

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name: Charter Township of Bedford	County Calhoun
Audit Date December 31, 2005	Opinion Date March 23, 2006	Date Accountant Report Submitted To State: June 20, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 750 Trade Centre Way, Suite 300	City Portage	State MI	ZIP 49002
Accountant Signature <i>Plante & Moran, PLLC</i>			

Charter Township of Bedford, Michigan

**Financial Report
with Supplemental Information
December 31, 2005**

Charter Township of Bedford, Michigan

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Independent Auditor's Report

To the Members of the Township Board
Charter Township of Bedford, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Bedford, Michigan as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Bedford, Michigan'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.

Management has not capitalized or depreciated capital assets of the Sewer Enterprise Fund acquired prior to January 1, 1990. Accounting principles generally accepted in the United States of America require that all capital assets used by the Sewer Fund be recorded depreciated over their useful lives. The amount by which this departure would affect the assets, net assets, and current year expenses of the Sewer Enterprise Fund and the business-type activities in the government-wide financial statements cannot be determined.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements of the Proprietary Sewer Enterprise Fund and the business-type activities in the government-wide financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the business-type activities and the Sewer Enterprise Fund of the Charter Township of Bedford, Michigan as of December 31, 2005 and the respective changes in financial position and cash flows thereof for the year then ended.

In addition, in our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the major governmental fund, and the aggregate remaining fund information of the Charter Township of Bedford, Michigan as of December 31, 2005 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Members of the Township Board
Charter Township of Bedford, Michigan

The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Bedford, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental 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.

Plante & Moran, PLLC

March 23, 2006

Charter Township of Bedford, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Bedford, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2005. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2005:

- Total net assets related to the Township's governmental activities increased by approximately \$117,100. However, the unrestricted portion of net assets decreased by approximately \$36,000.
- The Township made its second payment on the fire equipment installment loan during the year.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

The Township as a Whole

The following table shows, in a condensed format, the net assets as of the current date and compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets:						
Current assets	\$ 1,602,503	\$ 1,148,361	\$ 922,982	\$ 1,054,220	\$ 2,525,485	\$ 2,202,581
Noncurrent assets	<u>1,472,797</u>	<u>1,548,307</u>	<u>2,116,181</u>	<u>2,174,978</u>	<u>3,588,978</u>	<u>3,723,285</u>
Total assets	3,075,300	2,696,668	3,039,163	3,229,198	6,114,463	5,925,866
Liabilities:						
Current liabilities	1,144,872	590,270	169,250	159,921	1,314,122	750,191
Long-term liabilities	<u>381,059</u>	<u>674,122</u>	<u>685,000</u>	<u>850,000</u>	<u>1,066,059</u>	<u>1,524,122</u>
Total liabilities	<u>1,525,931</u>	<u>1,264,392</u>	<u>854,250</u>	<u>1,009,921</u>	<u>2,380,181</u>	<u>2,274,313</u>
Net assets:						
Invested in capital assets -						
Net of related debt	924,804	828,489	1,266,181	1,164,978	2,190,985	1,993,467
Restricted	395,742	339,102	-	-	395,742	339,102
Unrestricted	<u>228,823</u>	<u>264,685</u>	<u>918,732</u>	<u>1,054,299</u>	<u>1,147,555</u>	<u>1,318,984</u>
Total net assets	<u>\$ 1,549,369</u>	<u>\$ 1,432,276</u>	<u>\$ 2,184,913</u>	<u>\$ 2,219,277</u>	<u>\$ 3,734,282</u>	<u>\$ 3,651,553</u>

Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations. The current level of unrestricted net assets for our governmental activities stands at \$228,823, or about 14.3 percent of expenditures.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes of the net assets during the current year and as compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue						
Program revenue - Charges for services	\$ 80,181	\$ 85,130	\$ 203,666	\$ 195,303	\$ 283,847	\$ 280,433
General revenue:						
Property taxes	843,020	794,131	-	-	843,020	794,131
State-shared revenue	735,647	728,114	-	-	735,647	728,114
Unrestricted investment earnings	22,077	13,721	23,298	21,544	45,375	35,265
Franchise fees	13,385	29,597	-	-	13,385	29,597
Miscellaneous	22,736	954	-	-	22,736	954
Total revenue	1,717,046	1,651,647	226,964	216,847	1,944,010	1,868,494
Program Expenses						
General government	617,154	706,475	-	-	617,154	706,475
Public safety	960,557	903,361	-	-	960,557	903,361
Interest on long-term debt	22,242	27,392	-	-	22,242	27,392
Sewer	-	-	261,328	249,633	261,328	249,633
Total program expenses	1,599,953	1,637,228	261,328	249,633	1,861,281	1,886,861
Change in Net Assets	\$ 117,093	\$ 14,419	\$ (34,364)	\$ (32,786)	\$ 82,729	\$ (18,367)

Governmental Activities

The Township's total governmental revenue increased by approximately \$65,400, primarily due to an increase in property tax revenue.

Expenses included in the governmental activities decreased approximately 2 percent.

Business-type Activities

The Township's business-type activities consist of the Sewer Fund. We provide sewer treatment services to residents through a contract with the City of Battle Creek. Expenses related to the contract with the City of Battle Creek increased approximately \$10,400 from 2004, representing approximately a 6 percent increase. Revenue relating to the contract sewer services increased approximately \$8,400 from 2004, representing approximately 4 percent.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

The Township's Funds

Our analysis of the Township's major funds begins on page 9, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township's major funds for 2005 and 2004 include the General Fund and the Sewer Fund. The Cemetery Fund is considered a nonmajor Special Revenue Fund.

During the year, General Fund expenses increased by about \$41,000, representing an approximate 2 percent increase.

The General Fund pays for most of the Township's governmental services. The most significant are public safety expenditures, which incurred expenses of approximately \$901,000 in 2005. These services are partially supported by a special public safety millage and a fire millage, which are recorded in the General Fund.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant change was to decrease the estimated board expenditures to account for the actual amount paid for debt service on the fire truck debt. Township departments overall stayed below budget, resulting in total expenditures \$157,503 below budget. Total revenues were lower than anticipated revenues by \$84,438, primarily due to the budgeted amount of state-shared revenue approximately being \$64,000 higher than the amount actually received during the year. The General Fund's fund balance decreased from \$701,000 a year ago down to \$605,166 at December 31, 2005.

Capital Asset and Debt Administration

There were no capital expenditures during 2005 in either the General Fund or the Sewer Fund.

Economic Factors and Next Year's Budgets and Rates

The Township is focused on controlling expenditures for the coming year due to the uncertainty of the state-shared revenue funding sources.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Charter Township of Bedford, Michigan

Statement of Net Assets December 31, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 1,080,952	\$ 447,565	\$ 1,528,517
Receivables - Net (Note 4)	503,277	477,641	980,918
Internal balances	7,468	(7,468)	-
Prepaid costs and other assets	10,806	5,244	16,050
Capital assets - Net (Note 5):			
Assets not being depreciated	37,463	-	37,463
Depreciated assets	1,435,334	2,116,181	3,551,515
Total assets	3,075,300	3,039,163	6,114,463
Liabilities			
Accounts payable	207,757	-	207,757
Accrued and other liabilities	-	4,250	4,250
Deferred revenue (Note 4)	759,981	-	759,981
Noncurrent liabilities:			
Due within one year (Note 7)	177,134	165,000	342,134
Due in more than one year (Note 7)	370,859	685,000	1,055,859
Compensated absences	10,200	-	10,200
Total liabilities	1,525,931	854,250	2,380,181
Net Assets			
Invested in capital assets - Net of related debt	924,804	1,266,181	2,190,985
Restricted - Fire levy	395,742	-	395,742
Unrestricted	228,823	918,732	1,147,555
Total net assets	<u>\$ 1,549,369</u>	<u>\$ 2,184,913</u>	<u>\$ 3,734,282</u>

Charter Township of Bedford, Michigan

Statement of Activities Year Ended December 31, 2005

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Primary Government		
			Governmental Activities	Business-type Activities	Total
Primary government:					
Governmental activities:					
General government	\$ 617,154	\$ 27,676	\$ (589,478)	\$ -	\$ (589,478)
Public safety	960,557	52,505	(908,052)	-	(908,052)
Interest on long-term debt	22,242	-	(22,242)	-	(22,242)
Total governmental activities	1,599,953	80,181	(1,519,772)	-	(1,519,772)
Business-type activities - Sewer	261,328	203,666	-	(57,662)	(57,662)
Total primary government	<u>\$ 1,861,281</u>	<u>\$ 283,847</u>	(1,519,772)	(57,662)	(1,577,434)
General revenues:					
Property taxes			843,020	-	843,020
State-shared revenues			735,647	-	735,647
Unrestricted investment earnings			22,077	23,298	45,375
Franchise fees			13,385	-	13,385
Miscellaneous			22,736	-	22,736
Total general revenues			1,636,865	23,298	1,660,163
Change in Net Assets			117,093	(34,364)	82,729
Net Assets - Beginning of year			1,432,276	2,219,277	3,651,553
Net Assets - End of year			<u>\$ 1,549,369</u>	<u>\$ 2,184,913</u>	<u>\$ 3,734,282</u>

Charter Township of Bedford, Michigan

Governmental Funds Balance Sheet December 31, 2005

	General Fund	Nonmajor Special Revenue Fund - Cemetery Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 1,051,353	\$ 29,599	\$ 1,080,952
Receivables - Net	503,277	-	503,277
Prepaid costs and other assets	10,806	-	10,806
Due from other funds	7,468	-	7,468
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,572,904</u>	<u>\$ 29,599</u>	<u>\$ 1,602,503</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 207,757	\$ -	\$ 207,757
Deferred revenue	759,981	-	759,981
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	967,738	-	967,738
Fund Balances			
Reserved	395,742	29,599	425,341
Unreserved and undesignated	209,424	-	209,424
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	605,166	29,599	634,765
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,572,904</u>	<u>\$ 29,599</u>	
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 are not reported in the funds			1,472,797
Long-term liabilities are not due and payable in the current period and are not reported in the the funds			<u>(558,193)</u>
Net assets of governmental activities			<u>\$ 1,549,369</u>

Charter Township of Bedford, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2005

	General Fund	Nonmajor Special Revenue Fund - Cemetery Fund	Total Governmental Funds
Revenue			
Property taxes	\$ 843,020	\$ -	\$ 843,020
Licenses and permits	75,281	-	75,281
State-shared revenues	735,647	-	735,647
Charges for services	18,285	-	18,285
Interest earned	21,393	684	22,077
Other	22,736	-	22,736
Total revenue	1,716,362	684	1,717,046
Expenditures - Current			
General government	911,516	-	911,516
Public safety	900,681	-	900,681
Total expenditures	1,812,197	-	1,812,197
Excess of Revenue Over (Under) Expenditures	(95,835)	684	(95,151)
Fund Balances - Beginning of year	701,001	28,915	729,916
Fund Balances - End of year	\$ 605,166	\$ 29,599	\$ 634,765

Charter Township of Bedford, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ (95,151)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	(75,510)
Change in compensated absences	12,929
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	171,825
Change in environmental liability	<u>103,000</u>
Change in Net Assets of Governmental Activities	<u>\$ 117,093</u>

Charter Township of Bedford, Michigan

Proprietary Funds Statement of Net Assets December 31, 2005

	Enterprise - Sewer
Assets	
Current assets:	
Cash and cash equivalents	\$ 447,565
Receivables - Net	477,641
Prepaid costs and other assets	<u>5,244</u>
Total current assets	930,450
Noncurrent assets - Capital assets	<u>2,116,181</u>
Total noncurrent assets	<u>2,116,181</u>
Total assets	3,046,631
Liabilities	
Current liabilities:	
Accrued and other liabilities	4,250
Due to other funds	7,468
Current portion of long-term debt	<u>165,000</u>
Total current liabilities	176,718
Noncurrent liabilities - Long-term debt - Net of current portion	<u>685,000</u>
Total liabilities	<u>861,718</u>
Net Assets	
Investment in capital assets - Net of related debt	1,266,181
Unrestricted	<u>918,732</u>
Total net assets	<u>\$ 2,184,913</u>

Charter Township of Bedford, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2005

	Enterprise - Sewer
Operating Revenue - Charges for services	\$ 203,666
Operating Expenses	
Sewer contract - City of Battle Creek	178,179
Legal and professional	2,000
Depreciation and amortization	<u>61,749</u>
Total operating expenses	<u>241,928</u>
Operating Loss	(38,262)
Nonoperating Revenue (Expense)	
Investment income	23,298
Interest expense	<u>(19,400)</u>
Change in Net Assets	(34,364)
Net Assets - Beginning of year	<u>2,219,277</u>
Net Assets - End of year	<u><u>\$ 2,184,913</u></u>

Charter Township of Bedford, Michigan

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2005

	Enterprise - Sewer
Cash Flows from Operating Activities	
Receipts from customers	\$ 165,998
Payments to suppliers	(180,979)
Internal activity - Payments to other funds	<u>12,597</u>
Net cash used in operating activities	(2,384)
Cash Flows from Capital and Related Financing Activities	
Collection of customer assessments (principal and interest)	97,819
Principal and interest paid on capital debt	<u>(179,400)</u>
Net cash used in capital and related financing activities	(81,581)
Cash Flows from Investing Activities - Interest received on investments	<u>13,992</u>
Net Decrease in Cash and Cash Equivalents	(69,973)
Cash and Cash Equivalents - Beginning of year	<u>517,538</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 447,565</u></u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (38,262)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	61,749
Changes in assets and liabilities:	
Receivables	(37,668)
Internal activity	12,597
Accrued and other liabilities	<u>(800)</u>
Net cash used in operating activities	<u><u>\$ (2,384)</u></u>

During the year ended December 31, 2005, there were no noncash transactions.

Charter Township of Bedford, Michigan

Fiduciary Funds Statement of Net Assets December 31, 2005

Assets - Cash and cash equivalents	<u>\$ 979,051</u>
Liabilities - Due to other governmental units	<u>\$ 979,051</u>

Charter Township of Bedford, Michigan

**Notes to Financial Statements
December 31, 2005**

Note I - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Bedford, Michigan (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units with the following exception:

The Sewer Fund is on a full accrual basis and conforms to accounting principles generally accepted in the United States of America except that fixed assets acquired prior to January 1, 1990 have not been capitalized, nor has depreciation been recorded for those assets.

Reporting Entity

The Charter Township of Bedford, Michigan is governed by an elected seven-member board of trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Charter Township of Bedford. In accordance with accounting principles accepted in the United States of America, there are no component units to be included in the financial statements.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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.

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 revenue.

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.

Charter Township of Bedford, Michigan

Notes to Financial Statements
December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

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 the fiduciary fund. Revenue is 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 revenue 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. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township'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 Township reports the following major proprietary fund:

Sewer Fund - The Sewer Fund accounts for the activities of the sewage collection system.

Additionally, the Township reports the following fund types:

Special Revenue - The Special Revenue Fund accounts for resources solely dedicated by the board for cemetery use.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Agency Funds - The Agency Funds account for assets held by the Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2004 tax is levied and collectible on December 1, 2004 and is recognized as revenue in the year ended December 31, 2005, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2004 taxable valuation of the Township totaled \$157.6 million, on which taxes levied consisted of .9082 mills for operating purposes, 2.0 mills for public safety equipment, and 1.75 mills for fire equipment. This resulted in \$142,000 for operating, \$304,000 for public safety equipment, and \$275,000 for fire equipment. These amounts are recognized in the respective General Fund financial statements as tax revenue.

Charter Township of Bedford, Michigan

Notes to Financial Statements
December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,500 and an estimated useful life in excess of one year. 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.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Sewer distribution systems	50 years
Buildings and building improvements	40 to 50 years
Other tools and equipment	3 to 20 years

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the 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, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences (Vacation Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All vacation pay is accrued when incurred in the government-wide and proprietary statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Amortization - Expenses associated with the issuance of the bonds in the Enterprise Funds are being amortized on the straight-line method over the term of the bonds. For the year ended December 31, 2005, amortization totaling \$2,952 has been included in the nonoperating expenses of the Enterprise Funds.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Surplus at December 31, 2004	\$ 3,234
Current year building permit revenue	52,505
Related expenses:	
Direct costs	58,877
Indirect costs	<u>7,891</u>
Total construction code expenses	<u>66,768</u>
Shortfall at December 31, 2005	<u><u>\$ (11,029)</u></u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 3 - Deposits and Investments (Continued)

The Township has designated four banks for the deposit of its funds. The Charter Township of Bedford, Michigan's deposits and investment policies are in accordance with statutory authority. The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$830,831 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk - The Township does not specifically identify credit risk in the investment policy adopted by the Township. The Township has the following investments with credit risk and the applicable rating:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Bank investment pools	\$ 1,680,253	Not rated

Note 4 - Receivables

Receivables as of year end for the Township's individual major funds are as follows:

	<u>General</u>		
	<u>Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Receivables:			
Property taxes	\$ 364,234	\$ -	\$ 364,234
Accounts	139,043	63,886	202,929
Special assessment	-	401,704	401,704
Interest	-	12,051	12,051
Total receivables	<u>\$ 503,277</u>	<u>\$ 477,641</u>	<u>\$ 980,918</u>

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the General Fund had \$759,981 in deferred revenue for property taxes levied in the current year, but unearned at December 31, 2005.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 5 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2005	Additions	Balance December 31, 2005
Governmental Activities			
Capital assets not being depreciated - Land	\$ 37,463	\$ -	\$ 37,463
Capital assets being depreciated:			
Buildings and improvements	767,054	-	767,054
Other tools and equipment	<u>1,095,223</u>	<u>-</u>	<u>1,095,223</u>
Subtotal	1,862,277	-	1,862,277
Accumulated depreciation:			
Buildings and improvements	121,859	18,714	140,573
Other tools and equipment	<u>229,574</u>	<u>56,796</u>	<u>286,370</u>
Subtotal	<u>351,433</u>	<u>75,510</u>	<u>426,943</u>
Net capital assets being depreciated	<u>1,510,844</u>	<u>(75,510)</u>	<u>1,435,334</u>
Net capital assets	<u>\$ 1,548,307</u>	<u>\$ (75,510)</u>	<u>\$ 1,472,797</u>
Business-type Activities			
Capital assets being depreciated -			
Sewer distribution systems	\$ 2,939,851	\$ -	\$ 2,939,851
Accumulated depreciation -			
Sewer distribution systems	<u>764,873</u>	<u>58,797</u>	<u>823,670</u>
Net capital assets being depreciated	<u>\$ 2,174,978</u>	<u>\$ (58,797)</u>	<u>\$ 2,116,181</u>

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 5 - Capital Assets (Continued)

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

Governmental activities:		
General government	\$	15,634
Public safety		<u>59,876</u>
Total governmental activities	\$	<u>75,510</u>
Business-type activities - Sewer	\$	<u>58,797</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Sewer Fund	\$ 7,468

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. County contractual agreements and installment purchase agreements are general obligations of the government and pledge the full faith and credit of the Township. The MMBA bonds were issued by the State of Michigan and the proceeds are payable to Calhoun County. Under the contract, the Township is obligated to pay the principal and interest requirements on the bonds.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 7 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
Governmental Activities							
Installment purchase agreement	3.09%	2008	\$ 719,818	\$ -	\$ (171,825)	\$ 547,993	\$ 177,134
Compensated absences			23,129	15,761	(28,690)	10,200	-
Total			<u>\$ 742,947</u>	<u>\$ 15,761</u>	<u>\$ (200,515)</u>	<u>\$ 558,193</u>	<u>\$ 177,134</u>
Business-type Activities							
Michigan Municipal Bond Authority (MMBA), Michigan State Revolving Loan Fund Program, County of Calhoun, Project No. 5015	2.00%	2010	\$ 1,010,000	\$ -	\$ (160,000)	\$ 850,000	\$ 165,000

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 177,134	\$ 16,933	\$ 194,067	\$ 165,000	\$ 17,000	\$ 182,000
2007	182,608	11,460	194,068	165,000	13,700	178,700
2008	188,251	5,817	194,068	170,000	10,400	180,400
2009	-	-	-	175,000	7,000	182,000
2010	-	-	-	175,000	3,500	178,500
Total	<u>\$ 547,993</u>	<u>\$ 34,210</u>	<u>\$ 582,203</u>	<u>\$ 850,000</u>	<u>\$ 51,600</u>	<u>\$ 901,600</u>

Note 8 - Contingencies

Environmental Cleanup - The Township is aware of soil contamination that occurred as the result of an underground storage tank. The Department of Environmental Quality is currently monitoring the site. The Township is currently working with a company specializing in environmental contamination to perform required remediation and monitoring. The ultimate costs to clean up the contamination cannot be determined at this time; therefore, no liability is recorded. Expenditures for the year ended December 31, 2005 were \$39,703.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2005

Note 9 - Fund Balance

The Cemetery Perpetual Care Fund is reserved by the Township for cemetery care in the amount of \$29,599 and the General Fund is also reserved by the Township in the amount of \$395,741 for unspent fire tax levy at December 31, 2005.

Note 10 - Budget Information

The annual budget is prepared by the Township supervisor and adopted by the Township board; subsequent amendments are approved by the Township board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2005 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The schedule of revenue, expenditures, and changes in fund balance - budget and actual - General Fund is presented on the same basis of accounting used in preparing the adopted budget and is adopted in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund budget as adopted by the Township board is included in the required supplemental information.

Note 11 - Contract for Services

The Township currently has a contract with the City of Battle Creek for police services. The contract will run through June 2007.

The schedule of payments under the provisions of the contract is as follows:

2006	\$ 762,769
2007	<u>819,976</u>
Total	<u>\$ 1,582,745</u>

Costs incurred for the contract during 2005 totaled \$684,802.

Charter Township of Bedford, Michigan

**Notes to Financial Statements
December 31, 2005**

Note 12 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for employees' medical benefits and participates in the Michigan Townships Participation Plan for claims relating to property loss, torts, errors, omissions, and workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Townships Participation Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 13 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by the Township board, the Township contributes 6 percent of employees' gross earnings and employees contribute 5 percent of earnings. The Township has elected to contribute the 5 percent employee contribution for elected officials. In accordance with these requirements, the Township contributed \$25,665.

Note 14 - Subsequent Event

During January 2006, the Township adopted an ordinance to provide postemployment health benefits to certain retirees and their beneficiaries through a private provider. The ordinance states the Township will pay 50 percent of the cost of coverage for these benefits. Currently, the Township has no retirees eligible for this benefit.

Upcoming Reporting Change - The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee. The pronouncement is effective for the year ending December 31, 2008.

Required Supplemental Information

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Current levy:				
Police and fire	\$ 316,300	\$ 316,300	\$ 304,354	\$ (11,946)
Township	143,600	143,600	141,947	(1,653)
Street lighting	63,000	63,000	67,307	4,307
Fire	<u>276,700</u>	<u>276,700</u>	<u>275,489</u>	<u>(1,211)</u>
Total current levy	799,600	799,600	789,097	(10,503)
Tax administration fee	<u>45,000</u>	<u>45,000</u>	<u>53,923</u>	<u>8,923</u>
Total tax revenue	844,600	844,600	843,020	(1,580)
State-shared revenue	800,000	800,000	735,647	(64,353)
Licenses, fees, and permits:				
Trailer fees	6,700	6,700	2,340	(4,360)
Zoning fees	3,000	3,000	3,150	150
Liquor license fees	4,500	4,500	3,901	(599)
Mechanical permits	12,000	12,000	15,093	3,093
Building permits	27,000	27,000	20,007	(6,993)
Electrical permits	12,500	12,500	11,800	(700)
Plumbing permits	6,000	6,000	5,605	(395)
Cable franchise	<u>20,000</u>	<u>20,000</u>	<u>13,385</u>	<u>(6,615)</u>
Total licenses, fees, and permits	91,700	91,700	75,281	(16,419)
Charges for services	14,500	14,500	18,285	3,785
Interest earned	25,000	25,000	21,393	(3,607)
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>22,736</u>	<u>(2,264)</u>
Total revenue	1,800,800	1,800,800	1,716,362	(84,438)
Contribution from fund balance	<u>168,900</u>	<u>168,900</u>	<u>95,835</u>	<u>(73,065)</u>
Total sources of funds	<u>\$ 1,969,700</u>	<u>\$ 1,969,700</u>	<u>\$ 1,812,197</u>	<u>\$ (157,503)</u>

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures				
General government:				
Township board:				
Salaries			\$ 12,000	
Employee benefits			11,932	
Professional services			27,601	
Insurance			24,080	
Computer expense			9,443	
Reserve fund			3,715	
Debt service			194,067	
Printing and publications			5,939	
Total Township board	\$ 441,000	\$ 411,775	288,777	\$ 122,998
Supervisor:				
Supervisor's salary			56,000	
Other salaries			22,994	
Employee benefits			36,663	
Total supervisor	113,800	113,800	115,657	(1,857)
Elections - Miscellaneous	12,000	8,000	3,436	4,564
Clerk:				
Clerk's salary			53,000	
Employee benefits			24,598	
Miscellaneous			616	
Total clerk	77,000	77,000	78,214	(1,214)
Board of Review:				
Salaries			2,050	
Employee benefits			154	
Total Board of Review	2,750	2,750	2,204	546
Treasurer:				
Treasurer's salary			53,000	
Employee benefits			24,828	
Miscellaneous			41	
Dues and publications			9,602	
Total treasurer	82,000	86,500	87,471	(971)
Parks:				
Repair and maintenance			4,616	
Insurance			3,500	
Miscellaneous			5,813	
Total parks	17,600	15,600	13,929	1,671

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
General government (Continued):				
Planning Commission:				
Salaries			\$ 1,435	
Employee benefits			88	
Total Planning Commission	\$ 2,200	\$ 2,200	1,523	\$ 677
Assessor:				
Salaries - Assessor			38,900	
Other salaries			22,994	
Employee benefits			24,064	
Professional services			675	
Vehicle			1,093	
Printing and publishing			1,366	
Miscellaneous			785	
Total assessor	98,380	98,380	89,877	8,503
Street lighting	63,000	57,500	51,078	6,422
Building and grounds:				
Utilities			18,228	
Repair and maintenance			11,395	
Communications			9,209	
Operating supplies			5,104	
Postage			3,514	
Insurance			8,000	
Sanitation			1,432	
Storage tank removal			39,703	
Miscellaneous			1,551	
Capital outlay			6,520	
Total building and grounds	75,500	95,500	104,656	(9,156)
Cemetery:				
Salaries			40,234	
Employee benefits			22,905	
Repair and maintenance			4,064	
Insurance			6,000	
Miscellaneous			1,491	
Total cemetery	75,000	75,000	74,694	306
Total general government	1,060,230	1,044,005	911,516	132,489

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
Public safety:				
Police:				
Employee benefits			\$ 18,600	
Battle Creek police contract			684,802	
Total police	\$ 704,000	\$ 704,000	703,402	\$ 598
Fire:				
Salaries			61,956	
Employee benefits			4,750	
Gas and oil			4,474	
Communications			7,848	
Insurance			35,301	
Repair and maintenance			6,668	
Miscellaneous			4,765	
Replacement equipment			4,749	
Capital outlay			-	
Total fire	158,100	158,100	130,511	27,589
Building department:				
Salaries			53,211	
Employee benefits			5,666	
Indirect costs			7,891	
Total building department	47,370	63,595	66,768	(3,173)
Total public safety	909,470	925,695	900,681	25,014
Total expenditures	1,969,700	1,969,700	1,812,197	157,503
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	701,001	701,001	701,001	-
Fund Balance - End of year	\$ 701,001	\$ 701,001	\$ 701,001	\$ -

Other Supplemental Information

Charter Township of Bedford, Michigan

Other Supplemental Information Agency Funds - Combining Schedule of Assets and Liabilities Year Ended December 31, 2005

	Tax Collection Fund	Trust and Agency Fund	Total
Assets - Cash and cash equivalents	<u>\$ 976,303</u>	<u>\$ 2,748</u>	<u>\$ 979,051</u>
Liabilities - Due to other governmental units	<u>\$ 976,303</u>	<u>\$ 2,748</u>	<u>\$ 979,051</u>