

PITTSFIELD CHARTER TOWNSHIP
Washtenaw County, Michigan

AUDITED FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2004

PITTSFIELD CHARTER TOWNSHIP
For the Year Ended December 31, 2004

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Independent Auditor's Report

March 4, 2005

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pittsfield Charter Township, Michigan, as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pittsfield Charter 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pittsfield Charter Township as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Trustees
Pittsfield Charter Township, Michigan
March 4, 2005

The management's discussion and analysis and the defined benefit pension plans trend information 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 Pittsfield Charter Township's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully,



POST, SMYTHE, LUTZ and ZIEL LLP
Certified Public Accountants



Pittsfield Charter Township

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Management's Discussion and Analysis

As management of Pittsfield Charter Township, we offer readers of Pittsfield Charter Township's financial statements this narrative overview and analysis of the financial activities of Pittsfield Charter Township for the fiscal year ended December 31, 2004.

Financial Highlights

- The assets of Pittsfield Charter Township exceeded its liabilities at the close of the most recent fiscal year by \$58,725,518 (*net assets*). Of this amount, \$26,152,821 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Pittsfield Charter Township's governmental funds reported combined ending fund balances of \$14,872,273, an increase of \$1,528,218 in comparison with the prior year. Approximately 85 percent of this amount, \$12,699,772 is *available for spending* at the government's discretion (*unreserved fund balance*).
- Pittsfield Charter Township's total debt increased by \$7,198,275, (52.2 percent) during the current fiscal year. The key factor in this increase was the issuance of the 2004 General Obligation Water Capital Improvement Bonds of \$8,000,000 and the 2004 State Road and Textile Road Intersection Special Assessment Bonds of \$875,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Pittsfield Charter Township's basic financial statements. Pittsfield Charter 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 Pittsfield Charter Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Pittsfield Charter 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 Pittsfield Charter Township is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Pittsfield Charter Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Pittsfield Charter Township include general government, public safety, highways and streets, sanitation, and recreation and culture. The business-type activities of Pittsfield Charter Township include the water and sewer system.

The government-wide financial statements include not only Pittsfield Charter Township itself (known as the *primary government*), but also the Pittsfield Township Economic Development Authority and the Pittsfield Township Housing Commission which are separate legal entities for which Pittsfield Charter 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 10-12 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. Pittsfield Charter Township, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Pittsfield Charter 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*.

Pittsfield Charter Township maintains 30 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, Carpenter Road Drain Debt Service Fund, the Waters Place Road Debt Service Fund, and the State & Textile Road Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into aggregated presentations by fund type. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the annual appropriated budget.

Proprietary funds. Pittsfield Charter Township maintains a proprietary fund which is classified as an enterprise fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Pittsfield Charter Township used enterprise funds to account for its water and sewer system.

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Pittsfield Charter Township's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 40-45 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 46-57 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 \$58,725,518 at the close of the most recent fiscal year.

By far the largest portion of Pittsfield Charter Township's net assets (52 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Pittsfield Charter Township used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Pittsfield Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Pittsfield Charter Township's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	\$ 19,920,395	\$ 17,620,611	\$ 17,296,792	\$ 14,570,996	\$ 37,217,187	\$ 32,191,607
Capital Assets	23,844,481	24,306,255	27,537,996	20,431,184	51,382,477	44,737,439
Total Assets	43,764,876	41,926,866	44,834,788	35,002,180	88,599,664	76,929,046
Long-term Liabilities						
Outstanding	11,361,081	11,727,467	9,621,200	2,056,539	20,982,281	13,784,006
Other Liabilities	5,048,122	4,276,556	3,843,743	1,888,018	8,891,865	6,164,574
Total Liabilities	16,409,203	16,004,023	13,464,943	3,944,557	29,874,146	19,948,580
Net Assets:						
Invested in Capital Assets, net of related debt	12,483,400	12,578,788	17,916,796	18,374,645	30,400,196	30,953,433
Restricted	2,172,501	2,736,389	-	-	2,172,501	2,736,389
Unrestricted	12,699,772	10,607,666	13,453,049	12,682,978	26,152,821	23,290,644
Total Net Assets	\$ 27,355,673	\$ 25,922,843	\$ 31,369,845	\$ 31,057,623	\$ 58,725,518	\$ 56,980,466

An additional portion of Pittsfield Charter Township's net assets (3.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$26,152,821) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Pittsfield Charter Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net assets increased by \$1,745,052 during the current fiscal year.

Governmental activities. Governmental activities increased Pittsfield Charter Township's net assets by \$1,432,830. Property taxes increased \$381,635 as a result of increased property values and new construction. The increase in revenue from growth along with a decrease in expenses of \$452,960 over the prior year account for the increase in net assets.

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Program Revenues:						
Charges for Services	\$ 4,018,607	\$ 4,195,058	\$ 7,431,884	\$ 6,304,968	\$ 11,450,491	\$ 10,500,026
Operating Grants & Contributions	305,606	61,246	-	-	305,606	61,246
Capital Grants & Contributions	13,078	102,093	456,817	811,251	469,895	913,344
General Revenues:						
Property Taxes	7,228,368	6,846,733	-	-	7,228,368	6,846,733
State Shared Revenues	2,141,845	2,310,373	-	-	2,141,845	2,310,373
Unrestricted Investment Earnings	276,331	317,707	240,374	171,823	516,705	489,530
Other	319,170	299,286	-	-	319,170	299,286
Total Revenues	14,303,005	14,132,496	8,129,075	7,288,042	22,432,080	21,420,538
Program Expenses						
General Government	1,886,811	1,951,137	-	-	1,886,811	1,951,137
Public Safety	5,731,179	6,615,069	-	-	5,731,179	6,615,069
Planning and Zoning	372,070	341,152	-	-	372,070	341,152
Public Works	1,717,388	1,656,286	-	-	1,717,388	1,656,286
Recreation and Cultural	614,299	655,832	-	-	614,299	655,832
Other	1,992,136	1,315,402	-	-	1,992,136	1,315,402
Interest on Long-Term Debt	556,292	788,257	-	-	556,292	788,257
Water and Sewer	-	-	7,816,853	6,606,875	7,816,853	6,606,875
Total Expenses	12,870,175	13,323,135	7,816,853	6,606,875	20,687,028	19,930,010
Change in Net Assets	\$ 1,432,830	\$ 809,361	\$ 312,222	\$ 681,167	\$ 1,745,052	\$ 1,490,528

Business-type activities. Business-type activities increased Pittsfield Charter Township's net assets by \$312,222, which includes \$456,817 of capital contributions in the current year.

Financial Analysis of the Government's Funds

As noted earlier, Pittsfield Charter Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Pittsfield Charter Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Pittsfield Charter 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, Pittsfield Charter Township's governmental funds reported combined ending fund balances of \$14,872,273, an increase of \$1,528,218 in comparison with the prior year. The bond proceeds from the State Road and Textile Road intersection special assessment bonds accounted for \$866,250 of the increase. The *unreserved fund balance*, which is the amount available for spending at the government's discretion, represents 85% of the total fund balance. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been 1) committed to uphold contracts or bond agreements (\$2,023,432), or 2) committed to pay expenditures of the next period (\$149,069).

The general fund is the chief operating fund of Pittsfield Charter Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,084,113, while total fund balance is \$7,114,991. As a measure of the general funds' liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 76.0 percent of total general fund expenditures, while total fund balance represents 76.3 percent of that same amount.

The fund balance of Pittsfield Charter Township's general fund increased by \$754,708 during the current fiscal year. The key factor in this increase is that property tax revenues increased \$294,548 as a result of modest increases in taxable values of property in the Township along with increases in taxable values from new construction.

Proprietary funds. Pittsfield Charter Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$13,453,049. Other factors concerning the finances of this fund have already been addressed in the discussion of Pittsfield Charter Township's business-type activities.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget during the year. Any amendments were simply redistributions between departments.

Capital Asset and Debt Administration

Capital assets. Pittsfield Charter Township's investment in capital assets for its governmental and business type activities as of December 31, 2004, amounts to \$51,382,477 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and the water and sewer systems. The total increase in Pittsfield Charter

Township's investment in capital assets for the current fiscal year was 14.9 percent (a 1.9 percent decrease for governmental activities and a 34.8 percent increase for business-type activities).

Long-term debt. At the end of the current fiscal year, Pittsfield Charter Township had total bonded debt outstanding of \$12,320,000, \$930,300 of contracts payable, and \$7,087,637 of installment loans payable. All of Pittsfield Charter Township's debt represents general obligation debt backed by the full faith and credit of Pittsfield Charter Township.

Pittsfield Charter Township's total debt increased by \$7,329,123 (56 percent), during the current fiscal year. The key factors were the issuance of the 2004 General Obligation Water Capital Improvement Bonds of \$8,000,000 and the 2004 State Road and Textile Road Intersection Special Assessment Bonds of \$875,000.

Additional information on Pittsfield Charter Township's long-term debt can be found in note IV. D. on pages 34-35 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in state shared revenues. State shared revenues are expected to decrease again in the 2004-2005 fiscal year and the Township budgeted for a decrease in state shared revenue. Pittsfield Charter Township has kept its general operating millage rate constant for the last 4 years and is still below what is allowable to be levied under the Headlee Amendment, and has presented a balanced budget in the 2005 fiscal year.

Along with the increasing population, the Township is anticipating more demand for parks and recreation services, and is acquiring and developing park land where appropriate to better serve the residents. Also, the Township has been awarded a Michigan Department of Natural Resources Grant to commence Phase I of Pittsfield Preserve Park. The State's grant contribution amount is \$340,780 and the Township match will be up to \$433,720 for a total of \$774,500.

The Water and Sewer Fund rates were increased for the 2005 budget year. The water and sewer rates were increased by an average of 15 percent for all customers effective October 1, 2004. This rate increase was necessary to cover the rate increases passed on by the Township's water and sewer suppliers.

Requests for Information

This financial report is designed to provide a general overview of Pittsfield Charter Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Supervisor, 6201 W. Michigan Avenue, Ann Arbor, Michigan 48108.

BASIC FINANCIAL STATEMENTS

Pittsfield Charter Township
Statement of Net Assets
December 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 15,828,274	\$ 3,771,446	\$ 19,599,720	\$ 80,741
Receivables (net of allowance for uncollectibles):				
Accounts	476,084	616,443	1,092,527	-
Special Assessments	3,265,001	-	3,265,001	-
Due from Other Funds	187,272	10,667	197,939	-
Due from Component Units	71,360	-	71,360	-
Due from Other Governmental Units	-	1,668	1,668	-
Inventory	-	100,265	100,265	-
Prepaid Expenditures	92,404	9,271	101,675	10,392
Restricted Assets - Cash and Cash Equivalents	-	12,787,032	12,787,032	-
Capital Assets (Net of Accumulated Depreciation)	23,844,481	27,537,996	51,382,477	-
Total Assets	43,764,876	44,834,788	88,599,664	91,133
 <u>LIABILITIES</u>				
Accounts Payable	588,561	2,914,190	3,502,751	-
Accrued Liabilities	107,435	809,341	916,776	-
Due to Primary Government	-	-	-	71,360
Due to Other Funds	139,207	58,732	197,939	-
Due to Other Governmental Units	39,428	61,480	100,908	-
Deferred Revenue	3,737,919	-	3,737,919	-
Other	435,572	-	435,572	-
Noncurrent Liabilities:				
Due within one year	1,158,600	543,124	1,701,724	-
Due in more than one year	10,202,481	9,078,076	19,280,557	-
Total Liabilities	16,409,203	13,464,943	29,874,146	71,360
 <u>NET ASSETS</u>				
Invested in Capital Assets, net of related debt	12,483,400	17,916,796	30,400,196	-
Restricted for:				
Capital Projects	155,480	-	155,480	-
Debt Service	1,867,952	-	1,867,952	-
Other	149,069	-	149,069	-
Unrestricted (Deficit)	12,699,772	13,453,049	26,152,821	19,773
Total Net Assets	\$ 27,355,673	\$ 31,369,845	\$ 58,725,518	\$ 19,773

Pittsfield Charter Township
Statement of Activities
For the Year Ended December 31, 2004

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Functions/Programs</u>				
Primary Government:				
Governmental Activities:				
General Government	\$ 1,886,811	\$ 1,849,399	\$ 3,883	\$ -
Public Safety	5,731,179	862,131	282,893	-
Planning and Zoning	372,070	131,144	-	-
Public Works	1,717,388	1,010,145	17,830	-
Recreation and Cultural	614,299	152,279	1,000	4,048
Other	1,992,136	13,509	-	9,030
Interest on Long-Term Debt	556,292	-	-	-
Total Governmental Activities	12,870,175	4,018,607	305,606	13,078
Business-type Activities:				
Water and Sewer	7,816,853	7,431,884	-	456,817
Total Business-type Activities	7,816,853	7,431,884	-	456,817
Total Primary Government	\$ 20,687,028	\$ 11,450,491	\$ 305,606	\$ 469,895
 Component Units	 \$ 991,594	 \$ 19,199	 \$ 913,670	 \$ -

General Revenues:
Property Taxes
State Shared Revenue
Cable Franchise Fees
Unrestricted Investment Earnings
Total General Revenues

Change in Net Assets
Net Assets - Beginning

Net Assets - Ending

Net (Expense) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (33,529)	\$ -	\$ (33,529)	\$ -
(4,586,155)	-	(4,586,155)	-
(240,926)	-	(240,926)	-
(689,413)	-	(689,413)	-
(456,972)	-	(456,972)	-
(1,969,597)	-	(1,969,597)	-
(556,292)	-	(556,292)	-
<u>(8,532,884)</u>	<u>-</u>	<u>(8,532,884)</u>	<u>-</u>
-	71,848	71,848	-
-	71,848	71,848	-
<u>(8,532,884)</u>	<u>71,848</u>	<u>(8,461,036)</u>	<u>-</u>
-	-	-	(58,725)
7,228,368	-	7,228,368	-
2,141,845	-	2,141,845	-
319,170	-	319,170	-
276,331	240,374	516,705	2,640
<u>9,965,714</u>	<u>240,374</u>	<u>10,206,088</u>	<u>2,640</u>
1,432,830	312,222	1,745,052	(56,085)
<u>25,922,843</u>	<u>31,057,623</u>	<u>56,980,466</u>	<u>75,858</u>
<u>\$ 27,355,673</u>	<u>\$ 31,369,845</u>	<u>\$ 58,725,518</u>	<u>\$ 19,773</u>

Pittsfield Charter Township
Balance Sheet
Governmental Funds
December 31, 2004

	<u>General</u>	<u>Carpenter Road Drain Debt Service</u>	<u>Waters Place Road Debt Service</u>	<u>State & Textile Road Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 7,798,888	\$ 202,418	\$ 38,368	\$ 66,780	\$ 7,721,820	\$ 15,828,274
Receivables (net of allowance for uncollectibles):						
Accounts	425,433	-	-	-	50,651	476,084
Special Assessments	-	650,976	692,121	830,729	1,091,175	3,265,001
Due from Other Funds	102,610	-	-	-	84,662	187,272
Due from Component Unit	71,360	-	-	-	-	71,360
Prepaid Expenditures	79,753	-	-	-	12,651	92,404
Total Assets	\$ 8,478,044	\$ 853,394	\$ 730,489	\$ 897,509	\$ 8,960,959	\$ 19,920,395
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 353,336	\$ -	\$ -	\$ -	\$ 235,225	\$ 588,561
Accrued and Other Liabilities	92,564	-	-	-	14,871	107,435
Due to Other Funds	25,930	-	-	-	113,277	139,207
Due to Other Governmental Units	39,428	-	-	-	-	39,428
Deferred Revenue	472,918	650,976	692,121	830,729	1,091,175	3,737,919
Other	378,877	-	-	-	56,695	435,572
Total Liabilities	1,363,053	650,976	692,121	830,729	1,511,243	5,048,122
Fund Balances:						
Reserved for:						
Capital Projects	-	-	-	-	155,480	155,480
Debt Service	-	202,418	38,368	66,780	1,560,386	1,867,952
Other	30,878	-	-	-	118,191	149,069
Unreserved for:						
General Fund	7,084,113	-	-	-	-	7,084,113
Special Revenue Funds	-	-	-	-	5,615,659	5,615,659
Total Fund Balances	7,114,991	202,418	38,368	66,780	7,449,716	14,872,273
Total Liabilities and Fund Balances	\$ 8,478,044	\$ 853,394	\$ 730,489	\$ 897,509	\$ 8,960,959	

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.

23,844,481

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(11,361,081)

Net Assets of Governmental Activities

\$ 27,355,673

Pittsfield Charter Township
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Carpenter Rd. Drain Debt Service	Waters Place Rd. Debt Service	State & Textile Rd. Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$ 5,217,938	\$ -	\$ -	\$ -	\$ 2,010,430	\$ 7,228,368
Licenses and Permits	62,782	-	-	-	616,144	678,926
Intergovernmental:						
Federal, State and Local	2,242,887	-	-	-	13,078	2,255,965
Charges for Services	913,786	-	-	-	826,444	1,740,230
Fines and Forfeitures	131,261	-	-	-	-	131,261
Special Assessments	-	118,741	105,426	64,990	531,406	820,563
Interest	178,985	2,918	689	1,790	91,949	276,331
Other	1,157,735	-	-	-	13,626	1,171,361
Total Revenues	<u>9,905,374</u>	<u>121,659</u>	<u>106,115</u>	<u>66,780</u>	<u>4,103,077</u>	<u>14,303,005</u>
Expenditures						
Current:						
General Government	1,743,609	-	-	-	-	1,743,609
Public Safety	4,079,697	-	-	-	1,078,301	5,157,998
Planning and Zoning	362,914	-	-	-	-	362,914
Public Works	443,131	-	-	-	652,096	1,095,227
Recreation and Cultural	514,921	-	-	-	56,351	571,272
Other	1,476,525	-	-	-	515,611	1,992,136
Debt Service:						
Principal	185,644	88,600	65,000	-	869,356	1,208,600
Interest and Other Charges	158,591	48,022	38,974	-	301,955	547,542
Capital Outlay	358,144	-	-	-	794,850	1,152,994
Total Expenditures	<u>9,323,176</u>	<u>136,622</u>	<u>103,974</u>	<u>-</u>	<u>4,268,520</u>	<u>13,832,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>582,198</u>	<u>(14,963)</u>	<u>2,141</u>	<u>66,780</u>	<u>(165,443)</u>	<u>470,713</u>
Other Financing Sources (Uses)						
Transfers In	-	18,745	-	-	653,192	671,937
Transfers Out	(18,745)	-	-	-	(653,192)	(671,937)
Sale of Fixed Assets	191,255	-	-	-	-	191,255
Bond Proceeds	-	-	-	-	866,250	866,250
Total Other Financing Sources and Uses	<u>172,510</u>	<u>18,745</u>	<u>-</u>	<u>-</u>	<u>866,250</u>	<u>1,057,505</u>
Net Change in Fund Balances	754,708	3,782	2,141	66,780	700,807	1,528,218
Fund Balances - Beginning	<u>6,360,283</u>	<u>198,636</u>	<u>36,227</u>	<u>-</u>	<u>6,748,909</u>	<u>13,344,055</u>
Fund Balances - Ending	<u>\$ 7,114,991</u>	<u>\$ 202,418</u>	<u>\$ 38,368</u>	<u>\$ 66,780</u>	<u>\$ 7,449,716</u>	<u>\$ 14,872,273</u>

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, 2004

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,528,218
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. This is the amount by which depreciation exceeded capital outlays in the current period.	(461,774)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>366,386</u>
Change in net assets in governmental activities	\$ <u><u>1,432,830</u></u>

Pittsfield Charter Township
Balance Sheet
Proprietary Funds
December 31, 2004

		<u>Business Type Activity Enterprise Fund</u>
		<u>Water and Sewer Fund</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$	3,771,446
Accounts Receivable		616,443
Due From Other Funds		10,667
Due From Other Governmental Units		1,668
Inventory		100,265
Prepaid Expense		9,271
Total Current Assets		<u>4,509,760</u>
Restricted Assets - Cash		<u>12,787,032</u>
Property, Plant and Equipment		38,540,515
Less: Accumulated Depreciation		<u>(11,002,519)</u>
Net Property, Plant and Equipment		<u>27,537,996</u>
Total Assets	\$	<u><u>44,834,788</u></u>
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$	2,914,190
Accrued Liabilities		749,847
Contracts Payable		59,494
Due to Other Funds		58,732
Due to Other Governmental Units		61,480
Total Current Liabilities (Payable from Current Assets)		<u>3,843,743</u>
Current Liabilities (Payable from Restricted Assets):		
Note Payable		228,124
Bonds Payable		315,000
Total Current Liabilities (Payable from Restricted Assets)		<u>543,124</u>
Long-Term Liabilities (Payable from Restricted Assets):		
Note Payable (net of current portion)		239,513
Bonds Payable (net of unamortized discount)		8,838,563
Total Long-Term Liabilities (Payable from Restricted Assets)		<u>9,078,076</u>
Equity:		
Invested in Capital Assets, Net of Related Debt		17,916,796
Unrestricted		13,453,049
Total Equity		<u>31,369,845</u>
Total Liabilities and Equity	\$	<u><u>44,834,788</u></u>

Pittsfield Charter Township
Statement of Revenues, Expenses and Changes in Fund Equity
Proprietary Funds
For the Year Ended December 31, 2004

		<u>Business Type Activity Enterprise Fund</u>
		<u>Water and Sewer Fund</u>
<u>Operating Revenues:</u>		
Charges for Services	\$	7,177,301
Other Income		254,583
Total Operating Revenues		<u>7,431,884</u>
<u>Operating Expenses:</u>		
Cost of Sales		5,613,886
Personnel Services		546,060
Supplies, Repairs, Insurance and Other Expenses		664,221
Depreciation and Amortization		707,901
Total Operating Expenses		<u>7,532,068</u>
Operating Income (Loss)		<u>(100,184)</u>
<u>Non-Operating Revenues (Expenses):</u>		
Interest Earned		240,374
Interest Expense and Fees		(284,785)
Total Non-Operating Revenues (Expenses)		<u>(44,411)</u>
Income (Loss) before Contributions and Transfers		(144,595)
Capital Contributions		<u>456,817</u>
Net Income		312,222
Fund Equity, Beginning		<u>31,057,623</u>
Fund Equity, Ending	\$	<u><u>31,369,845</u></u>

Pittsfield Charter Township
Statement of Cash Flows
Proprietary Funds
For the Year December 31, 2004

	<u>Business Type Activity Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 7,357,553
Payments to suppliers	(4,346,226)
Payments to employees	(546,060)
Net Cash Provided by Operating Activities	<u>2,465,267</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital Contributions	456,817
Proceeds from Bond Issue	7,900,000
Acquisition and Construction of Capital Assets	(7,812,775)
Principal Paid on Capital Debt	(337,277)
Interest Paid on Capital Debt	(284,785)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(78,020)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Earned	<u>240,374</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,627,621
Cash and Cash Equivalents, Beginning	<u>13,930,857</u>
Cash and Cash Equivalents, Ending	<u>\$ 16,558,478</u>
 <u>Balance Sheet Classifications:</u>	
Cash and Cash Equivalents	\$ 3,771,446
Restricted Assets - Cash and Cash Equivalents	<u>12,787,032</u>
Total	<u>\$ 16,558,478</u>
 <u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u>	
Operating Income (Loss)	\$ (100,184)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	707,901
(Increase) Decrease in Receivables	(87,503)
(Increase) Decrease in Due from Other Funds	13,172
(Increase) Decrease in Due from Other Governmental Units	
(Increase) Decrease in Inventory	(18,148)
(Increase) Decrease in Prepaid Expense	(5,696)
Increase (Decrease) in Accounts Payable	1,358,253
Increase (Decrease) in Accrued Liabilities	573,919
Increase (Decrease) in Contracts Payable	26,207
Increase (Decrease) in Due to Other Funds	(10,414)
Increase (Decrease) in Due to Other Governmental Units	7,760
Net Cash Provided by Operating Activities	<u>\$ 2,465,267</u>

Pittsfield Charter Township
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 6,643,658
LIABILITIES	
Due to Other	<u>6,643,658</u>
NET ASSETS	\$ <u><u>-</u></u>

Pittsfield Charter Township
Statement of Net Assets - Component Units
December 31, 2004

	<u>Economic Development Corporation</u>	<u>Housing Commission</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 9,500	\$ 71,241	\$ 80,741
Prepaid Expense	<u>-</u>	<u>10,392</u>	<u>10,392</u>
Total Assets	9,500	81,633	91,133
<u>LIABILITIES</u>			
Due to Primary Government	<u>-</u>	<u>71,360</u>	<u>71,360</u>
<u>NET ASSETS</u>			
Unrestricted	\$ <u>9,500</u>	\$ <u>10,273</u>	\$ <u>19,773</u>

Pittsfield Charter Township
Statement of Activities - Component Units
For the Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Economic Development Corporation	Housing Commission	Total
Economic Development Corporation	\$ 1,419	\$ -	\$ -	\$ -	(1,419)	\$ -	\$ (1,419)
Housing Commission	<u>990,175</u>	<u>19,199</u>	<u>913,670</u>	<u>-</u>	<u>-</u>	<u>(57,306)</u>	<u>(57,306)</u>
Total	<u>\$ 991,594</u>	<u>\$ 19,199</u>	<u>\$ 913,670</u>	<u>\$ -</u>	<u>(1,419)</u>	<u>(57,306)</u>	<u>(58,725)</u>
General Revenues:							
					<u>99</u>	<u>2,541</u>	<u>2,640</u>
					(1,320)	(54,765)	(56,085)
					<u>10,820</u>	<u>65,038</u>	<u>75,858</u>
					<u>\$ 9,500</u>	<u>\$ 10,273</u>	<u>\$ 19,773</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Pittsfield Township became a Charter Township by a vote of the electorate on August 15, 1972. The Township is operated by an elected seven member Township Board and provides the following services as authorized by law: public safety (police and fire), sanitation, community development, culture-recreation, public improvements, planning and zoning, water and sewerage system and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Pittsfield Charter Township and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. The 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. Each blended and discretely presented component unit has a December 31, 2004 year end.

Blended Component Units

The Pittsfield Township Municipal Building Authority was formed to permit the Township to finance the acquisition and construction of its municipal buildings. All of the Authority's debt is a general obligation of Pittsfield Charter Township. The members of the Authority's board are appointed by the Township's elected Board of Trustees, who also approve the Authority's operating budget.

The Charter Township of Pittsfield Historical Commission was formed to promote Township identity through public awareness of the history of Pittsfield Township. The members of the Commission's board are appointed by the Township Supervisor with approval of the Township Board. The Township Board is also responsible for the approval of the Commission's operating budget.

Discretely Presented Component Units

Pittsfield Township Economic Development Corporation

The Pittsfield Township Economic Development Corporation 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 corporation nor does it guarantee its debt. Members of the Economic Development Corporation's board of directors are appointed by the Township's Board of Trustees.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - Continued

Pittsfield Township Housing Commission

The Housing Commission was formed to assist low income and senior citizens of the Township to obtain federally subsidized housing. The Commission participates in the U.S. Housing and Urban Development's "Section 8" voucher program.

The Township Board of Trustees appoints members of the Commission, but does not approve its budgets and is not obligated to fund any operating deficits.

Complete financial statements of the Pittsfield Township Housing Commission component unit can be obtained at the Pittsfield Charter Township Administrative Offices, 6201 W. Michigan Avenue, Ann Arbor, MI 48108.

The above component units are discretely presented within the Township financial statements because they are legally separate and financially accountable to the Township. Financial accountability is demonstrated by the Township Board making the appointments to the respective boards, approving the annual operating budgets and any amendments of each component unit and approving development and financing plans of the EDC, and Housing Commission.

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 units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Government-Wide and Fund Financial Statements – Continued

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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 if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Governmental Funds

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 State and Textile Road Debt Service Fund, the Carpenter Road Drain Debt Service Fund, and the Waters Place Road Debt Service Fund, were established to account for the special assessment collections and related debt service payment for certain infrastructure improvements.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

In addition, the Township reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Proprietary Fund

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township Commission has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Township's enterprise fund is the Water and Sewer Fund, which is reported as a major fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity by the Township or as an agent on behalf of others. Fiduciary funds include the following fund type:

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 Township to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

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 "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of allowances for uncollectible accounts, which are recorded as follows:

	<u>Accounts</u>
	<u>Receivable</u>
Total	\$1,092,527
Less Allowance for Doubtful Accounts	-
Net Realizable Value	<u>\$1,092,527</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity – Continued

3. Inventory

Inventories are valued at cost using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-30
Equipment	5-20
Infrastructure	15-30

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, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. The total liability at December 31, 2004 is \$760,781.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Assets or Equity – Continued

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the 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, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$11,361,081 difference are as follows:

General Obligation Bonds and Contracts Payable	\$10,600,300
Compensated Absences Payable	<u>760,781</u>
	<u>\$11,361,081</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS -
Continued

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this \$(461,774) difference are as follows:

Capital Outlay	\$ 932,778
Depreciation Expense	<u>(1,394,552)</u>
	<u>\$ (461,774)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$366,386 difference are as follows:

Principal Repayments	\$1,208,600
Issuance of New Debt	(875,000)
Compensated Absences	<u>32,786</u>
	<u>\$ 366,386</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Township is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

The Township follows these procedures in establishing the budgetary data reflected in these financial statements:

1. In accordance with State law, prior to December 15, the 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 means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted in September and October to obtain taxpayer comment.
3. Prior to December 15, the budget is legally enacted through passage of a budget resolution.
4. 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 (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted and as amended by the Township Board.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2004.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

None of the funds have expenditures in excess of appropriations.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. The carrying amount of deposits are separately displayed on the balance sheets as "Cash and Cash Equivalents".

The carrying amount of the Township's deposits with financial institutions at December 31, 2004 was \$39,030,410 and the bank balance was \$38,486,705 categorized as follows:

	<u>Bank Balance</u>
Insured by F.D.I.C.	\$ 300,319
Uninsured and Uncollateralized	<u>38,186,386</u>
Total	<u>\$38,486,705</u>

A reconciliation of cash for the primary government follows:

Cash and Cash Equivalents per:	
Statement of Net Assets	\$19,599,720
Restricted Cash, Statement of Net Assets	12,787,032
Agency Funds	<u>6,643,658</u>
Total	<u>\$39,030,410</u>

At December 31, 2004 the carrying amount and bank balances of the component units of the Pittsfield Charter Township are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Insured</u>
Pittsfield Township Housing Authority	\$ 71,241	\$145,357	\$100,000
Pittsfield Township Economic Development Authority	<u>9,500</u>	<u>10,820</u>	<u>1,299</u>
	<u>\$ 80,741</u>	<u>\$156,177</u>	<u>\$101,299</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 15,033,197	\$ -	\$ (191,255)	\$ 14,841,942
Capital Assets, being depreciated:				
Building	5,035,070	-	-	5,035,070
Machinery and Equipment	4,752,037	309,040	(109,850)	4,951,227
Infrastructure	9,332,419	843,954	-	10,176,373
	<u>19,119,526</u>	<u>1,152,994</u>	<u>(109,850)</u>	<u>20,162,670</u>
Less: Accumulated Depreciation:				
Building	(1,353,400)	(210,948)	-	(1,564,348)
Machinery and Equipment	(2,605,919)	(561,443)	80,889	(3,086,473)
Infrastructure	(5,887,149)	(622,161)	-	(6,509,310)
	<u>(9,846,468)</u>	<u>(1,394,552)</u>	<u>80,889</u>	<u>(11,160,131)</u>
Governmental Activities Capital Assets, net	<u>\$ 24,306,255</u>	<u>\$ (241,558)</u>	<u>\$ (220,216)</u>	<u>\$ 23,844,481</u>

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

General Government	\$ 175,988
Public Safety	544,220
Planning & Zoning	9,156
Public Works	622,161
Recreation and Cultural	43,027
	<u>\$1,394,552</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

B. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 318,863	\$ 191,255	\$ -	\$ 510,118
Capital Assets, being depreciated:				
Building	949,314	-	-	949,314
Infrastructure	29,097,399	7,519,589	-	36,616,988
Machinery and Equipment	608,364	24,644	(168,914)	464,094
	<u>30,655,077</u>	<u>7,544,233</u>	<u>(168,914)</u>	<u>38,030,396</u>
Less: Accumulated Depreciation:				
Building	(94,932)	(31,644)	-	(126,576)
Infrastructure	(10,009,145)	(633,656)	-	(10,642,801)
Machinery and Equipment	(438,679)	(40,662)	246,200	(233,141)
	<u>(10,542,756)</u>	<u>(705,962)</u>	<u>246,200</u>	<u>(11,002,518)</u>
Business-type Activities				
Capital Assets, net	<u>\$ 20,431,184</u>	<u>\$ 7,029,526</u>	<u>\$ 77,286</u>	<u>\$ 27,537,996</u>

C. Interfund Receivables, Payables and Transfers

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Building Dept	\$ 100,618
	Refuse	1,992
Public Safety Construction	General Fund	15,031
Water and Sewer	Refuse	10,667
Refuse	General Fund	10,899
	Water and Sewer	58,732
		<u>\$ 197,939</u>
<u>Transfers In</u>	<u>Transfers Out</u>	
E911 Service	Public Safety	\$ 653,192
Carpenter Road Debt Service	General Fund	18,745
		<u>\$ 671,937</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2004:

	Balance Jan 1, 2004	Additions	Reductions	Balance Dec 31, 2004	Due Within One Year
Governmental Activities:					
Installment Notes	\$ 6,990,000	\$ -	\$ 370,000	\$ 6,620,000	\$ 390,000
Special Assessments	2,925,000	875,000	750,000	3,050,000	680,000
Drain Assessments	1,018,900	-	88,600	930,300	88,600
Compensated Absences	793,567	-	32,786	760,781	-
	<u>\$ 11,727,467</u>	<u>\$ 875,000</u>	<u>\$ 1,241,386</u>	<u>\$ 11,361,081</u>	<u>\$ 1,158,600</u>
Business Activities:					
Bonds Payable	\$ 1,390,000	\$ 8,000,000	\$ 120,000	\$ 9,270,000	\$ 315,000
Installment Notes	684,914	-	217,277	467,637	228,124
Less: Unamortized Discount	(18,375)	1,938	100,000	(116,437)	-
	<u>\$ 2,056,539</u>	<u>\$ 8,001,938</u>	<u>\$ 437,277</u>	<u>\$ 9,621,200</u>	<u>\$ 543,124</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Long-Term Debt - Continued

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2004:

	<u>Number of Issues</u>	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
Governmental Activities:				
Installment Notes	1	5.30%	2014	\$ 6,620,000
Special Assessments	9	3.15%-6.90%	2015	3,050,000
Drain Assessments	1	4.70%-5.00%	2015	930,300
Compensated Absences	N/A			760,781
				<u>\$ 11,361,081</u>
Business Activities:				
Bonds Payable	3	2.75%-6.90%	2029	\$ 9,270,000
Installment Notes	1	3.75%-3.90%	2006	467,637
Less: Unamortized Discount				(116,437)
				<u>\$ 9,621,200</u>

The annual debt service requirements to maturity for debt outstanding as of December 31, 2004 is as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 1,158,600	\$ 528,714	\$ 543,124	\$ 389,110
2006	838,600	464,964	564,513	365,920
2007	878,600	421,532	335,000	341,549
2008	883,600	376,920	355,000	328,598
2009	1,008,600	329,706	365,000	314,737
2010-2014	5,705,850	801,513	1,790,000	1,334,849
2015-2019	126,450	3,341	1,495,000	1,034,345
2020-2024	-	-	1,885,000	714,262
2025-2029	-	-	2,405,000	268,640
	<u>\$10,600,300</u>	<u>\$2,926,690</u>	<u>\$9,737,637</u>	<u>\$5,092,010</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

E. Reserved Fund Balance

A detailed description of fund balance reservations and designations (for all governmental fund types) at December 31, 2004, is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Fund Balance</u>				
Reserved for:				
Capital Projects	\$ -	\$ -	\$ -	\$ 155,480
Debt Service	-	-	1,867,952	-
Other	<u>30,878</u>	<u>118,191</u>	<u>-</u>	<u>-</u>
Total Reserved	<u>30,878</u>	<u>118,191</u>	<u>1,867,952</u>	<u>155,480</u>
Unreserved:				
Designated for:				
Subsequent Year	500,000	876,365	-	-
Prepaid Expenditures	80,000	-	-	-
Land Acquisition	2,000,000	-	-	-
Contingencies	1,500,000	-	-	-
Capital Improvements	1,000,000	-	-	-
Budget Stabilization	150,000	-	-	-
Retiree Benefits	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Designated	<u>5,830,000</u>	<u>876,365</u>	<u>-</u>	<u>-</u>
Undesignated	<u>1,254,113</u>	<u>4,739,294</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>\$ 7,114,991</u>	<u>\$ 5,733,850</u>	<u>\$ 1,867,952</u>	<u>\$ 155,480</u>

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

F. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levies for the Township are detailed below:

<u>Purpose</u>	<u>Authorization</u>	<u>Term</u>	<u>Pre- Rollback Auth. Rate</u>	<u>Post Rollback Auth. Rate</u>	<u>Rate Levied</u>
Operating	Voter Approved	N/A	5.0000	4.1206	3.7498
Public Safety	Voter Approved	2002-2011	1.0000	0.9856	0.9856
Parks and Rec.	Voter Approved	1996-2005	0.5000	0.4814	0.4596
Total				<u>5.5876</u>	<u>5.1950</u>

V. OTHER INFORMATION

A. Employee Retirement Systems and Plans

1. Defined Benefit Plan

The Township contributes to the Michigan Municipal Employees' Retirement System (MMERS), which is an agent multiple employer retirement system that covers all full time employees of the Township. The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non duty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2003.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. 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 System at 447 N. Canal St., Lansing, Michigan 48917-9755.

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

2. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was a percentage of annual compensation at December 31, 2002 as follows:

Admin-Union	2.63%
Admin Non-Union	5.57%
Patrol Officers	4.02%
Firefighters	4.91%
Elected Officials	19.05%
Dispatchers	1.68%
Police Command	10.59%

3. Annual Pension Cost

During the fiscal year ended December 31, 2004, the Township's contributions totaling \$298,754 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2002. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Trend Information

Pension Year Ended December 31,	Valuation Date Dec. 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2000	1998	\$193,233	100%	\$ -0-
2001	1999	242,891	100%	-0-
2002	2000	246,324	100%	-0-
2003	2001	285,559	100%	-0-
2004	2002	298,754	100%	-0-

PITTSFIELD CHARTER TOWNSHIP
Notes to Financial Statements
December 31, 2004

V. OTHER INFORMATION - Continued

B. Post Retirement Health Care Benefits

In addition to providing pension benefits, the Township provides certain health care insurance benefits to all full time employees of the Township. All eligible full time employees who retire at normal retirement age, are entitled to receive these benefits during their retirement. Currently 5 retirees are covered by this plan. These benefits are expensed in the year paid, on a pay-as-you-go basis. For the year ended December 31, 2004, these costs amounted to approximately \$33,441. The basis for these payments are the agreements with employee groups through collective bargaining as well as the Township's personnel policy.

C. Risk Management

The Township purchases insurance coverage through traditional means. The Township's property and liability and workers compensation coverages are on file in the Risk Manager's office.

D. Contingencies

1. Property Tax Litigation

Utility companies appealed tax assessments for the years 1997-2002, claiming that the State Tax Commission's revisions to depreciation tables adopted in 1999 had retroactive effect. The Township has defended the action, but the case remains unsettled, as is the case statewide. The Township attorney is unable to determine the probable results, however, the tax amounts in question (Township share) is approximately \$200,000. Accordingly, adjustments, if any, that might result from the resolution of this matter have not been reflected in the financial statements.

2. Water Treatment Services

The Township has a contract with the supplier of the majority of its water treatment services, which calls for annual adjustments to the amounts billed monthly for these services, based on the total flows into the system from the Township, as compared to flows from all users. These amounts have not been billed by the supplier, and management has not been able to determine a reasonable estimate of amounts due. Accordingly, adjustments, if any, that might result from the resolution of this matter have not been reflected in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Pittsfield Charter Township
 Required Supplemental Information
Defined Benefit Pensions Plans Trend Information (Unaudited)
December 31, 2004

Municipal Employees Retirement System
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Underfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
12/31/97	\$1,827,266	\$3,105,629	\$1,278,363	59%	\$2,598,644	49%
12/31/98	2,307,455	3,778,507	1,471,052	61	2,886,184	51
12/31/99	2,887,981	4,202,782	1,314,801	69	3,356,500	39
12/31/00	3,462,677	5,038,816	1,576,139	69	3,648,928	43
12/31/01	4,176,971	5,900,412	1,723,441	71	4,078,516	42
12/31/02	4,826,738	6,638,884	1,812,146	73	4,515,902	40
12/31/03	5,826,387	8,233,918	2,407,531	71	5,189,309	46

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2003, the latest actual valuation, follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases Includes inflation at 4.5%	4.50-8.66%
Cost of living adjustments	None

PITTSFIELD CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
General Property Taxes	\$ 5,272,696	\$ 5,272,696	\$ 5,217,938	\$ (54,758)
Licenses and Permits	79,000	79,000	62,782	(16,218)
Intergovernmental - Federal	-	-	11,438	11,438
Intergovernmental - State and Local	2,374,500	2,374,500	2,231,449	(143,051)
Charges for Services	851,800	851,800	913,786	61,986
Fines	100,000	100,000	131,261	31,261
Interest	120,000	120,000	178,985	58,985
Reimbursements	396,600	396,600	484,383	87,783
Other Revenues	606,600	606,600	673,352	66,752
Total Revenues	9,801,196	9,801,196	9,905,374	104,178
Expenditures:				
General Government:				
Township Board	43,800	43,800	38,647	5,153
Township Supervisor	127,919	114,419	100,763	13,656
Elections	78,663	78,663	70,390	8,273
Accounting Dept.	170,070	140,070	120,350	19,720
Assessor	271,050	271,050	261,303	9,747
Township Clerk	255,678	255,678	235,005	20,673
Personnel Dept.	173,364	186,864	181,844	5,020
Purchasing Dept.	29,688	29,688	27,370	2,318
Board of Review	2,000	2,000	1,800	200
Administrative Dept.	125,200	125,200	101,807	23,393
Professional Services	110,200	112,600	111,449	1,151
Treasurer's Dept.	212,145	212,145	196,825	15,320
Network Administrator	56,700	56,700	41,692	15,008
Information Technology	53,000	58,000	42,205	15,795
Building and Grounds	227,000	222,000	174,711	47,289
Phase II EPA - DEQ Compliance	87,120	87,120	37,448	49,672
Total General Government	2,023,597	1,995,997	1,743,609	252,388
Public Safety:				
Police	2,645,607	2,643,207	2,216,705	426,502
Fire	2,320,010	2,303,810	1,823,217	480,593
Property Maintenance Inspections	53,200	53,200	39,775	13,425
Total Public Safety	5,018,817	5,000,217	4,079,697	920,520
Planning and Zoning	408,960	408,960	362,914	46,046
Highways, Streets and Drains	536,000	458,500	443,131	15,369
Parks and Recreation	630,332	630,332	499,890	130,442
Housing Commission	15,703	15,703	14,917	786
Historical Commission	2,350	2,350	114	2,236
Debt Service:				
Principal	185,644	185,644	185,644	-
Interest and Other Charges	158,591	158,591	158,591	-
Total Debt Service	344,235	344,235	344,235	-
Capital Outlay	-	65,260	358,144	(292,884)
Other Functions	1,412,182	1,470,622	1,476,525	(5,903)
Total Expenditures	10,392,176	10,392,176	9,323,176	1,069,000

(continued)

PITTSFIELD CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (590,980)	\$ (590,980)	\$ 582,198	\$ 1,173,178
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(18,745)	(18,745)	(18,745)	-
Sale of Fixed Assets	220,000	220,000	191,255	(28,745)
Total Other Financing Sources (Uses)	<u>201,255</u>	<u>201,255</u>	<u>172,510</u>	<u>(28,745)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ <u>(389,725)</u>	\$ <u>(389,725)</u>	754,708	\$ <u>1,144,433</u>
Fund Balance - January 1			<u>6,360,283</u>	
Fund Balance - December 31			\$ <u>7,114,991</u>	

Pittsfield Charter Townshp
Carpenter Road Drain Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2004

<u>Revenues:</u>	
Special Assessments	\$ 118,741
Interest Income	2,918
Total Revenues	<u>121,659</u>
<u>Expenditures:</u>	
Principal Retirement	88,600
Interest	48,022
Total Expenditures	<u>136,622</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,963)
Other Financing Sources:	
Transfers In	<u>18,745</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	3,782
Fund Balances - January 1	<u>198,636</u>
Fund Balances - December 31	<u>\$ 202,418</u>

Pittsfield Charter Townshp
Waters Place Road Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2004

Revenues:

Special Assessments	\$ 105,426
Interest Income	689
Total Revenues	<u>106,115</u>

Expenditures:

Principal Retirement	65,000
Interest	38,699
Paying Agent Fees	275
Total Expenditures	<u>103,974</u>

Excess (Deficiency) of Revenues Over Expenditures	2,141
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Fund Balances - January 1	<u>36,227</u>
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Fund Balances - December 31	<u>\$ 38,368</u>
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Pittsfield Charter Townshp
State & Textile Road Debt Service Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2004

<u>Revenues:</u>	
Special Assessments	\$ 64,990
Interest Income	1,790
Total Revenues	<u>66,780</u>
<u>Expenditures:</u>	
Principal Retirement	-
Interest	-
Paying Agent Fees	-
Total Expenditures	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	 66,780
Fund Balances - January 1	<u>-</u>
Fund Balances - December 31	<u>\$ 66,780</u>

OTHER SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 5,871,901	\$ 1,597,311	\$ 252,608	\$ 7,721,820
Accounts Receivable	50,651	-	-	50,651
Special Assessments Receivable	-	1,091,175	-	1,091,175
Due from Other Funds	69,631	-	15,031	84,662
Prepaid Expenditures	12,651	-	-	12,651
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>6,004,834</u>	\$ <u>2,688,486</u>	\$ <u>267,639</u>	\$ <u>8,960,959</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 138,097	\$ -	\$ 97,128	\$ 235,225
Accrued Liabilities	14,871	-	-	14,871
Due to Other Funds	113,277	-	-	113,277
Deferred Revenue	-	1,091,175	-	1,091,175
Contracts Payable	-	-	15,031	15,031
Deposits	4,739	-	-	4,739
Other	-	36,925	-	36,925
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	270,984	1,128,100	112,159	1,511,243
Fund Balance:				
Reserved for :				
Capital Projects	-	-	155,480	155,480
Debt Service	-	1,560,386	-	1,560,386
Other	118,191	-	-	118,191
Unreserved	5,615,659	-	-	5,615,659
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	5,733,850	1,560,386	155,480	7,449,716
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ <u>6,004,834</u>	\$ <u>2,688,486</u>	\$ <u>267,639</u>	\$ <u>8,960,959</u>

PITTSFIELD CHARTER TOWNSHIP
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 2,010,430	\$ -	\$ -	\$ 2,010,430
Special Assessments	-	531,406	-	531,406
Licenses and Permits	616,144	-	-	616,144
Intergovernmental	13,078	-	-	13,078
Charges for Services	826,444	-	-	826,444
Interest	56,489	29,872	5,588	91,949
Other	13,509	-	117	13,626
Total Revenues	<u>3,536,094</u>	<u>561,278</u>	<u>5,705</u>	<u>4,103,077</u>
Expenditures:				
Public Safety	1,078,301	-	-	1,078,301
Public Works	652,096	-	-	652,096
Recreation and Cultural	56,351	-	-	56,351
Other	23,312	492,299	-	515,611
Debt Service:				
Principal	184,356	685,000	-	869,356
Interest and Other Charges	202,074	99,881	-	301,955
Capital Outlay	15,877	-	778,973	794,850
Total Expenditures	<u>2,212,367</u>	<u>1,277,180</u>	<u>778,973</u>	<u>4,268,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,323,727</u>	<u>(715,902)</u>	<u>(773,268)</u>	<u>(165,443)</u>
Other Financing Sources (Uses):				
Operating Transfers In	653,192	-	-	653,192
Operating Transfers Out	(653,192)	-	-	(653,192)
Bond Proceeds	-	-	866,250	866,250
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>866,250</u>	<u>866,250</u>
Net Change in Fund Balances	1,323,727	(715,902)	92,982	700,807
Fund Balances - January 1	<u>4,410,123</u>	<u>2,276,288</u>	<u>62,498</u>	<u>6,748,909</u>
Fund Balances - December 31	<u>\$ 5,733,850</u>	<u>\$ 1,560,386</u>	<u>\$ 155,480</u>	<u>\$ 7,449,716</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2004

	<u>Refuse Collection</u>	<u>Public Safety</u>	<u>Parks & Recreation Millage</u>	<u>Tree Mitigation</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>E 911 Service</u>	<u>Total</u>
ASSETS								
Cash	\$ 339,632	\$ 2,555,060	\$ 740,861	\$ 105,733	\$ 382,612	\$ 965,000	\$ 783,003	\$ 5,871,901
Accounts Receivable	-	-	-	-	-	-	50,651	50,651
Due from Other Funds	69,631	-	-	-	-	-	-	69,631
Prepaid Expenditures	-	7,548	-	-	5,103	-	-	12,651
Total Assets	<u>\$ 409,263</u>	<u>\$ 2,562,608</u>	<u>\$ 740,861</u>	<u>\$ 105,733</u>	<u>\$ 387,715</u>	<u>\$ 965,000</u>	<u>\$ 833,654</u>	<u>\$ 6,004,834</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	\$ 120,340	\$ 4,501	\$ 6,472	\$ -	\$ 6,784	\$ -	\$ -	\$ 138,097
Accrued Liabilities	-	9,640	-	-	5,231	-	-	14,871
Due to Other Funds	12,659	-	-	-	100,618	-	-	113,277
Deposits	4,739	-	-	-	-	-	-	4,739
Total Liabilities	<u>137,738</u>	<u>14,141</u>	<u>6,472</u>	<u>-</u>	<u>112,633</u>	<u>-</u>	<u>-</u>	<u>270,984</u>
Fund Balance:								
Reserved for Recycling	118,191	-	-	-	-	-	-	118,191
Unreserved:								
Designated for Subsequent Years Expenditures	7,500	406,843	362,522	99,500	-	-	-	876,365
Undesignated	145,834	2,141,624	371,867	6,233	275,082	965,000	833,654	4,739,294
Total Fund Balance	<u>271,525</u>	<u>2,548,467</u>	<u>734,389</u>	<u>105,733</u>	<u>275,082</u>	<u>965,000</u>	<u>833,654</u>	<u>5,733,850</u>
Total Liabilities and Fund Balance	<u>\$ 409,263</u>	<u>\$ 2,562,608</u>	<u>\$ 740,861</u>	<u>\$ 105,733</u>	<u>\$ 387,715</u>	<u>\$ 965,000</u>	<u>\$ 833,654</u>	<u>\$ 6,004,834</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2004

	<u>Refuse Collection</u>	<u>Public Safety</u>	<u>Parks & Recreation Millage</u>	<u>Tree Mitigation</u>	<u>Building Department</u>	<u>Budget Stabilization</u>	<u>E 911 Service</u>	<u>Total</u>
Revenues:								
Taxes	\$ -	\$ 1,370,711	\$ 639,719	\$ -	\$ -	\$ -	\$ -	\$ 2,010,430
State Grants	-	-	4,048	9,030	-	-	-	13,078
Refuse Billings	622,152	-	-	-	-	-	-	622,152
Permit Fees	-	-	-	-	616,144	-	-	616,144
Surcharge Revenue	-	-	-	-	-	-	204,292	204,292
Interest Earned	3,624	31,204	8,675	1,215	3,874	-	7,897	56,489
Other	-	-	-	13,500	9	-	-	13,509
Total Revenues	<u>625,776</u>	<u>1,401,915</u>	<u>652,442</u>	<u>23,745</u>	<u>620,027</u>	<u>-</u>	<u>212,189</u>	<u>3,536,094</u>
Expenditures:								
Sanitation	652,096	-	-	-	-	-	-	652,096
Public Safety	-	496,368	-	-	558,938	-	22,995	1,078,301
Parks & Recreation	-	-	56,351	-	-	-	-	56,351
Other	-	-	-	23,312	-	-	-	23,312
Debt Service:								
Principal	-	-	184,356	-	-	-	-	184,356
Interest and Other Charges	-	-	202,074	-	-	-	-	202,074
Capital Outlay	-	-	6,150	-	995	-	8,732	15,877
Total Expenditures	<u>652,096</u>	<u>496,368</u>	<u>448,931</u>	<u>23,312</u>	<u>559,933</u>	<u>-</u>	<u>31,727</u>	<u>2,212,367</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(26,320)</u>	<u>905,547</u>	<u>203,511</u>	<u>433</u>	<u>60,094</u>	<u>-</u>	<u>180,462</u>	<u>1,323,727</u>
Other Financing Sources:								
Operating Transfers In	-	-	-	-	-	-	653,192	653,192
Operating Transfers Out	-	(653,192)	-	-	-	-	-	(653,192)
Total Other Sources (Uses)	<u>-</u>	<u>(653,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>653,192</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(26,320)</u>	<u>252,355</u>	<u>203,511</u>	<u>433</u>	<u>60,094</u>	<u>-</u>	<u>833,654</u>	<u>1,323,727</u>
Fund Balance - January 1	<u>297,845</u>	<u>2,296,112</u>	<u>530,878</u>	<u>105,300</u>	<u>214,988</u>	<u>965,000</u>	<u>-</u>	<u>4,410,123</u>
Fund Balance - December 31	<u>\$ 271,525</u>	<u>\$ 2,548,467</u>	<u>\$ 734,389</u>	<u>\$ 105,733</u>	<u>\$ 275,082</u>	<u>\$ 965,000</u>	<u>\$ 833,654</u>	<u>\$ 5,733,850</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2004

	<u>Building Authority</u>	<u>Drains At Large</u>	<u>Special Assessments</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 309	\$ 74,858	\$ 1,522,144	\$ 1,597,311
Special Assessments Receivable	<u>-</u>	<u>-</u>	<u>1,091,175</u>	<u>1,091,175</u>
Total Assets	<u>\$ 309</u>	<u>\$ 74,858</u>	<u>\$ 2,613,319</u>	<u>\$ 2,688,486</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Deferred Revenue	\$ -	\$ -	\$ 1,091,175	\$ 1,091,175
Other	<u>-</u>	<u>-</u>	<u>36,925</u>	<u>36,925</u>
Total Liabilities	-	-	1,128,100	1,128,100
Fund Balance:				
Reserved for Debt Service	<u>309</u>	<u>74,858</u>	<u>1,485,219</u>	<u>1,560,386</u>
Total Liabilities and Fund Balance	<u>\$ 309</u>	<u>\$ 74,858</u>	<u>\$ 2,613,319</u>	<u>\$ 2,688,486</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2004

	<u>Building Authority</u>	<u>Drains At Large</u>	<u>Special Assessments</u>	<u>Total</u>
<u>Revenues:</u>				
Special Assessments	\$ -	\$ -	\$ 531,406	\$ 531,406
Interest Earned	-	851	29,021	29,872
Total Revenues	<u>-</u>	<u>851</u>	<u>560,427</u>	<u>561,278</u>
<u>Expenditures:</u>				
Principal Retirement	-	-	685,000	685,000
Interest	-	-	95,742	95,742
Paying Agent Fees	-	-	4,139	4,139
Other	-	-	492,299	492,299
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,277,180</u>	<u>1,277,180</u>
Excess (Deficiency) of Revenues Over Expenditures	-	851	(716,753)	(715,902)
Other Financing Sources:				
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	-	851	(716,753)	(715,902)
Fund Balance - January 1	<u>309</u>	<u>74,007</u>	<u>2,201,972</u>	<u>2,276,288</u>
Fund Balance - December 31	<u>\$ 309</u>	<u>\$ 74,858</u>	<u>\$ 1,485,219</u>	<u>\$ 1,560,386</u>

PITTSFIELD CHARTER TOWNSHIP
Special Assessment Debt Service Funds
Combining Balance Sheet
December 31, 2004

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>Textile</u>
	<u>Roads</u>	<u>Water & Sewer</u>	<u>Roads</u>	<u>Roads</u>	<u>Roads</u>	<u>Road</u>
<u>ASSETS</u>						<u>Water</u>
Cash in Bank and Investments	\$ 409,460	\$ 418,447	\$ -	\$ -	\$ -	\$ 99,930
Special Assessments Receivable:						
Current	91,113	25,746	-	-	-	42,410
Future Billings	<u>-</u>	<u>94,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,252</u>
Total Assets	<u>\$ 500,573</u>	<u>\$ 538,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,592</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Deferred Revenue	\$ 91,113	\$ 119,941	\$ -	\$ -	\$ -	\$ 174,662
Other	<u>36,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	128,038	119,941	-	-	-	174,662
Fund Balance:						
Reserved For Debt Service	<u>372,535</u>	<u>418,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,930</u>
Total Liabilities and Fund Balance	<u>\$ 500,573</u>	<u>\$ 538,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,592</u>

<u>Crane/ Munger Roads</u>	<u>Hines Sewer</u>	<u>Munger Road</u>	<u>Waters Road</u>	<u>Ellsworth Road East</u>	<u>Munger Road 2001</u>	<u>Ann Arbor/ Waters Road</u>	<u>Total</u>
\$ -	\$ -	\$ 40,556	\$ 303,790	\$ 65,949	\$ 166,074	\$ 17,938	\$ 1,522,144
-	-	18,870	44,128	29,943	70,717	38,595	361,522
-	-	-	-	49,812	291,394	162,000	729,653
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,426</u>	<u>\$ 347,918</u>	<u>\$ 145,704</u>	<u>\$ 528,185</u>	<u>\$ 218,533</u>	<u>\$ 2,613,319</u>
\$ -	\$ -	\$ 18,870	\$ 44,128	\$ 79,755	\$ 362,111	\$ 200,595	\$ 1,091,175
-	-	-	-	-	-	-	36,925
-	-	18,870	44,128	79,755	362,111	200,595	1,128,100
-	-	40,556	303,790	65,949	166,074	17,938	1,485,219
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,426</u>	<u>\$ 347,918</u>	<u>\$ 145,704</u>	<u>\$ 528,185</u>	<u>\$ 218,533</u>	<u>\$ 2,613,319</u>

PITTSFIELD CHARTER TOWNSHIP
Special Assessment Debt Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended December 31, 2004

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>Textile</u>
	<u>Roads</u>	<u>Water & Sewer</u>	<u>Roads</u>	<u>Roads</u>	<u>Roads</u>	<u>Road</u>
						<u>Water</u>
Revenues:						
Special Assessment Tax Levy	\$ 99,117	\$ 28,614	\$ -	\$ -	\$ 14,211	\$ 50,109
Assessments Paid in Full	952	6,960	-	-	-	22,646
Interest Earned	<u>6,545</u>	<u>6,055</u>	<u>3,017</u>	<u>1,754</u>	<u>370</u>	<u>1,250</u>
Total Revenues	<u>106,614</u>	<u>41,629</u>	<u>3,017</u>	<u>1,754</u>	<u>14,581</u>	<u>74,005</u>
Expenditures:						
Principal Retirement	225,000	-	-	-	55,000	50,000
Interest	16,875	-	-	-	1,815	11,750
Paying Agent Fees	964	-	-	-	337	300
Other	<u>-</u>	<u>-</u>	<u>252,136</u>	<u>148,249</u>	<u>15,805</u>	<u>-</u>
Total Expenditures	<u>242,839</u>	<u>-</u>	<u>252,136</u>	<u>148,249</u>	<u>72,957</u>	<u>62,050</u>
Excess (Deficiency) of Revenues Over Expenditures	(136,225)	41,629	(249,119)	(146,495)	(58,376)	11,955
Fund Balance - January 1	<u>508,760</u>	<u>376,818</u>	<u>249,119</u>	<u>146,495</u>	<u>58,376</u>	<u>87,975</u>
Fund Balance - December 31	<u>\$ 372,535</u>	<u>\$ 418,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,930</u>

<u>Crane/ Munger Roads</u>	<u>Hines Sewer</u>	<u>Munger Road</u>	<u>Waters Road</u>	<u>Ellsworth Road East</u>	<u>Munger Road 2001</u>	<u>Ann Arbor/ Waters Road</u>	<u>Total</u>
\$ 32,806	\$ 8,784	\$ 22,908	\$ 49,011	\$ 32,080	\$ 81,636	\$ 40,251	\$ 459,527
-	-	1,700	1,660	769	37,192	-	71,879
<u>745</u>	<u>320</u>	<u>524</u>	<u>4,881</u>	<u>887</u>	<u>2,365</u>	<u>308</u>	<u>29,021</u>
<u>33,551</u>	<u>9,104</u>	<u>25,132</u>	<u>55,552</u>	<u>33,736</u>	<u>121,193</u>	<u>40,559</u>	<u>560,427</u>
47,253	22,747	25,000	110,000	45,000	75,000	30,000	685,000
2,128	1,022	2,932	7,590	10,665	30,375	10,590	95,742
228	110	675	675	300	275	275	4,139
<u>52,535</u>	<u>23,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>492,299</u>
<u>102,144</u>	<u>47,453</u>	<u>28,607</u>	<u>118,265</u>	<u>55,965</u>	<u>105,650</u>	<u>40,865</u>	<u>1,277,180</u>
(68,593)	(38,349)	(3,475)	(62,713)	(22,229)	15,543	(306)	(716,753)
<u>68,593</u>	<u>38,349</u>	<u>44,031</u>	<u>366,503</u>	<u>88,178</u>	<u>150,531</u>	<u>18,244</u>	<u>2,201,972</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,556</u>	<u>\$ 303,790</u>	<u>\$ 65,949</u>	<u>\$ 166,074</u>	<u>\$ 17,938</u>	<u>\$ 1,485,219</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2004

	<u>1994 Roads</u>	<u>Munger Road 2001</u>	<u>State & Textile Road</u>	<u>Public Safety Renovation</u>	<u>Total</u>
<u>ASSETS</u>					
Cash	\$ -	\$ 39,513	\$ 213,095	\$ -	\$ 252,608
Due from Other Funds	-	-	-	15,031	15,031
Total Assets	<u>\$ -</u>	<u>\$ 39,513</u>	<u>\$ 213,095</u>	<u>\$ 15,031</u>	<u>\$ 267,639</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 97,128	\$ -	\$ 97,128
Contracts Payable	-	-	-	15,031	15,031
Total Liabilities	-	-	97,128	15,031	112,159
Fund Balance:					
Reserved for Construction	-	39,513	115,967	-	155,480
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 39,513</u>	<u>\$ 213,095</u>	<u>\$ 15,031</u>	<u>\$ 267,639</u>

PITTSFIELD CHARTER TOWNSHIP
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2004

	1994 Roads	Munger Road 2001	State & Textile Road	Public Safety Renovation	Total
<u>Revenues:</u>					
Interest Income	\$ 235	\$ 451	\$ 4,902	\$ -	\$ 5,588
Other Revenues	117	-	-	-	117
Total Revenues	352	451	4,902	-	5,705
<u>Expenditures:</u>					
Construction in Progress	23,788	-	755,185	-	778,973
Excess (Deficiency) of Revenues over Expenditures	(23,436)	451	(750,283)	-	(773,268)
Other Financing Sources: Bond Proceeds	-	-	866,250	-	866,250
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(23,436)	451	115,967	-	92,982
Fund Balance - January 1	23,436	39,062	-	-	62,498
Fund Balance - December 31	\$ -	\$ 39,513	\$ 115,967	\$ -	\$ 155,480

