7,684,452
Total capital assets being depreciated	<u>25,039,680</u>	<u>1,109,520</u>	<u>(54,224)</u>	<u>26,094,976</u>
Less accumulated depreciation for:				
Building and improvements	(2,650,972)	(293,157)	-	(2,944,129)
Infrastructure	(8,792,581)	(268,711)	-	(9,061,292)
Machinery and equipment	(5,030,445)	(483,411)	13,940	(5,499,916)
Total accumulated depreciation	<u>(16,473,998)</u>	<u>(1,045,279)</u>	<u>13,940</u>	<u>(17,505,337)</u>
Total capital assets being depreciated, net	<u>8,565,682</u>	<u>64,241</u>	<u>(40,284)</u>	<u>8,589,639</u>
Capital assets, net	<u><u>\$ 29,571,524</u></u>	<u><u>\$ 64,241</u></u>	<u><u>\$ (40,284)</u></u>	<u><u>\$ 29,595,481</u></u>

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

General government	\$ 356,949
Public safety	223,652
Public works	419,605
Planning and zoning	3,087
Parks and recreation	41,986
Total depreciation expense	<u><u>\$ 1,045,279</u></u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Business-type activities:	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 510,118	\$ -	\$ -	\$ 510,118
Construction in progress	259,591	14,104	(259,591)	14,104
Total capital assets not being depreciated	769,709	14,104	(259,591)	524,222
Capital assets, being depreciated:				
Infrastructure	43,433,158	7,145,268	-	50,578,426
Buildings	949,314	-	-	949,314
Machinery and equipment	846,159	102,471	(79,653)	868,977
Total capital assets being depreciated	45,228,631	7,247,739	(79,653)	52,396,717
Less accumulated depreciation for:				
Infrastructure	(14,599,887)	(1,008,711)	-	(15,608,598)
Buildings	(284,796)	(31,644)	-	(316,440)
Machinery and equipment	(539,946)	(95,392)	70,496	(564,842)
Total accumulated depreciation	(15,424,629)	(1,135,747)	70,496	(16,489,880)
Total capital assets being depreciated, net	29,804,002	6,111,992	(9,157)	35,906,837
Capital assets, net	\$ 30,573,711	\$ 6,126,096	\$ (268,748)	\$ 36,431,059

D. Payables

Payables in the governmental activities are 58 percent due to vendors, 17 percent accrued liabilities, 20 percent accrued interest and five percent due to other governments. Business-type activities payables are 98 percent due to vendors, one percent accrued payroll and one percent due to other governments.

E. Interfund Receivables, Payables and Transfers

Following is a summary of interfund balances as of December 31, 2010:

	Receivable	Payable
General fund	\$ 613,327	\$ 548
Public safety fund	-	2,931
Nonmajor governmental funds	95,490	418,564
Water and sewer fund	31,366	318,140
Total	\$ 740,183	\$ 740,183

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

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 In	Transfers Out
General fund	\$ -	\$ 206,545
Michigan Avenue East fund	57,530	-
Nonmajor governmental funds	164,015	15,000
Total	\$ 221,545	\$ 221,545

F. Long-Term Debt

Installment obligations. During the year ended December 31, 2010, the government refunded its long-term installment payment agreement for the purchase of land. Installment obligations outstanding at year-end amounted to \$3,735,000 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
2011	\$ 325,000	\$ 71,501
2012	545,000	67,123
2013	550,000	58,625
2014	560,000	47,525
2015	570,000	36,083
2016-2017	1,185,000	31,320
	\$ 3,735,000	\$ 312,177

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Advance Refunding. During the year, the Township issued \$3,735,000 of debt to defease \$3,570,000 of installment obligations by placing the proceeds of refunding debt in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net assets. The reacquisition price exceeded the carrying amount of the old debt by \$92,053, which is being amortized over the refunded debt's life. The refunding extended the debt repayment period by three years and resulted in an economic gain of \$138,962, and decreased future debt service payments by \$4,663.

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%.	\$ 300,000
\$700,000, 2001 Series A Munger Road Improvement, Serial Bonds, due in annual installments of \$75,000, through 2011, interest 5.4%.	75,000
\$270,000, 2001 Series B Ann Arbor-Saline Road and Waters/Lohr Road Improvement, Serial Bonds, due in annual installments of \$30,000, through 2011, interest 4.0% to 5.4%.	30,000
\$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>400,000</u>
Total general obligation bonds	<u><u>\$ 805,000</u></u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

Year Ended December 31	Governmental activities	
	Principal	Interest
2011	\$ 265,000	\$ 34,457
2012	160,000	24,375
2013	160,000	16,990
2014	160,000	9,425
2015	60,000	1,680
	\$ 805,000	\$ 86,927

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 multi-year 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%.	\$ 398,700
\$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%.	339,817
\$1,720,000, 2009 Michigan Avenue East, Serial Bonds, due in annual installments of \$50,000 to \$130,000, through 2029, interest at 2.25% to 4.75%.	<u>1,670,000</u>
Total drain assessment bonds payable	<u>\$ 2,408,517</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

Year Ended December 31	Governmental activities	
	Principal	Interest
2011	\$ 162,531	\$ 87,121
2012	162,531	81,145
2013	167,531	75,115
2014	151,328	69,443
2015	151,328	64,091
2016-2020	486,015	272,164
2021-2025	613,589	176,972
2026-2029	513,664	47,554
	\$ 2,408,517	\$ 873,605

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.

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%.	\$ 225,000
\$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%.	6,765,000
\$4,707,000, 2010 Drinking Water Revolving Bonds, due in annual installments of \$182,000 to \$295,000 through 2030, interest at 2.50%.	3,875,611
Total general obligation bonds	\$ 10,865,611

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

<u>Year Ended</u> <u>December 31</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 482,000	\$ 363,145
2012	505,000	352,006
2013	525,000	335,844
2014	460,000	318,922
2015	480,000	305,090
2016-2020	2,660,000	1,288,409
2021-2025	3,215,000	801,193
2026-2030	<u>3,370,000</u>	<u>197,315</u>
	11,697,000	<u><u>\$ 3,961,924</u></u>
Less amount available to be drawn	<u>(831,389)</u>	
	<u><u>\$ 10,865,611</u></u>	

During the year ended December 31, 2010, the cash draws against the Clean Water State Revolving Fund bonds amounted to \$3,875,611, which were the project construction costs incurred during the years. The total amount authorized under this issue is \$4,707,000; of this total, \$831,389 is still available as of December 31, 2010 and expected to be drawn.

Compensated absences. Compensated absences are generally liquidated by the general fund.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental activities					
Installment obligations	\$ 4,270,000	\$ 3,735,000	\$ 4,270,000	\$ 3,735,000	\$ 325,000
General obligation bonds	1,075,000	-	270,000	805,000	265,000
Special assessment debt with government commitment	2,566,051	-	157,534	2,408,517	162,531
Compensated absences	1,086,340	486,261	421,357	1,151,244	400,000
Unamortized premium	-	15,192	-	15,192	-
Unamortized refunding loss	-	(92,053)	-	(92,053)	-
Total governmental activities	<u>\$ 8,997,391</u>	<u>\$ 4,144,400</u>	<u>\$ 5,118,891</u>	<u>\$ 8,022,900</u>	<u>\$ 1,152,531</u>
Business-type activities					
General obligation bonds	\$ 7,285,000	\$ 3,875,611	\$ 295,000	\$ 10,865,611	\$ 482,000
Unamortized discount	(83,500)	-	(5,000)	(78,500)	-
Compensated absences	50,921	22,492	28,732	44,681	22,000
Total business-type activities	<u>\$ 7,252,421</u>	<u>\$ 3,898,103</u>	<u>\$ 318,732</u>	<u>\$ 10,831,792</u>	<u>\$ 504,000</u>

IV. OTHER INFORMATION

A. 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, 2010, 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.

B. Contingent Liabilities

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

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

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

C. 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 \$1,780,702,342. The government's general operating tax rate for fiscal year 2010 was 3.8758 mills.

D. 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, 2009, the date of the latest actuarial valuation, the plan had 124 active members, 19 vested former members and 19 retirees and beneficiaries (for a total of 162 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 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Funding Progress. For the year ended December 31, 2010, the Township's annual pension cost of \$569,568 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2009 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 2010, 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	\$ 569,568
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual net pension cost	569,568
Contributions made	(569,568)
Change in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	\$ -

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

<u>Pension Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 510,445	100.0%	\$ -
2009	484,152	100.0%	-
2010	569,568	100.0%	-

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Funded Status. The funded status of the plan as of December 31, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$	16,665,216
Actuarial value of plan assets		<u>12,828,020</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u>3,837,196</u>
Funded ratio		77.0%
Covered payroll (active plan members)	\$	6,731,923
UAAL as a percentage of covered payroll		57.0%

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.

E. 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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 \$680,134.

Funding Progress. For the year ended December 31, 2010, 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 10.52% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. For 2010, 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	\$ 770,066
Interest on net OPEB obligation	32,244
Adjustment to annual required contribution	<u>(21,150)</u>
Annual OPEB cost	781,160
Contributions or payments made	<u>(957,986)</u>
Increase (decrease) in net OPEB obligation	(176,826)
Net OPEB obligation, beginning of year	<u>403,046</u>
 Net OPEB obligation, end of year	 <u><u>\$ 226,220</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last two years (only two years available) were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/09	\$ 680,134	\$ 277,088	40.7%	\$ 403,046
12/31/10	781,160	957,986	122.6%	226,220

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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)	<u>1,545,277</u>
Unfunded actuarial accrued liability (a-b)	<u><u>\$ 6,488,292</u></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. 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	8.0%
Projected salary increases	4.5%
Healthcare inflation rate	8.0% grading to 4.5% ultimately

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

F. Net Assets 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, 2010, was as follows:

	Governmental Activities	Business-type Activities
Capital assets not being depreciated	\$ 21,005,842	\$ 524,222
Capital assets being depreciated, net	8,589,639	35,906,837
Bonds payable	(4,540,000)	(10,865,611)
Unamortized bond premium	(15,192)	-
Unamortized bond discount	-	78,500
Unamortized refunding loss	92,053	-
	<u>\$ 25,132,342</u>	<u>\$ 25,643,948</u>

G. Deficit Fund Balance

The Lohr Road capital projects fund reported a fund deficit of \$4,747. The deficit will be eliminated in subsequent years through transfers in from the general fund.

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	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of of Covered Payroll
12/31/03	\$ 5,826,387	\$ 8,233,918	70.8%	\$ 2,407,531	\$ 5,233,763	46.0%
12/31/04	6,750,466	9,711,666	69.5%	2,961,200	5,384,000	55.0%
12/31/05	7,755,416	10,943,440	70.9%	3,188,024	5,796,407	55.0%
12/31/06	9,015,922	12,681,900	71.1%	3,665,978	6,009,800	61.0%
12/31/07	10,278,963	14,059,796	73.1%	3,780,833	6,301,388	60.0%
12/31/08	11,515,448	15,441,447	74.6%	3,925,999	6,231,744	63.0%
12/31/09	12,828,020	16,665,216	77.0%	3,837,196	6,731,923	57.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed	Net Pension Obligation
12/31/04	\$ 298,754	\$ 298,754	100.0%	\$ -
12/31/05	357,073	357,073	100.0%	-
12/31/06	416,355	416,355	100.0%	-
12/31/07	472,566	472,566	100.0%	-
12/31/08	510,445	510,445	100.0%	-
12/31/09	484,278	484,278	100.0%	-
12/31/10	569,568	569,568	100.0%	-

PITTSFIELD CHARTER TOWNSHIP
Required Supplementary Information
Other Postemployment Benefits

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of of Covered Payroll</u>
12/31/09	\$ 1,545,277	\$ 8,033,569	19.2%	\$ 6,488,292	\$ 6,465,155	100.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
12/31/09	\$ 680,134	\$ 277,088	40.7%
12/31/10	770,066	957,986	124.4%

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

PITTSFIELD CHARTER TOWNSHIP
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
ASSETS				
Assets				
Cash and cash equivalents	\$ 3,150,877	\$ 995,097	\$ 41,766	\$ 4,187,740
Accounts receivable	148,623	-	-	148,623
Special assessments receivable	-	1,325,882	-	1,325,882
Due from other funds	95,490	-	-	95,490
Prepaid items	208	-	-	208
	<u>208</u>	<u>-</u>	<u>-</u>	<u>208</u>
TOTAL ASSETS	<u>\$ 3,395,198</u>	<u>\$ 2,320,979</u>	<u>\$ 41,766</u>	<u>\$ 5,757,943</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 133,476	\$ -	\$ 4,747	\$ 138,223
Accrued liabilities	10,523	-	-	10,523
Due to other funds	418,564	-	-	418,564
Escrow payable	12,969	-	-	12,969
Deferred revenue	-	1,325,880	-	1,325,880
	<u>-</u>	<u>1,325,880</u>	<u>-</u>	<u>1,325,880</u>
Total liabilities	<u>575,532</u>	<u>1,325,880</u>	<u>4,747</u>	<u>1,906,159</u>
Fund balances				
Reserved for prepaid items	208	-	-	208
Unreserved:				
Designated for subsequent year expenditures	68,137	-	-	68,137
Undesignated	2,751,321	995,099	37,019	3,783,439
	<u>2,751,321</u>	<u>995,099</u>	<u>37,019</u>	<u>3,783,439</u>
Total fund balances	<u>2,819,666</u>	<u>995,099</u>	<u>37,019</u>	<u>3,851,784</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,395,198</u>	<u>\$ 2,320,979</u>	<u>\$ 41,766</u>	<u>\$ 5,757,943</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Revenues				
Taxes and special assessments	\$ 863,649	\$ 369,128	\$ -	\$ 1,232,777
Licenses and permits	359,826	-	-	359,826
Intergovernmental	91,500	-	-	91,500
Charges for services	1,367,318	-	-	1,367,318
Investment earnings	2,973	1,354	52	4,379
Other	122,964	-	-	122,964
	<u>2,808,230</u>	<u>370,482</u>	<u>52</u>	<u>3,178,764</u>
Total revenues				
Expenditures				
Current expenditures:				
General government	31,050	-	-	31,050
Public safety	940,474	-	-	940,474
Public works	1,036,470	-	-	1,036,470
Culture and recreation	156,059	-	-	156,059
Debt service:				
Principal	700,000	377,534	-	1,077,534
Interest and fiscal charges	120,240	75,534	-	195,774
Bond issuance costs	85,643	-	-	85,643
Capital outlay	30,752	-	138,567	169,319
	<u>3,100,688</u>	<u>453,068</u>	<u>138,567</u>	<u>3,692,323</u>
Total expenditures				
Revenues under expenditures	<u>(292,458)</u>	<u>(82,586)</u>	<u>(138,515)</u>	<u>(513,559)</u>
Other financing sources (uses)				
Issuance of refunding debt	3,735,000	-	-	3,735,000
Premium on refunding debt	15,192	-	-	15,192
Payment to refunding escrow agent	(3,662,053)	-	-	(3,662,053)
Transfers in	15,000	15,195	133,820	164,015
Transfers out	(15,000)	-	-	(15,000)
	<u>88,139</u>	<u>15,195</u>	<u>133,820</u>	<u>237,154</u>
Total other financing sources				
Net change in fund balances	(204,319)	(67,391)	(4,695)	(276,405)
Fund balances, beginning of year	<u>3,023,985</u>	<u>1,062,490</u>	<u>41,714</u>	<u>4,128,189</u>
Fund balances, end of year	<u>\$ 2,819,666</u>	<u>\$ 995,099</u>	<u>\$ 37,019</u>	<u>\$ 3,851,784</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Balance Sheet - Nonmajor Special Revenue Funds
December 31, 2010

	<u>Refuse Collection</u>	<u>Tree Mitigation</u>	<u>Building Department</u>
ASSETS			
Assets			
Cash and cash equivalents	\$ 167,740	\$ 188,413	\$ 526,353
Accounts receivable	-	1,500	16,128
Due from other funds	95,490	-	-
Prepaid items	-	-	191
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 263,230	\$ 189,913	\$ 542,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 86,522	\$ 6,000	\$ 1,400
Accrued liabilities	-	-	-
Due to other funds	-	-	418,564
Escrow payable	12,969	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	99,491	6,000	419,964
	<hr/>	<hr/>	<hr/>
Fund balances			
Reserved for prepaid items	-	-	191
Unreserved:			
Designated for subsequent year expenditures	-	-	-
Undesignated	163,739	183,913	122,517
	<hr/>	<hr/>	<hr/>
Total fund balances	163,739	183,913	122,708
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 263,230	\$ 189,913	\$ 542,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Budget Stabilization</u>	<u>Parks & Recreation Millage</u>	<u>E 911 Service</u>	<u>800 MHz Consortium</u>	<u>Total</u>
\$ 965,000	\$ 136,959	\$ 1,151,412	\$ 15,000	\$ 3,150,877
-	5,489	115,506	10,000	148,623
-	-	-	-	95,490
-	-	17	-	208
<u>\$ 965,000</u>	<u>\$ 142,448</u>	<u>\$ 1,266,935</u>	<u>\$ 25,000</u>	<u>\$ 3,395,198</u>
\$ -	\$ 39,312	\$ 242	\$ -	\$ 133,476
-	-	10,523	-	10,523
-	-	-	-	418,564
-	-	-	-	12,969
-	39,312	10,765	-	575,532
-	-	17	-	208
-	-	68,137	-	68,137
<u>965,000</u>	<u>103,136</u>	<u>1,188,016</u>	<u>25,000</u>	<u>2,751,321</u>
<u>965,000</u>	<u>103,136</u>	<u>1,256,170</u>	<u>25,000</u>	<u>2,819,666</u>
<u>\$ 965,000</u>	<u>\$ 142,448</u>	<u>\$ 1,266,935</u>	<u>\$ 25,000</u>	<u>\$ 3,395,198</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	<u>Refuse Collection</u>	<u>Tree Mitigation</u>	<u>Building Department</u>
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	359,826
Intergovernmental	-	1,500	-
Charges for services	1,074,854	-	-
Investment earnings	213	257	548
Other	-	-	106,296
	<u>1,075,067</u>	<u>1,757</u>	<u>466,670</u>
Total revenues			
Expenditures			
Current expenditures:			
General government	-	31,050	-
Public safety	-	-	371,751
Public works	1,036,470	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Capital outlay	-	-	-
	<u>1,036,470</u>	<u>31,050</u>	<u>371,751</u>
Total expenditures			
Revenues over (under) expenditures	<u>38,597</u>	<u>(29,293)</u>	<u>94,919</u>
Other financing sources (uses)			
Issuance of refunding debt	-	-	-
Premium on refunding debt	-	-	-
Payment to refunding escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balances	38,597	(29,293)	94,919
Fund balances, beginning of year	<u>125,142</u>	<u>213,206</u>	<u>27,789</u>
Fund balances, end of year	<u><u>\$ 163,739</u></u>	<u><u>\$ 183,913</u></u>	<u><u>\$ 122,708</u></u>

<u>Budget Stabilization</u>	<u>Parks & Recreation Millage</u>	<u>E 911 Service</u>	<u>800 MHz Consortium</u>	<u>Total</u>
\$ -	\$ 863,649	\$ -	\$ -	863,649
-	-	-	-	359,826
-	90,000	-	-	91,500
-	-	252,464	40,000	1,367,318
-	320	1,635	-	2,973
-	16,650	18	-	122,964
-	970,619	254,117	40,000	2,808,230
-	-	-	-	31,050
-	-	568,723	-	940,474
-	-	-	-	1,036,470
-	156,059	-	-	156,059
-	700,000	-	-	700,000
-	120,240	-	-	120,240
-	85,643	-	-	85,643
-	7,869	22,883	-	30,752
-	1,069,811	591,606	-	3,100,688
-	(99,192)	(337,489)	40,000	(292,458)
-	3,735,000	-	-	3,735,000
-	15,192	-	-	15,192
-	(3,662,053)	-	-	(3,662,053)
-	-	15,000	-	15,000
-	-	-	(15,000)	(15,000)
-	88,139	15,000	(15,000)	88,139
-	(11,053)	(322,489)	25,000	(204,319)
965,000	114,189	1,578,659	-	3,023,985
<u>\$ 965,000</u>	<u>\$ 103,136</u>	<u>\$ 1,256,170</u>	<u>\$ 25,000</u>	<u>\$ 2,819,666</u>

PITTSFIELD CHARTER TOWNSHIP
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Final Budget and Actual - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Refuse Collection			Tree Mitigation		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	1,500
Charges for services	1,000,000	1,074,854	74,854	-	-	-
Investment earnings	2,500	213	(2,287)	500	257	(243)
Other	-	-	-	-	-	-
Total revenues	1,002,500	1,075,067	72,567	500	1,757	1,257
Expenditures						
Current expenditures:						
General government	-	-	-	400,500	31,050	(369,450)
Public safety	-	-	-	-	-	-
Public works	1,029,550	1,036,470	6,920	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,029,550	1,036,470	6,920	400,500	31,050	(369,450)
Revenues over (under) expenditures	(27,050)	38,597	65,647	(400,000)	(29,293)	370,707
Other financing sources (uses)						
Issuance of refunding debt	-	-	-	-	-	-
Premium on refunding debt	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(27,050)	38,597	65,647	(400,000)	(29,293)	370,707
Fund balances, beginning of year		125,142	(125,142)		213,206	(213,206)
Fund balances (deficit), end of year	\$ (27,050)	\$ 163,739	\$ 190,789	\$ (400,000)	\$ 183,913	\$ 583,913

Building Department			Budget Stabilization		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
309,000	359,826	50,826	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	548	(452)	-	-	-
60,000	106,296	46,296	-	-	-
<u>370,000</u>	<u>466,670</u>	<u>96,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
387,693	371,751	(15,942)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>387,693</u>	<u>371,751</u>	<u>(15,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(17,693)</u>	<u>94,919</u>	<u>112,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,000	-	(40,000)	-	-	-
-	-	-	-	-	-
<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,307	94,919	72,612	-	-	-
	27,789	(27,789)		965,000	(965,000)
<u>\$ 22,307</u>	<u>\$ 122,708</u>	<u>\$ 100,401</u>	<u>\$ -</u>	<u>\$ 965,000</u>	<u>\$ 965,000</u>

Continued...

PITTSFIELD CHARTER TOWNSHIP
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Final Budget and Actual - Nonmajor Special Revenue Funds (Concluded)
For the Year Ended December 31, 2010

	Parks and Recreation Millage			E 911 Service		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues						
Taxes and special assessments	\$ 864,531	\$ 863,649	\$ (882)	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	87,010	90,000	2,990	-	-	-
Charges for services	-	-	-	215,000	252,464	37,464
Investment earnings	1,000	320	(680)	10,000	1,635	(8,365)
Other	16,650	16,650	-	-	18	18
Total revenues	969,191	970,619	1,428	225,000	254,117	29,117
Expenditures						
Current expenditures:						
General government	-	-	-	-	-	-
Public safety	-	-	-	557,738	568,723	10,985
Refuse collection	-	-	-	-	-	-
Culture and recreation	226,232	156,059	(70,173)	-	-	-
Debt service:						
Principal	523,660	700,000	176,340	-	-	-
Interest and fiscal charges	124,656	120,240	(4,416)	-	-	-
Bond issuance costs	85,643	85,643	-	-	-	-
Capital outlay	50,000	7,869	(42,131)	243,675	22,883	(220,792)
Total expenditures	1,010,191	1,069,811	59,620	801,413	591,606	(209,807)
Revenues over (under) expenditures	(41,000)	(99,192)	(58,192)	(576,413)	(337,489)	238,924
Other financing sources (uses)						
Issuance of refunding debt	-	3,735,000	3,735,000	-	-	-
Premium on refunding debt	-	15,192	15,192	-	-	-
Payment to refunding escrow agent	-	(3,662,053)	(3,662,053)	-	-	-
Transfers in	-	-	-	-	15,000	15,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	88,139	88,139	-	15,000	15,000
Net change in fund balances	(41,000)	(11,053)	29,947	(576,413)	(322,489)	253,924
Fund balances, beginning of year	-	114,189	(114,189)	-	1,578,659	(1,578,659)
Fund balances (deficit), end of year	\$ (41,000)	\$ 103,136	\$ 144,136	\$ (576,413)	\$ 1,256,170	\$ 1,832,583

800 MHz Consortium

Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	40,000	40,000
-	-	-
-	-	-
-	-	-
-	40,000	40,000
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	40,000	40,000
-	-	-
-	-	-
-	-	-
-	-	-
-	(15,000)	(15,000)
-	(15,000)	(15,000)
-	25,000	25,000
-	-	-
<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Balance Sheet - Nonmajor Debt Service Funds
December 31, 2010

	<u>1991 Water & Sewer</u>	<u>Carpenter Road Drain</u>	<u>Mallets Creek</u>	<u>State & Textile Road</u>
ASSETS				
Assets				
Cash and cash equivalents	\$ 631,714	\$ 123,091	\$ 28,812	\$ 87,323
Special assessments receivable	14,427	279,227	313,464	340,579
Total assets	<u>\$ 646,141</u>	<u>\$ 402,318</u>	<u>\$ 342,276</u>	<u>\$ 427,902</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Deferred revenue	\$ 14,427	\$ 279,227	\$ 313,463	\$ 340,579
Fund balances				
Unreserved, undesignated	<u>631,714</u>	<u>123,091</u>	<u>28,813</u>	<u>87,323</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 646,141</u>	<u>\$ 402,318</u>	<u>\$ 342,276</u>	<u>\$ 427,902</u>

<u>Waters Place Road</u>	<u>Munger Road 2001</u>	<u>Ann Arbor/ Waters Road</u>	<u>Total</u>
\$ 46,510	\$ 67,745	\$ 9,902	\$ 995,097
314,601	34,928	28,656	1,325,882
<u>\$ 361,111</u>	<u>\$ 102,673</u>	<u>\$ 38,558</u>	<u>\$ 2,320,979</u>
\$ 314,600	\$ 34,928	\$ 28,656	\$ 1,325,880
<u>46,511</u>	<u>67,745</u>	<u>9,902</u>	<u>995,099</u>
<u>\$ 361,111</u>	<u>\$ 102,673</u>	<u>\$ 38,558</u>	<u>\$ 2,320,979</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Debt Service Funds
For the Year Ended December 31, 2010

	<u>1991 Water & Sewer</u>	<u>Carpenter Road Drain</u>	<u>Mallets Creek</u>	<u>State & Textile Road</u>
Revenues				
Taxes and special assessments	\$ 15,478	\$ 74,770	\$ 26,399	\$ 101,720
Investment earnings	777	155	34	211
Total revenues	<u>16,255</u>	<u>74,925</u>	<u>26,433</u>	<u>101,931</u>
Expenditures				
Debt service:				
Principal	-	88,600	18,934	100,000
Interest and fiscal charges	-	22,150	5,152	20,725
Total expenditures	<u>-</u>	<u>110,750</u>	<u>24,086</u>	<u>120,725</u>
Revenues over (under) expenditures	16,255	(35,825)	2,347	(18,794)
Other financing sources				
Transfers in	<u>-</u>	<u>15,195</u>	<u>-</u>	<u>-</u>
Net change in fund balances	16,255	(20,630)	2,347	(18,794)
Fund balances, beginning of year	<u>615,459</u>	<u>143,721</u>	<u>26,466</u>	<u>106,117</u>
Fund balances, end of year	<u><u>\$ 631,714</u></u>	<u><u>\$ 123,091</u></u>	<u><u>\$ 28,813</u></u>	<u><u>\$ 87,323</u></u>

Waters Place Road	Munger Road 2001	Ann Arbor/ Waters Road	Total
\$ 82,241 67	\$ 38,207 95	\$ 30,313 15	\$ 369,128 1,354
<u>82,308</u>	<u>38,302</u>	<u>30,328</u>	<u>370,482</u>
65,000 18,482	75,000 6,350	30,000 2,675	377,534 75,534
<u>83,482</u>	<u>81,350</u>	<u>32,675</u>	<u>453,068</u>
(1,174)	(43,048)	(2,347)	(82,586)
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,195</u>
(1,174)	(43,048)	(2,347)	(67,391)
<u>47,685</u>	<u>110,793</u>	<u>12,249</u>	<u>1,062,490</u>
<u>\$ 46,511</u>	<u>\$ 67,745</u>	<u>\$ 9,902</u>	<u>\$ 995,099</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Balance Sheet - Nonmajor Capital Projects Funds
December 31, 2010

	<u>Lohr Road</u>	<u>State & Textile Road</u>	<u>Total</u>
ASSETS			
Assets			
Cash and cash equivalents	\$ -	\$ 41,766	\$ 41,766
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 4,747	\$ -	\$ 4,747
Fund balances (deficit)			
Unreserved, undesignated	<u>(4,747)</u>	<u>41,766</u>	<u>37,019</u>
TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ -</u>	<u>\$ 41,766</u>	<u>\$ 41,766</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Capital Projects Funds
For the Year Ended December 31, 2010

	<u>Lohr Road</u>	<u>State & Textile Road</u>	<u>Total</u>
Revenues			
Investment earnings	\$ -	\$ 52	\$ 52
Expenditures			
Capital outlay	<u>138,567</u>	<u>-</u>	<u>138,567</u>
Revenue over (under) expenditures	(138,567)	52	(138,515)
Other financing sources			
Transfers in	<u>133,820</u>	<u>-</u>	<u>133,820</u>
Net change in fund balances	(4,747)	52	(4,695)
Fund balances, beginning of year	<u>-</u>	<u>41,714</u>	<u>41,714</u>
Fund balances (deficit), end of year	<u><u>\$ (4,747)</u></u>	<u><u>\$ 41,766</u></u>	<u><u>\$ 37,019</u></u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Fiduciary Net Assets
Agency Funds
December 31, 2010

	<u>Tax Collection Fund</u>	<u>Performance Bonds Fund</u>	<u>Imprest and Payroll Fund</u>	<u>Trust and Agency Fund</u>	<u>World Services Fund</u>	<u>Total</u>
Assets						
Cash and cash equivalents	<u>\$ 7,850,478</u>	<u>\$ 646,640</u>	<u>\$ 17,923</u>	<u>\$ 71,747</u>	<u>\$ 1,270</u>	<u>\$ 8,588,058</u>
Liabilities						
Undistributed receipts	<u>\$ 7,850,478</u>	<u>\$ 646,640</u>	<u>\$ 17,923</u>	<u>\$ 71,747</u>	<u>\$ 1,270</u>	<u>\$ 8,588,058</u>

PITTSFIELD CHARTER TOWNSHIP
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Tax Collection Fund</u>				
Assets				
Cash and cash equivalents	\$ 8,956,575	\$ 129,174,860	\$ 130,280,957	\$ 7,850,478
Liabilities				
Undistributed receipts	\$ 8,956,575	\$ 129,174,860	\$ 130,280,957	\$ 7,850,478
<u>Performance Bonds Fund</u>				
Assets				
Cash and cash equivalents	\$ 712,511	\$ 201,906	\$ 267,777	\$ 646,640
Liabilities				
Undistributed receipts	\$ 712,511	\$ 201,906	\$ 267,777	\$ 646,640
<u>Imprest and Payroll Fund</u>				
Assets				
Cash and cash equivalents	\$ 15,852	\$ 2,885	\$ 814	\$ 17,923
Liabilities				
Undistributed receipts	\$ 15,852	\$ 2,885	\$ 814	\$ 17,923
<u>Trust and Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 25,310	\$ 768,453	\$ 722,016	\$ 71,747
Liabilities				
Undistributed receipts	\$ 25,310	\$ 768,453	\$ 722,016	\$ 71,747
<u>World Services Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 7,433	\$ 6,163	\$ 1,270
Liabilities				
Undistributed receipts	\$ -	\$ 7,433	\$ 6,163	\$ 1,270
<u>Total</u>				
Assets				
Cash and cash equivalents	\$ 9,710,248	\$ 130,155,537	\$ 131,277,727	\$ 8,588,058
Liabilities				
Undistributed receipts	\$ 9,710,248	\$ 130,155,537	\$ 131,277,727	\$ 8,588,058

STATISTICAL SECTION

STATISTICAL SECTION

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>Contents</u>	<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.	70-78
Revenue Capacity These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	79-82
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.	83-86
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.	87-91

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities								
Invested in capital assets, net of related debt	\$ 12,578,788	\$ 12,483,400	\$ 13,972,968	\$ 15,137,660	\$ 21,783,060	\$ 22,189,818	\$ 21,660,473	\$ 25,132,342
Restricted	2,736,389	2,172,501	1,854,093	1,486,642	1,308,767	1,263,137	1,111,309	1,032,121
Unrestricted	<u>10,607,666</u>	<u>12,699,772</u>	<u>13,869,386</u>	<u>15,359,129</u>	<u>11,902,580</u>	<u>13,279,763</u>	<u>15,309,961</u>	<u>12,253,510</u>
Total net assets	<u>\$ 25,922,843</u>	<u>\$ 27,355,673</u>	<u>\$ 29,696,447</u>	<u>\$ 31,983,431</u>	<u>\$ 34,994,407</u>	<u>\$ 36,732,718</u>	<u>\$ 38,081,743</u>	<u>\$ 38,417,973</u>
Business-type Activities								
Invested in capital assets, net of related debt	\$ 18,374,645	\$ 17,916,796	\$ 21,619,575	\$ 21,686,761	\$ 22,315,706	\$ 23,149,275	\$ 23,372,211	\$ 25,643,948
Restricted	-	-	-	-	-	-	-	-
Unrestricted	<u>12,682,978</u>	<u>13,453,049</u>	<u>10,614,180</u>	<u>11,188,698</u>	<u>11,248,742</u>	<u>10,125,602</u>	<u>9,889,282</u>	<u>10,460,246</u>
Total net assets	<u>\$ 31,057,623</u>	<u>\$ 31,369,845</u>	<u>\$ 32,233,755</u>	<u>\$ 32,875,459</u>	<u>\$ 33,564,448</u>	<u>\$ 33,274,877</u>	<u>\$ 33,261,493</u>	<u>\$ 36,104,194</u>
Total Primary Government								
Invested in capital assets, net of related debt	\$ 30,953,433	\$ 30,400,196	\$ 35,592,543	\$ 36,824,421	\$ 44,098,766	\$ 45,339,093	\$ 45,032,684	\$ 50,776,290
Restricted	2,736,389	2,172,501	1,854,093	1,486,642	1,308,767	1,263,137	1,111,309	1,032,121
Unrestricted	<u>23,290,644</u>	<u>26,152,821</u>	<u>24,483,566</u>	<u>26,547,827</u>	<u>23,151,322</u>	<u>23,405,365</u>	<u>25,199,243</u>	<u>22,713,756</u>
Total net assets	<u>\$ 56,980,466</u>	<u>\$ 58,725,518</u>	<u>\$ 61,930,202</u>	<u>\$ 64,858,890</u>	<u>\$ 68,558,855</u>	<u>\$ 70,007,595</u>	<u>\$ 71,343,236</u>	<u>\$ 74,522,167</u>

(A) Pittsfield Charter Township implemented GASB 34 as of and for the year ended December 31, 2003; accordingly, data prior to fiscal 2003 is not readily available and, therefore, not presented.

Source: Pittsfield Charter Township Finance Department

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses								
Governmental activities:								
General government	\$ 1,951,137	\$ 1,886,811	\$ 1,874,670	\$ 1,957,225	\$ 3,704,845	\$ 4,059,630	\$ 2,332,030	\$ 4,078,120
Public safety	6,615,069	5,731,179	6,181,387	6,521,746	7,674,377	7,829,666	8,110,750	8,551,293
Public works	1,656,286	1,717,388	1,748,678	1,848,223	1,903,279	2,030,837	1,934,371	2,007,627
Planning and zoning	341,152	372,070	330,525	362,701	360,737	370,600	366,557	290,955
Parks and recreation	655,832	614,299	697,397	654,427	717,334	1,053,631	2,887,250	1,169,157
Other unallocated	1,315,402	1,992,136	1,579,075	2,063,838	-	-	-	-
Interest on long-term debt	788,257	556,292	531,521	466,614	429,738	384,683	544,989	311,110
Subtotal governmental activities	<u>13,323,135</u>	<u>12,870,175</u>	<u>12,943,253</u>	<u>13,874,774</u>	<u>14,790,310</u>	<u>15,729,047</u>	<u>16,175,947</u>	<u>16,408,262</u>
Business-type activities -								
Water and sewer	<u>6,606,875</u>	<u>7,816,853</u>	<u>8,502,652</u>	<u>8,519,813</u>	<u>9,530,617</u>	<u>9,627,408</u>	<u>9,253,922</u>	<u>9,793,912</u>
Total expenses	<u>19,930,010</u>	<u>20,687,028</u>	<u>21,445,905</u>	<u>22,394,587</u>	<u>24,320,927</u>	<u>25,356,455</u>	<u>25,429,869</u>	<u>26,202,174</u>
Program revenues								
Governmental activities:								
Charges for services:								
General government	2,246,841	2,168,569	2,166,816	2,399,543	2,753,611	2,625,317	2,709,575	2,968,165
Public safety	893,249	862,131	705,600	661,849	678,607	724,694	650,619	900,443
Public works	1,182,482	1,141,289	264,185	287,188	260,523	264,271	256,560	288,061
Parks and recreation	171,772	165,788	159,891	167,887	172,175	166,713	180,560	235,157
Operating grants and contributions	61,246	305,606	254,121	276,201	319,314	292,966	336,912	612,133
Capital grants and contributions	102,093	13,078	1,107,032	725,334	1,248,278	1,159,037	430,468	369,128
Subtotal governmental activities	<u>4,657,683</u>	<u>4,656,461</u>	<u>4,657,645</u>	<u>4,518,002</u>	<u>5,432,508</u>	<u>5,232,998</u>	<u>4,564,694</u>	<u>5,373,087</u>
Business-type activities:								
Charges for services	6,304,968	7,431,884	8,440,206	8,155,670	9,314,032	8,737,990	8,552,060	9,334,315
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	811,251	456,817	526,618	425,862	293,706	337,092	110,088	3,290,454
Subtotal business-type activities	<u>7,116,219</u>	<u>7,888,701</u>	<u>8,966,824</u>	<u>8,581,532</u>	<u>9,607,738</u>	<u>9,075,082</u>	<u>8,662,148</u>	<u>12,624,769</u>
Total program revenues	<u>11,773,902</u>	<u>12,545,162</u>	<u>13,624,469</u>	<u>13,099,534</u>	<u>15,040,246</u>	<u>14,308,080</u>	<u>13,226,842</u>	<u>17,997,856</u>
Net (expense)/revenue								
Governmental activities	(8,665,452)	(8,213,714)	(8,285,608)	(9,356,772)	(9,357,802)	(10,496,049)	(11,611,253)	(11,035,175)
Business-type activities	509,344	71,848	464,172	61,719	77,121	(552,326)	(591,774)	2,830,857
Total net expense	<u>(8,156,108)</u>	<u>(8,141,866)</u>	<u>(7,821,436)</u>	<u>(9,295,053)</u>	<u>(9,280,681)</u>	<u>(11,048,375)</u>	<u>(12,203,027)</u>	<u>(8,204,318)</u>

Continued...

Pittsfield Charter Township
Changes in Net Assets (Concluded)
Last Eight Years (A)
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General revenues								
Governmental activities:								
Property taxes	\$ 6,846,733	\$ 7,228,368	\$ 7,771,794	\$ 8,401,535	\$ 9,040,019	\$ 9,532,657	\$ 8,991,812	\$ 9,452,278
State shared revenues	2,310,373	2,141,845	2,186,549	2,139,405	2,113,251	2,099,893	1,863,410	1,893,059
Unrestricted investment earnings	317,707	276,331	668,039	1,102,816	1,215,508	601,810	79,205	26,068
Other	-	-	-	-	-	-	-	-
Subtotal governmental activities	<u>9,474,813</u>	<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>	<u>10,934,427</u>	<u>11,371,405</u>
Business-type activities:								
Investment earnings	171,823	240,374	399,738	579,985	611,868	262,755	19,051	11,844
Other	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Subtotal business-type activities	<u>171,823</u>	<u>240,374</u>	<u>399,738</u>	<u>579,985</u>	<u>611,868</u>	<u>262,755</u>	<u>19,051</u>	<u>11,844</u>
Total general revenues	<u>9,646,636</u>	<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>	<u>10,953,478</u>	<u>11,383,249</u>
Change in net assets								
Governmental activities	809,361	1,432,830	2,340,774	2,286,984	3,010,976	1,738,311	(676,826)	336,230
Business-type activities	<u>681,167</u>	<u>312,222</u>	<u>863,910</u>	<u>641,704</u>	<u>688,989</u>	<u>(289,571)</u>	<u>(572,723)</u>	<u>2,842,701</u>
Total change in net assets	<u>\$ 1,490,528</u>	<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>	<u>\$ (1,249,549)</u>	<u>\$ 3,178,931</u>

(A) Pittsfield Charter Township implemented GASB 34 as of and for the year ended December 31, 2003; accordingly, data prior to fiscal 2003 is not readily available and, therefore, not presented.

Source: Pittsfield Charter Township Finance Department

Pittsfield Charter Township
Fund Balances - Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 53,360	\$ 57,001	\$ 30,878	\$ 30,878	\$ 30,878
Unreserved	9,260,739	5,699,714	6,329,405	7,084,113	7,932,600
Total general fund	<u>\$ 9,314,099</u>	<u>\$ 5,756,715</u>	<u>\$ 6,360,283</u>	<u>\$ 7,114,991</u>	<u>\$ 7,963,478</u>
All Other Governmental Funds					
Reserved	\$ 7,074,623	\$ 6,952,854	\$ 2,705,511	\$ 2,141,623	\$ 1,823,215
Unreserved, reported in:					
Special revenue funds	3,112,531	3,874,543	4,278,261	5,615,659	5,936,786
Debt service funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 10,187,154</u>	<u>\$ 10,827,397</u>	<u>\$ 6,983,772</u>	<u>\$ 7,757,282</u>	<u>\$ 7,760,001</u>

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 16,801	\$ 42,878	\$ 39,773	\$ 34,159	\$ 9,853
<u>8,823,608</u>	<u>4,758,618</u>	<u>4,531,325</u>	<u>4,243,052</u>	<u>4,340,077</u>
<u><u>\$ 8,840,409</u></u>	<u><u>\$ 4,801,496</u></u>	<u><u>\$ 4,571,098</u></u>	<u><u>\$ 4,277,211</u></u>	<u><u>\$ 4,349,930</u></u>
\$ 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>

Pittsfield Charter Township
Changes in Fund Balances - Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenue					
Taxes and special assessments	\$ 7,254,798	\$ 7,936,480	\$ 7,898,005	\$ 8,048,931	\$ 8,513,809
Licenses and permits	631,233	502,948	639,919	678,926	512,523
Intergovernmental	3,184,836	3,149,176	2,485,825	2,255,965	2,428,250
Charges for services	1,337,747	1,366,424	1,631,832	1,740,230	1,869,116
Fines and forfeitures	99,080	76,896	111,602	131,261	114,583
Franchise fees	296,016	287,832	299,286	319,170	344,232
Investment earnings	1,152,582	591,182	317,707	276,331	668,039
Donations	-	-	-	-	-
Other revenue	614,645	740,425	748,320	852,191	833,475
Total revenue	<u>14,570,937</u>	<u>14,651,363</u>	<u>14,132,496</u>	<u>14,303,005</u>	<u>15,284,027</u>
Expenditures					
General government	1,409,319	1,612,324	1,751,300	1,743,609	1,686,450
Public safety	5,099,715	4,892,694	6,052,531	5,157,998	5,528,491
Public works	1,032,546	859,999	1,034,125	1,095,227	1,183,389
Planning and zoning	429,533	469,774	341,152	362,914	322,751
Culture and recreation	505,932	609,856	614,566	571,272	644,409
Other unallocated	955,055	1,404,988	1,315,402	1,992,136	1,579,075
Capital outlay	563,239	12,813,573	532,649	1,152,994	1,798,135
Debt service:					
Principal	1,413,600	1,438,600	4,942,571	1,208,600	1,158,600
Interest and other charges	810,572	816,696	788,257	547,542	531,521
Total expenditures	<u>12,219,511</u>	<u>24,918,504</u>	<u>17,372,553</u>	<u>13,832,292</u>	<u>14,432,821</u>
Revenues over (under) expenditures	<u>2,351,426</u>	<u>(10,267,141)</u>	<u>(3,240,057)</u>	<u>470,713</u>	<u>851,206</u>
Other financing sources (uses)					
Sale of capital assets	-	-	-	191,255	-
Issuance of debt	965,950	7,350,000	-	866,250	-
Premium on debt	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Transfers in	133,225	1,492,849	57,081	671,937	18,180
Transfers out	(20,392)	(1,492,849)	(57,081)	(671,937)	(18,180)
Total other financing sources (uses)	<u>1,078,783</u>	<u>7,350,000</u>	<u>-</u>	<u>1,057,505</u>	<u>-</u>
Net change in fund balance	<u><u>\$ 3,430,209</u></u>	<u><u>\$ (2,917,141)</u></u>	<u><u>\$ (3,240,057)</u></u>	<u><u>\$ 1,528,218</u></u>	<u><u>\$ 851,206</u></u>
Debt services as a percentage of noncapital expenditures	<u>19.08%</u>	<u>18.63%</u>	<u>34.03%</u>	<u>14.04%</u>	<u>14.34%</u>

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 8,907,137	\$ 9,539,947	\$ 9,987,080	\$ 9,955,367	\$ 10,109,464
424,620	484,164	443,173	400,372	426,274
2,439,288	2,180,513	2,766,545	1,955,297	2,364,884
1,906,376	2,035,960	2,157,958	2,472,761	2,773,534
136,264	136,941	99,726	91,569	100,299
366,197	398,908	412,165	442,812	483,740
1,102,816	1,215,508	601,810	79,205	26,068
-	-	-	152,500	1,000
879,060	1,809,345	998,901	379,706	611,307
<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>
1,860,689	1,928,139	1,963,345	2,106,033	2,434,215
6,021,115	7,100,908	7,250,367	7,325,475	8,449,082
1,400,321	1,453,941	1,602,267	1,588,487	1,588,022
363,210	360,254	364,286	361,169	287,868
624,528	664,270	973,780	2,820,554	1,127,171
2,065,410	1,655,149	2,015,332	-	1,178,893
1,398,979	6,510,640	374,599	801,983	1,167,780
838,600	896,585	1,198,802	1,323,801	1,127,534
466,614	429,738	384,683	337,025	346,477
<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>1,122,292</u>	<u>(3,198,338)</u>	<u>1,339,897</u>	<u>(734,938)</u>	<u>(810,472)</u>
-	-	-	-	-
-	594,433	-	-	3,735,000
-	-	-	-	15,192
-	-	-	-	(3,662,053)
17,602	17,012	100,965	56,108	221,545
(17,602)	(17,012)	(100,965)	(56,108)	(221,545)
<u>-</u>	<u>594,433</u>	<u>-</u>	<u>-</u>	<u>88,139</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>9.88%</u>	<u>6.82%</u>	<u>10.42%</u>	<u>10.60%</u>	<u>8.82%</u>

Pittsfield Charter Township
Changes in Fund Balances - General Fund
Last Ten Years
(Modified Accrual Basis of Accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenue					
Property taxes	\$ 4,206,450	\$ 4,491,874	\$ 4,923,390	\$ 5,217,938	\$ 5,620,877
Licenses and permits	57,558	75,148	67,736	62,782	45,105
Intergovernmental	2,967,484	2,574,849	2,383,732	2,242,887	2,276,133
Charges for services	767,417	777,303	827,597	913,786	940,251
Fines and forfeitures	99,080	76,896	111,602	131,261	114,583
Franchise fees	296,016	287,832	299,286	319,170	344,232
Investment earnings	739,370	358,745	224,645	178,985	444,813
Donations	-	-	-	-	-
Other revenue	613,433	722,927	642,096	838,565	615,015
Total revenue	<u>9,746,808</u>	<u>9,365,574</u>	<u>9,480,084</u>	<u>9,905,374</u>	<u>10,401,009</u>
Expenditures					
General government	1,409,319	1,612,324	1,751,300	1,743,609	1,686,450
Public safety	4,121,220	3,876,554	4,334,142	4,079,697	4,378,933
Public works	447,741	252,731	412,832	443,131	402,467
Planning and zoning	429,533	469,774	341,152	362,914	322,751
Culture and recreation	404,799	441,836	471,018	514,921	549,495
Other unallocated	598,069	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	<u>7,410,681</u>	<u>19,310,508</u>	<u>8,895,001</u>	<u>9,323,176</u>	<u>9,534,342</u>
Revenues over (under) expenditures	<u>2,336,127</u>	<u>(9,944,934)</u>	<u>585,083</u>	<u>582,198</u>	<u>866,667</u>
Other financing sources (uses)					
Loan proceeds	-	7,350,000	-	-	-
Sale of capital assets	-	-	-	191,255	-
Transfers in	112,833	-	37,783	-	-
Transfers out	(20,392)	(962,450)	(19,298)	(18,745)	(18,180)
Total other financing sources (uses)	<u>92,441</u>	<u>6,387,550</u>	<u>18,485</u>	<u>172,510</u>	<u>(18,180)</u>
Net change in fund balance	<u><u>\$ 2,428,568</u></u>	<u><u>\$ (3,557,384)</u></u>	<u><u>\$ 603,568</u></u>	<u><u>\$ 754,708</u></u>	<u><u>\$ 848,487</u></u>

Source: Pittsfield Charter Township Finance Department

Schedule 5
Unaudited

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

Pittsfield Charter Township
Taxable and Estimated Actual Value of Property
Last Ten Years

As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)		Total		(2) Total Direct Tax Rate
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	
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
2000	2001	1,089,475,259	2,178,950,518	116,060,200	23,212,040	1,205,535,459	2,202,162,558	5.03650

(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
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

Fiscal Year Ended December 31,	Twp	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College	Washtenaw County	Washtenaw Intermediate School District	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non- Homestead
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
2001	5.03650	27.04550	26.04000	25.85000	6.00000	3.10500	5.67720	3.10500	1.95000	1.01020	86.81940	104.81940

Source: Pittsfield Charter Township Treasurer's Department

**Pittsfield Charter Township
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2010			2001		
	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value	(1) Taxable Valuation	Rank	% of Total Twp Taxable Value
McMullen Properties	\$ 21,681,605	1	1.26%	\$ -	-	0.00%
Citimortgage Inc.	20,108,300	2	1.16%	-	-	0.00%
Highland Industrial Properties	18,498,000	3	1.07%	13,588,774	4	1.13%
Meijer Inc	15,687,850	4	0.91%	14,594,897	2	1.21%
Pines of Cloverlane Apts	15,492,980	5	0.90%	-	-	0.00%
Hunt Club Apts	12,757,300	6	0.74%	-	-	0.00%
Detroit Edison	12,757,000	7	0.74%	14,889,681	1	1.24%
Glencoe Hills LLC	12,741,152	8	0.74%	10,170,984	6	0.84%
ERP Nineteen Inc	11,803,400	9	0.68%	-	-	0.00%
Ann Arbor Offset LLC	11,175,800	10	0.65%	-	-	0.00%
NSK Corporation	-	-	0.00%	14,339,000	3	1.19%
ERP Operating Ltd Part	-	-	0.00%	10,269,448	5	0.85%
Airport Boulevard Assoc.	-	-	0.00%	9,237,631	7	0.77%
National Amusements	-	-	0.00%	9,130,400	8	0.76%
Carlyle/FR Investors	-	-	0.00%	8,745,289	9	0.73%
Michigan Consolidated Gas	-	-	0.00%	7,546,400	10	0.63%
	<u>\$ 152,703,387</u>		<u>8.84%</u>	<u>\$ 112,512,504</u>		<u>9.33%</u>

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

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP
Property Tax Levies and Collections
Last Ten Years

(1) Fiscal Year Ended December 31,	(2) Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2001	\$ 5,612,380	\$ 5,350,695	95.34%	\$ 216,962	\$ 5,567,657	99.20%
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%

(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

Pittsfield Charter Township
Ratios of Outstanding Debt by Type
Last Ten Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities										
Installment notes	\$ 1,307,326	\$ 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
General obligation bonds	8,730,000	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
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
Amounts available in debt service funds	(5,764,835)	(6,364,539)	(2,511,151)	(1,867,952)	(1,646,266)	(1,316,375)	(1,130,355)	(1,158,374)	(1,062,490)	(995,097)
	<u>4,272,491</u>	<u>9,493,932</u>	<u>8,422,749</u>	<u>8,732,348</u>	<u>7,795,434</u>	<u>7,699,431</u>	<u>7,583,299</u>	<u>6,356,478</u>	<u>6,848,561</u>	<u>5,953,420</u>
Business-type activities										
General obligation bonds	<u>2,676,717</u>	<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>
Total outstanding debt	<u>\$ 6,949,208</u>	<u>\$ 11,865,481</u>	<u>\$ 10,479,288</u>	<u>\$ 18,469,985</u>	<u>\$ 16,145,434</u>	<u>\$ 15,799,431</u>	<u>\$ 15,423,299</u>	<u>\$ 13,921,478</u>	<u>\$ 14,133,561</u>	<u>\$ 16,819,031</u>
Total taxable value	\$ 1,205,535,459	\$ 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
Ratio of total debt to taxable value	0.58%	0.90%	0.75%	1.24%	1.00%	0.91%	0.84%	0.76%	0.79%	0.97%
Total population	30,502	31,353	31,724	32,276	33,550	34,012	34,276	34,191	34,509	34,663
Total debt per capita	\$ 228	\$ 378	\$ 330	\$ 572	\$ 481	\$ 465	\$ 450	\$ 407	\$ 410	\$ 485
% of personal income	0.65%	1.06%	0.89%	1.52%	1.30%	1.21%	1.16%	1.02%	1.08%	1.28%

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
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
	General Obligation Bonds & Notes	Amounts Available in Debt Service Funds	Total			
2010	\$ 4,540,000	\$ (995,097)	\$ 3,544,903	0.27%	0.21%	\$ 102.27
2009	5,345,000	(1,062,490)	4,282,510	0.33%	0.24%	124.10
2008	6,562,216	(1,158,374)	5,403,842	0.40%	0.30%	158.05
2007	7,654,433	(1,130,355)	6,524,078	0.49%	0.36%	190.34
2006	7,850,000	(1,316,375)	6,533,625	0.50%	0.38%	192.10
2005	8,600,000	(1,646,266)	6,953,734	0.56%	0.43%	207.26
2004	9,670,000	(1,867,952)	7,802,048	0.64%	0.52%	241.73
2003	9,915,000	(2,511,151)	7,403,849	0.63%	0.53%	233.38
2002	14,730,000	(6,364,539)	8,365,461	0.75%	0.63%	266.82
2001	10,037,326	(5,764,835)	4,272,491	0.40%	0.35%	140.07

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
Computation of Net Direct and Overlapping Debt
As of December 31, 2010

	<u>Gross Amount Outstanding</u>	<u>Self-Supporting or Paid by Benefited Entity</u>	<u>Net Amount Outstanding</u>
Direct debt			
General obligation bonds and notes	\$ 4,540,000	\$ -	\$ 4,540,000
Special assessment bonds	2,408,517	2,408,517	-
General obligation bonds	<u>10,865,611</u>	<u>10,865,611</u>	<u>-</u>
Net direct debt	<u>\$ 17,814,128</u>	<u>\$ 13,274,128</u>	<u>4,540,000</u>
Overlapping debt			
School districts:			
Saline (34.38%)			47,759,285
Ann Arbor (15.04%)			27,575,840
Milan (8.10%)			8,310,356
Washtenaw County (11.62%)			11,040,888
Washtenaw Community College (11.89%)			4,531,874
Saline District Library (34.38%)			<u>780,426</u>
Net overlapping debt			<u>99,998,669</u>
Net direct and overlapping debt			<u>\$ 104,538,669</u>

Source: Municipal Advisory Council of Michigan

Pittsfield Charter Township
Legal Debt Margin
Last Ten Years

Legal debt margin calculation for fiscal 2010

Assessed value (excluding IFT values)	<u>\$ 1,726,850,356</u>
Debt limit (10% of assessed value)	\$ 172,685,036
Less: net debt applicable to limit	<u>(4,540,000)</u>
Legal debt margin	<u>\$ 168,145,036</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>
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%
2001	131,270,930	1,307,326	129,963,604	1.00%

Source: Pittsfield Charter Township Finance Department & Assessing Department

Pittsfield Charter Township
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	(1) <u>Total Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
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%
2001	30,502	1,077,361	35,321	2.70%

(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

**Pittsfield Charter Township
Principal Employers
Current and Prior Year (1)**

<u>Employer</u>	<u>Category</u>	<u>2010</u>		<u>2009</u>	
		<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Citigroup	Financial	500-999	1	-	-
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

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

Function/Program	Full Time Equivalent Employees as of December 31									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Supervisor	3	3	2	2	3	2	2	3	2	2
Clerk/Elections	5	6	6	6	5	6	5	5	5	6
Treasurer	5	5	5	5	5	5	5	4	4	4
Assessing	4	4	4	4	4	4	4	4	4	5
Accounting	2	2	2	2	2	2	2	2	2	1
Administrative Services									2	2
Human Resources	2	2	2	2	2	2	2	1	-	-
Information Technology	1	1	1	1	1	1	1	1	1	1
Community Development	2	2	5	4	5	6	6	5	6	5
Building Safety	6	7	7	7	7	6	7	5	5	5
Public Safety										
Police	32	37	36	39	37	40	37	39	38	39
Fire	14	14	13	20	20	20	20	21	21	24
Dispatch/Clerical	11	12	12	9	12	11	12	12	13	11
Public Works										
Department of Public Works	10	9	10	11	12	11	12	10	11	9
Parks and recreation	7	7	8	9	9	9	10	10	10	10
Total	104	111	113	121	124	125	125	122	124	124

Source: Pittsfield Charter Township Finance Department

Pittsfield Charter Township
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Election Data										
Registered voters	7,158	8,484	8,865	11,204	11,621	13,747	14,351	18,758	20,973	22,049
Voters (at the polls or absentee)	216	5,193	338	9,028	1,597	8,884	560	10,800	3,684	14,561
Percentage voting	3.00%	61.20%	4.40%	80.60%	13.70%	64.60%	3.90%	57.60%	17.60%	66.04%
Police										
Traffic citations	2,872	3,485	4,791	4,816	3,682	4,510	3,573	2,943	3,364	2,975
Parking citations	65	74	86	*	*	*	*	*	*	*
Arrests	714	588	760	824	773	847	796	1,168	1,325	1,280
Calls for service	12,792	13,027	12,636	13,255	13,007	13,849	15,755	16,399	13,161	13,407
Fire										
Medical Runs	838	953	915	971	1,133	1,181	1,155	1,248	1,342	1,383
Accident Runs	430	439	414	406	462	449	511	487	520	482
Fire Runs	378	361	339	390	425	426	430	377	360	352
Other calls for service	239	300	222	213	215	224	254	293	257	312

* Not readily available.

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

Pittsfield Charter Township
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Police department building	1	1	1	1	1	1	1	1	1	1
Vehicle patrol units	25	25	25	30	33	29	26	28	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	4	3	3	3	4
Ladder trucks	1	1	1	1	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	2	1	1	1	1	1	1
Adm/Utility trucks	3	3	3	4	5	5	4	4	4	4
Public Works										
Sewer:										
Feet of sanitary mains	N/A	N/A	676,629	678,966	694,870	696,593	698,321	712,646	712,646	712,861
Water:										
Feet of water mains	N/A	N/A	896,467	901,093	932,922	940,635	949,870	968,718	969,827	970,230
Number of fire hydrants	N/A	N/A	2,005	2,026	2,113	2,138	2,164	2,232	2,240	2,244
Parks and Recreation										
Parks:										
Twp	7	10	10	10	10.5	10.5	14	14	14	14
Park acreage	232	767	767	767	810	810	1,004	1,004	1,004	1,004
Fishing Docks	2	2	2	2	2	2	2	2	2	2
Play structures	5	5	5	5	6	9	10	10	10	10
Community center	1	1	1	5	1	1	1	1	1	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Pavilions	6	6	6	6	6	7	7	7	7	7

Source: Pittsfield Charter Township