

Bridgeport Charter Township
Annual Financial Statements
and
Auditors' Report
December 31, 2008

Table of Contents

<u>Section</u>	<u>Page</u>	
1	List of Elected and Appointed Officials	1 – 1
2	Independent Auditors' Report	2 – 1
3	Management's Discussion and Analysis	3 – 1
4	Basic Financial Statements	
	Government-wide Financial Statements	
	Statement of Net Assets	4 – 1
	Statement of Activities	4 – 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 – 4
	Reconciliation of Fund Balances of Governmental Funds to Net Assets of Governmental Activities	4 – 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 7
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 9
	Proprietary Funds	
	Statement of Net Assets	4 – 10
	Statement of Revenues, Expenses and Changes in Fund Net Assets	4 – 12
	Statement of Cash Flows	4 – 14
	Fiduciary Funds	
	Statement of Assets and Liabilities	4 – 16
	Notes to Financial Statements	4 – 17

<u>Section</u>	<u>Page</u>	
5	Required Supplemental Information	
	Budgetary Comparison Schedule	
	General Fund	5 – 1
	Refuse Collection Fund	5 – 5
6	Other Supplemental Information	
	Nonmajor Governmental Funds	
	Combining Balance Sheet	6 – 1
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	6 – 2
	Component Unit – Downtown Development Authority	
	Budgetary Comparison Schedule	6 – 3
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6 – 4
	Schedule of Indebtedness	6 – 5

Bridgeport Charter Township
List of Elected and Appointed Officials
December 31, 2008

Township Board

Patrick Gilles - Supervisor

August Tausend- Treasurer

Lee G. Carpenter - Clerk

Richard A. Fisher - Trustee

Walter LaShore - Trustee

Frank Morrison - Trustee

R. Bruce Winchell - Trustee

Other Officers and Officials

Rose Licht - Township Manager

Jamie Sowers - Chief Accountant



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Saginaw, MI 48602
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Independent Auditors' Report

To the Township Board
Bridgeport Charter Township
Bridgeport, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township as of December 31, 2008 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.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Bridgeport Charter Township's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Yeo & Yeo, P.C.

Saginaw, Michigan
June 3, 2009

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008

As management of Bridgeport Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$ 19,913,785. Of this amount, \$ 6,330,156 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets decreased by \$ 244,679.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$ 2,097,761 a decrease of \$ 190,812 in comparison with the prior year. Approximately 60% of this total amount, or \$ 1,276,775, is *available for spending* at the Township's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved-designated* amount, which has been designated based upon either Township policy or for a specific purpose, and the *unreserved-undesignated* amount.
- At the end of the current fiscal year, the general fund's unreserved-undesignated fund balance was \$ 633,663 or 23% of total general fund expenditures. Total fund balance for the general fund was \$ 1,234,301.
- The Township's total debt decreased by \$ 72,093 or 12% during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008

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 the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected special assessments and accrued interest expense).

The governmental-wide financial statements distinguish functions of the 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 the Township include general government, public safety, public works, community and economic development and recreation and culture. The business-type activities of the Township consist of a Water Fund, Sewer Fund, and Internal Service Fund. The water and sewer funds are both major funds.

The government-wide financial statements can be found on pages 4-1 to 4-3 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Activities

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.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund and Refuse Collection Fund.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008

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 Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The basic governmental fund financial statements can be found on pages 4-4 to 4-9 of this report.

Proprietary funds. The Township maintains two different types of proprietary funds; enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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 Fund and Sewer Fund, each of which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 4-10 to 4-15 of this report.

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

The basic fiduciary fund financial statements can be found on page 4-16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to the financial statements can be found on pages 4-18 to 4-28 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 Bridgeport Charter Township, as the following table demonstrates, assets exceeded liabilities by \$ 19,913,785 at the close of the most recent fiscal year.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008**

	Governmental		Business-type		Totals	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Assets						
Current assets	\$ 2,838,834	\$ 2,953,315	\$ 3,995,723	\$ 4,239,154	\$ 6,834,557	\$ 7,192,469
Capital assets	<u>2,101,604</u>	<u>2,300,269</u>	<u>\$ 11,774,008</u>	<u>11,544,052</u>	<u>13,875,612</u>	<u>13,844,321</u>
Total assets	<u>4,940,438</u>	<u>5,253,584</u>	<u>15,769,731</u>	<u>15,783,206</u>	<u>20,710,169</u>	<u>21,036,790</u>
Liabilities						
Current liabilities	251,845	233,962	70,717	109,489	322,562	343,451
Long term liabilities	<u>446,322</u>	<u>534,875</u>	<u>27,500</u>	<u>-</u>	<u>473,822</u>	<u>534,875</u>
Total liabilities	<u>698,167</u>	<u>768,837</u>	<u>98,217</u>	<u>109,489</u>	<u>796,384</u>	<u>878,326</u>
Net assets						
Invested in capital assets- net of related debt	1,638,822	1,765,394	11,774,008	11,544,052	13,412,830	13,309,446
Restricted	170,799	184,727	-	-	170,799	184,727
Unrestricted	<u>2,432,650</u>	<u>2,534,626</u>	<u>3,897,506</u>	<u>4,129,665</u>	<u>6,330,156</u>	<u>6,664,291</u>
Total net assets	<u>\$ 4,242,271</u>	<u>\$ 4,484,747</u>	<u>\$ 15,671,514</u>	<u>\$ 15,673,717</u>	<u>\$ 19,913,785</u>	<u>\$ 20,158,464</u>

One of the largest portions of the Township's net assets, \$13,412,830 (67%), 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. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$ 170,799 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$ 6,330,156 (32%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the 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 Township's net assets decreased by \$ 244,679 during the current fiscal year.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008**

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenue						
Charges for services	\$ 881,622	\$ 764,640	\$ 2,191,006	\$ 2,237,442	\$ 3,072,628	\$ 3,002,082
Operating grants and contributions	30,345	163,464	-	-	30,345	163,464
Capital grants and contributions	25,800	-	39,680	15,572	65,480	15,572
General revenue:						
Property taxes	1,117,247	1,062,955	-	-	1,117,247	1,062,955
State-shared revenue	972,467	987,645	-	-	972,467	987,645
Unrestricted investment earnings	98,309	135,682	139,751	147,584	238,060	283,266
Gain on sale of capital assets	-	3,895	1,000	-	1,000	3,895
Miscellaneous revenue	105,462	118,513	25,483	7,831	130,945	126,344
Total revenue	3,231,252	3,236,794	2,396,920	2,408,429	5,628,172	5,645,223
Program expenses						
General government	574,039	676,148	-	-	574,039	676,148
Public safety	1,727,765	1,631,191	-	-	1,727,765	1,631,191
Public works	942,674	941,097	-	-	942,674	941,097
Community and economic development	11,081	20,468	-	-	11,081	20,468
Recreation and culture	193,042	136,425	-	-	193,042	136,425
Interest on long-term debt	25,127	28,231	-	-	25,127	28,231
Water and sewer	-	-	2,399,123	2,436,311	2,399,123	2,436,311
Total program expenses	3,473,728	3,433,560	2,399,123	2,436,311	5,872,851	5,869,871
Change in net assets	\$ (242,476)	\$ (196,766)	\$ (2,203)	\$ (27,882)	\$ (244,679)	\$ (224,648)

Governmental activities. Governmental activities decreased the Township's net assets by \$ 242,476. Key elements of this decrease are as follows:

In 2008, Bridgeport Township paid for the paving of township roads, drainage work, traffic signal upgrades, along with road projects at a cost of \$139,657 with \$27,000 assessed to property owners.

Replaced DPW Entrance door and Police Garage door at a cost of \$1,645.

Purchased a new office generator (including transfer switch and installation) at a cost of \$67,453.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008

Business-type activities (enterprise funds).

Bridgeport Charter Township's business-type activities consist of Water Fund, Sewer Fund, and Internal Service Fund. The water and sewer are both major funds.

Bridgeport Water System increased water rates effective January 1, 2008 to \$3.98 per thousand from \$3.72 per thousand.

Bridgeport Sewer System also increased their sewer rates effective January 1, 2008 to \$4.53 per thousand from \$4.48 per thousand.

Bridgeport Sewer System saw a decrease in net assets of \$197,834 for fiscal year 2008 due mainly to depreciation expense.

Bridgeport Charter Township Funds.

The fund financial statements provide detailed information about the most significant funds of Bridgeport Charter Township. The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund, and Refuse Collection Fund.

General Fund

Functions relating to the general governmental activities of the Township, which are financed by property tax levies, by distribution of State revenues, and from fees charged to various municipal activities and services are recorded in the General Fund. The Township's Board approved budget for the 2008 fiscal year included the use of \$ 550,410 of the fund balance in the General Fund, of which the Township actually used \$ 211,481 and left \$ 1,234,301 in fund balance at year end.

Refuse Collection Fund

The Refuse Collection Fund accounts for the revenue and expenditures with the governments refuse collection operation. The Township's Board approved a balanced budget for 2008 fiscal year. The Township actually increased fund balance by \$972 and left \$ 515,871 in fund balance at year end.

General Fund Budgetary Highlights.

Prior to the beginning of any year, the Township's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Township acts to amend its budget to reflect changes in these original assumptions, facts, and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year.

Bridgeport Charter Township Management's Discussion and Analysis December 31, 2008

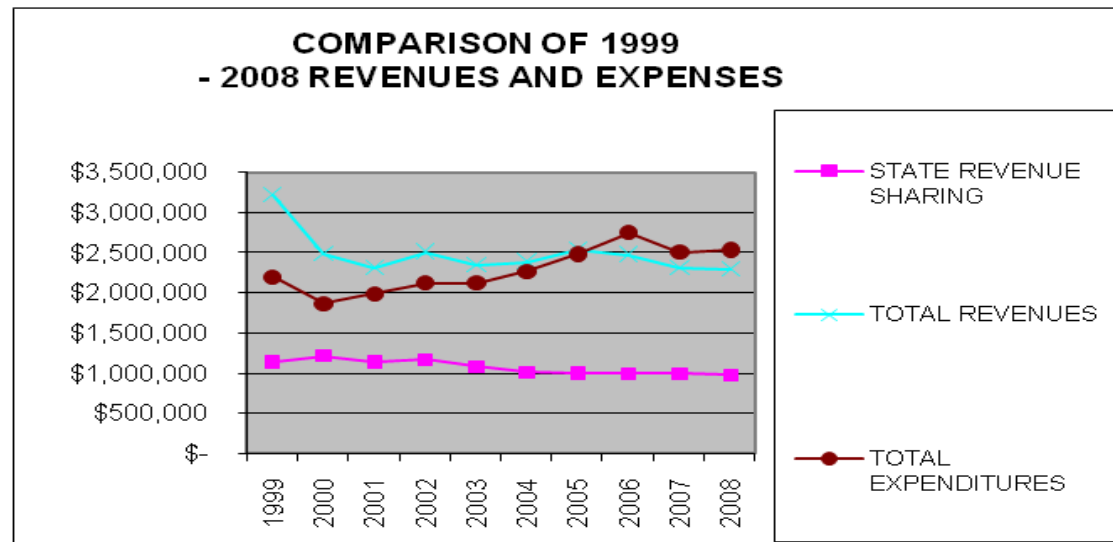
Variances in the 2008 budget reflect:

- State Revenue decreased by \$1,498.
- Received local contributions for Liberty Park to house new Frank N. Anderson Recreational Complex.
- Interest income increased over budgeted amount.
- Due to cost cutting measures Township saw a decrease in budgeted expenditures of approximately \$50,000.

Following are additional events that have impacted the 2008 budget:

- Chart 1 is a comparison of revenues and expenditures for the years 1999 through 2008. Also charted is the state revenue sharing received for these years.

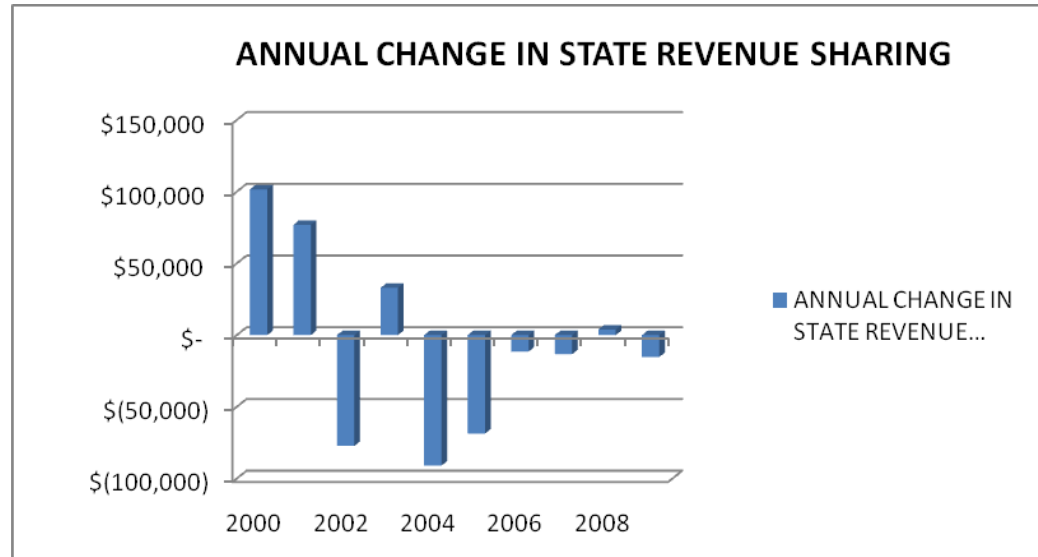
Chart 1



**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008**

- Chart 2 characterizes the annual change in state revenue sharing for the last nine years.

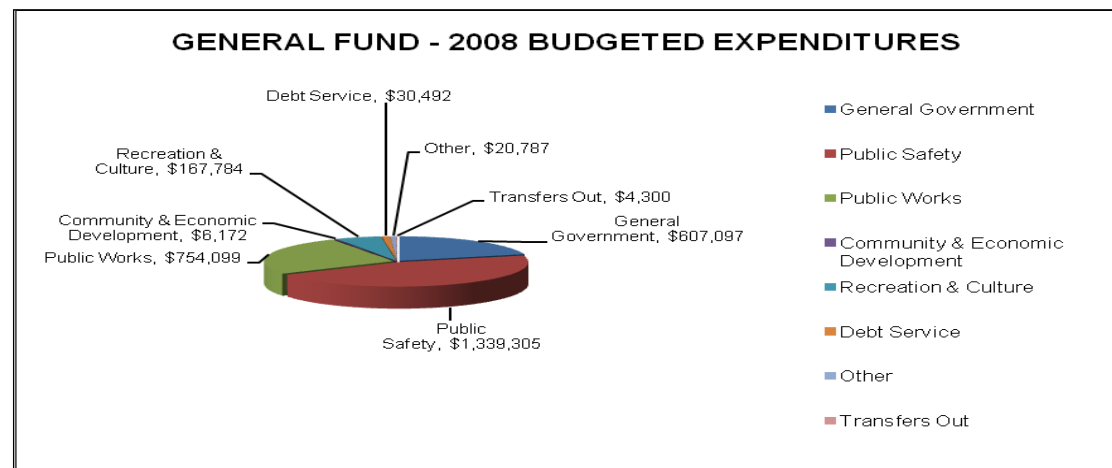
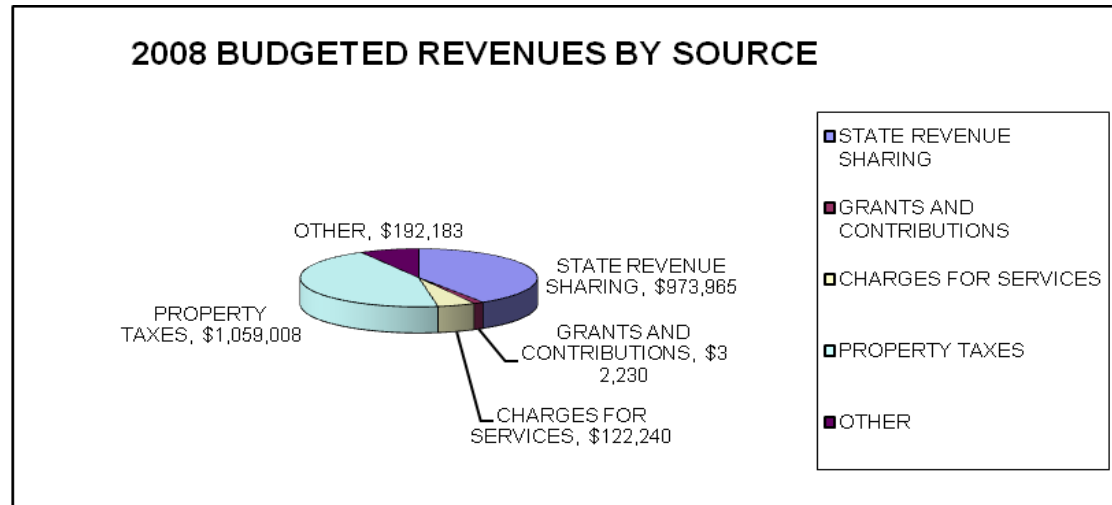
Chart 2



Bridgeport Charter Township Management's Discussion and Analysis December 31, 2008

- Charts 3 and 4 show budgeted 2008 revenues and expenditures by source.

Charts 3 & 4



Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008

Capital Asset and Debt Administration

Major capital asset events during the current fiscal year included the following:

Purchased a 7'x12' Lawn Trailer at a cost of \$1,450.

Bridgeport Township Water Department replaced water mains, installed new mains, installed a fire line and parallel main on Dixie Highway at a cost of \$561,585.

The Township's total debt decreased by \$72,093 or 12% during the current fiscal year.

At the end of 2008, the Township has \$13,875,612 invested in a wide range of capital assets, including land, buildings, equipment, computer equipment, water and sewer lines.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2009 fiscal year:

- Rising cost to furnish employee healthcare benefits.
- Replacement of one (1) police vehicle.
- Downsized DPW, Police Department and Accounting Office staff.
- State Revenue Sharing cuts in both June and August payments from the State.
- Salary increases due to union/association contracts.
- Reduced expenditures to reduce budget.
- Township ordinances written to collect impound fees and municipal code violations, along with increased park rentals. .

The following activities occurred in 2008 impacting business in Bridgeport Charter Township:

- Amigo and Orchid Unique expanded their business facilities creating additional jobs.
- W.F. McNally constructed a new 11,400 square foot steel building for storage.
- FMC Dialysis Clinic and Central Insulated Glass completed new commercial construction projects.
- ET Automotive is constructing a new automotive repair facility.
- Continued beautification efforts along Dixie Highway.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2008**

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in Bridgeport Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bridgeport Charter Township, 6206 Dixie Highway, Bridgeport, Michigan 48722.

Bridgeport Charter Township
Statement of Net Assets
December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 1,264,298	\$ 601,853	\$ 1,866,151	\$ 170,451
Investments	258,310	2,567,042	2,825,352	111,444
Receivables				
Taxes	997,889	172,527	1,170,416	297,591
Customers	34,981	313,218	348,199	-
Special assessments	-	3,053	3,053	-
Accrued interest and other	1,466	20,691	22,157	1,562
Due from other units of government	348,294	-	348,294	-
Internal balances	(215,014)	215,014	-	-
Due from component unit	10,846	-	10,846	-
Inventories	4,517	76,880	81,397	-
Prepaid items	133,247	25,445	158,692	6,813
Capital assets not being depreciated	489,916	48,052	537,968	705,348
Capital assets being depreciated	1,611,688	11,725,956	13,337,644	2,429
 Total assets	4,940,438	15,769,731	20,710,169	1,295,638

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Net Assets
December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts payable	\$ 178,780	\$ 70,717	\$ 249,497	\$ 1,755
Accrued and other liabilities	2,105	-	2,105	7,600
Due to primary government	-	-	-	10,846
Noncurrent liabilities				
Due within one year	70,960	-	70,960	55,000
Due in more than one year	446,322	27,500	473,822	1,026,600
	698,167	98,217	796,384	1,101,801
Net assets				
Invested in capital assets, net of related debt	1,638,822	11,774,008	13,412,830	707,777
Restricted for:				
Debt service	170,799	-	170,799	-
Unrestricted (deficit)	2,432,650	3,897,506	6,330,156	(513,940)
	\$ 4,242,271	\$ 15,671,514	\$ 19,913,785	\$ 193,837

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs								
Primary government								
Governmental activities								
General government	\$ 574,039	\$ 193,166	\$ -	\$ 25,800	\$ (355,073)	\$ -	\$ (355,073)	\$ -
Public safety	1,727,765	81,260	17,682	-	(1,628,823)	-	(1,628,823)	-
Public works	942,674	586,592	12,663	-	(343,419)	-	(343,419)	-
Community and economic development	11,081	3,170	-	-	(7,911)	-	(7,911)	-
Recreation and culture	193,042	17,434	-	-	(175,608)	-	(175,608)	-
Interest on long-term debt	25,127	-	-	-	(25,127)	-	(25,127)	-
Total governmental activities	<u>3,473,728</u>	<u>881,622</u>	<u>30,345</u>	<u>25,800</u>	<u>(2,535,961)</u>	<u>-</u>	<u>(2,535,961)</u>	<u>-</u>
Business-type activities								
Sewer	1,133,809	799,910	-	24,080	-	(309,819)	(309,819)	-
Water	1,265,314	1,391,096	-	15,600	-	141,382	141,382	-
Total business-type activities	<u>2,399,123</u>	<u>2,191,006</u>	<u>-</u>	<u>39,680</u>	<u>-</u>	<u>(168,437)</u>	<u>(168,437)</u>	<u>-</u>
Total primary government	<u>\$ 5,872,851</u>	<u>\$ 3,072,628</u>	<u>\$ 30,345</u>	<u>\$ 65,480</u>	<u>(2,535,961)</u>	<u>(168,437)</u>	<u>(2,704,398)</u>	<u>-</u>
Component unit								
Downtown Development Authority	<u>\$ 549,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(549,038)</u>
General revenues								
Property taxes					1,117,247	-	1,117,247	400,614
State shared revenue					972,467	-	972,467	-
Unrestricted investment earnings					98,309	139,751	238,060	15,788
Gain on sale of capital assets					-	1,000	1,000	-
Miscellaneous					105,462	25,483	130,945	13
Total general revenues					<u>2,293,485</u>	<u>166,234</u>	<u>2,459,719</u>	<u>416,415</u>
Change in net assets					(242,476)	(2,203)	(244,679)	(132,623)
Net assets - beginning of year					4,484,747	15,673,717	20,158,464	326,460
Net assets - end of year					<u>\$ 4,242,271</u>	<u>\$ 15,671,514</u>	<u>\$ 19,913,785</u>	<u>\$ 193,837</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2008

	<u>General</u>	<u>Special Revenue Fund Refuse Collection</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 614,702	\$ 128,598	\$ 330,790	\$ 1,074,090
Investments	174,688	4,097	-	178,785
Receivables				
Taxes	491,918	485,037	20,934	997,889
Customers	32,760	-	2,221	34,981
Accrued interest and other	904	375	-	1,279
Due from other units of government	348,294	-	-	348,294
Due from other funds	-	-	2,892	2,892
Due from component unit	10,846	-	-	10,846
Prepaid items	<u>83,102</u>	<u>46,563</u>	<u>2,986</u>	<u>132,651</u>
Total assets	<u>\$ 1,757,214</u>	<u>\$ 664,670</u>	<u>\$ 359,823</u>	<u>\$ 2,781,707</u>
Liabilities				
Accounts payable	\$ 98,581	\$ 74,847	\$ 4,823	\$ 178,251
Accrued and other liabilities	205	-	-	205
Due to other funds	14,218	-	-	14,218
Advances	240,000	-	-	240,000
Deferred revenue	<u>169,909</u>	<u>73,952</u>	<u>7,411</u>	<u>251,272</u>
Total liabilities	<u>522,913</u>	<u>148,799</u>	<u>12,234</u>	<u>683,946</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2008

	Special Revenue Fund			Total Governmental Funds
	General	Refuse Collection	Nonmajor Governmental Funds	
Fund balances				
Reserved for:				
Debt service	\$ -	\$ -	\$ 170,799	\$ 170,799
Prepaid items	83,102	46,563	2,986	132,651
Unreserved				
Designated for:				
Fire department	106,027	-	-	106,027
Police department	31,509	-	-	31,509
Roads	100,000	-	-	100,000
Parks and recreation	100,000	-	-	100,000
Trail system and pedestrian walkway	50,000	-	-	50,000
Bridge	100,000	-	-	100,000
Blight	30,000	-	-	30,000
Unreserved, reported in:				
General fund	633,663	-	-	633,663
Special revenue funds	-	469,308	20,828	490,136
Capital project funds	-	-	152,976	152,976
Total fund balances	<u>1,234,301</u>	<u>515,871</u>	<u>347,589</u>	<u>2,097,761</u>
Total liabilities and fund balances	<u>\$ 1,757,214</u>	<u>\$ 664,670</u>	<u>\$ 359,823</u>	<u>\$ 2,781,707</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Assets of Governmental Activities
December 31, 2008

Total fund balances for governmental funds	\$ 2,097,761
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,888,136
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	251,272
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(1,900)
Compensated absences	(54,500)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(462,782)
Internal service funds are included as part of governmental activities.	<u>524,284</u>
Net assets of governmental activities	<u>\$ 4,242,271</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Refuse Collection</u>		
Revenues				
Taxes	\$ 1,091,988	\$ -	\$ -	\$ 1,091,988
Licenses and permits	10,509	-	80,584	91,093
Federal grants	900	-	-	900
State revenue sharing	972,467	-	-	972,467
Other state grants	29,445	-	-	29,445
Local contributions	27,786	-	-	27,786
Charges for services	134,211	515,472	14,540	664,223
Fines and forfeitures	32,572	-	11,656	44,228
Interest income	51,677	4,204	5,683	61,564
Rental income	52,759	-	-	52,759
Other revenue	94,185	57	54,219	148,461
	<u>2,498,499</u>	<u>519,733</u>	<u>166,682</u>	<u>3,184,914</u>
Total revenues				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	General	Special Revenue Fund Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Expenditures				
Current				
General government	\$ 556,562	\$ -	\$ 33,224	\$ 589,786
Public safety	1,314,599	-	259,293	1,573,892
Public works	412,290	518,761	-	931,051
Community and economic development	6,679	-	-	6,679
Recreation and culture	174,333	-	-	174,333
Other functions	2,811	-	-	2,811
Principal retirement	29,865	-	42,182	72,047
Interest and fiscal charges	2,866	-	22,261	25,127
Total expenditures	<u>2,500,005</u>	<u>518,761</u>	<u>356,960</u>	<u>3,375,726</u>
Excess (deficiency) of revenues over expenditures	<u>(1,506)</u>	<u>972</u>	<u>(190,278)</u>	<u>(190,812)</u>
Other financing sources (uses)				
Transfers in	1,393	-	211,368	212,761
Transfers out	<u>(211,368)</u>	<u>-</u>	<u>(1,393)</u>	<u>(212,761)</u>
Total other financing sources and uses	<u>(209,975)</u>	<u>-</u>	<u>209,975</u>	<u>-</u>
Net change in fund balance	(211,481)	972	19,697	(190,812)
Fund balance - beginning of year	<u>1,445,782</u>	<u>514,899</u>	<u>327,892</u>	<u>2,288,573</u>
Fund balance - end of year	<u>\$ 1,234,301</u>	<u>\$ 515,871</u>	<u>\$ 347,589</u>	<u>\$ 2,097,761</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
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, 2008

Net change in fund balances - Total governmental funds	\$ (190,812)
Total change in net assets reported for governmental activities in the statement of activities is different because:	
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.	
Depreciation expense	(224,764)
Capital outlay	57,807
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	25,259
Expenses are recorded when incurred in the statement of activities	
Compensated absences	(7,500)
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	
Repayments of long-term debt	72,093
Internal service funds are also included as governmental activities	25,441
Change in net assets of governmental activities	\$ (242,476)

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Assets
December 31, 2008

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 225,410	\$ 376,443	\$ 601,853	\$ 190,208
Investments	2,194,391	372,651	2,567,042	79,525
Receivables				
Taxes	161,209	11,318	172,527	-
Customers	2,255	310,963	313,218	-
Special assessments, current	488	-	488	-
Accrued interest and other	11,052	9,639	20,691	187
Due from other funds	717	10,609	11,326	-
Inventories	-	76,880	76,880	4,517
Prepaid items	18,056	7,389	25,445	596
	<u>2,613,578</u>	<u>1,175,892</u>	<u>3,789,470</u>	<u>275,033</u>
Total current assets				
Noncurrent assets				
Special assessments receivable, deferred	2,565	-	2,565	-
Advances to other funds	240,000	-	240,000	-
Capital assets not being depreciated	28,000	20,052	48,052	-
Capital assets being depreciated	4,868,656	6,857,300	11,725,956	213,468
	<u>5,139,221</u>	<u>6,877,352</u>	<u>12,016,573</u>	<u>213,468</u>
Total noncurrent assets				
	<u>7,752,799</u>	<u>8,053,244</u>	<u>15,806,043</u>	<u>488,501</u>
Total assets				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Assets
December 31, 2008

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 10,725	\$ 59,992	\$ 70,717	\$ 529
Long-term debt net of current portion	15,900	11,600	27,500	-
Total liabilities	26,625	71,592	98,217	529
Net assets				
Invested in capital assets, net of related debt	4,896,656	6,877,352	11,774,008	213,468
Unrestricted	2,829,518	1,104,300	3,933,818	274,504
Total net assets	\$ 7,726,174	\$ 7,981,652	15,707,826	\$ 487,972
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service funds assets and liabilities are reported with business-type activities			(36,312)	
Net assets of business-type activities			\$ 15,671,514	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Operating revenue				
Customer fees	\$ 799,910	\$ 1,391,096	\$ 2,191,006	\$ 22,259
Billings to other funds	-	-	-	157,025
Other revenue	<u>1,858</u>	<u>24,625</u>	<u>26,483</u>	<u>6,014</u>
Total operating revenue	<u>801,768</u>	<u>1,415,721</u>	<u>2,217,489</u>	<u>185,298</u>
Operating expenses				
Personnel services	595,862	297,418	893,280	27,082
Supplies	46,693	498,863	545,556	2,367
Contractual services	18,379	17,544	35,923	3,704
Utilities	93,524	2,904	96,428	-
Repairs and maintenance	62,933	57,929	120,862	26,569
Other expenses	27,391	65,364	92,755	67,419
Depreciation	<u>289,160</u>	<u>325,814</u>	<u>614,974</u>	<u>52,343</u>
Total operating expenses	<u>1,133,942</u>	<u>1,265,836</u>	<u>2,399,778</u>	<u>179,484</u>
Operating income (loss)	<u>(332,174)</u>	<u>149,885</u>	<u>(182,289)</u>	<u>5,814</u>
Nonoperating revenue (expenses)				
Interest income	111,057	28,694	139,751	21,079
Loss on disposal of assets	<u>(797)</u>	<u>-</u>	<u>(797)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>110,260</u>	<u>28,694</u>	<u>138,954</u>	<u>21,079</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Income (loss) before contributions	\$ (221,914)	\$ 178,579	\$ (43,335)	\$ 26,893
Capital contributions	<u>24,080</u>	<u>15,600</u>	<u>39,680</u>	<u>-</u>
Change in net assets	(197,834)	194,179	(3,655)	26,893
Net assets - beginning of year	<u>7,924,008</u>	<u>7,787,473</u>		<u>461,079</u>
Net assets - end of year	<u>\$ 7,726,174</u>	<u>\$ 7,981,652</u>		<u>\$ 487,972</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			<u>1,452</u>	
Change in net assets of business-type activities			<u>\$ (2,203)</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Service Funds</u>
				<u>Equipment</u>
Cash flows from operating activities				
Receipts from customers	\$ 809,740	\$ 1,386,082	\$ 2,195,822	\$ 28,583
Receipts from interfund users	-	-	-	157,025
Receipts from other funds	231	3,040	3,271	-
Payments to other funds	(1,594)	-	(1,594)	-
Payments to suppliers	(236,931)	(609,111)	(846,042)	(100,842)
Payments to employees	(595,862)	(297,418)	(893,280)	(27,082)
Payments for interfund services used	(25,124)	(14,132)	(39,256)	-
Net cash provided (used) by operating activities	<u>(49,540)</u>	<u>468,461</u>	<u>418,921</u>	<u>57,684</u>
Cash flows from capital and related financing activities				
Capital contributions	24,080	15,600	39,680	-
Advances from other funds	(240,000)	-	(240,000)	-
Purchases/construction of capital assets	(99,797)	(748,314)	(848,111)	(20,635)
Net cash provided (used) by capital and related financing activities	<u>(315,717)</u>	<u>(732,714)</u>	<u>(1,048,431)</u>	<u>(20,635)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investments	375,020	103,746	478,766	-
Interest received	111,057	28,694	139,751	19,375
Net cash provided (used) by investing activities	<u>486,077</u>	<u>132,440</u>	<u>618,517</u>	<u>19,375</u>
Net increase (decrease) in cash and cash equivalents	120,820	(131,813)	(10,993)	56,424
Cash and cash equivalents - beginning of year	<u>104,590</u>	<u>508,256</u>	<u>612,846</u>	<u>133,784</u>
Cash and cash equivalents - end of year	<u>\$ 225,410</u>	<u>\$ 376,443</u>	<u>\$ 601,853</u>	<u>\$ 190,208</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2008

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Service Funds</u>
				<u>Equipment</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (332,174)	\$ 149,885	\$ (182,289)	\$ 5,814
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation expense	289,160	325,814	614,974	52,343
Changes in assets and liabilities				
Receivables (net)	7,972	(29,639)	(21,667)	310
Due from other funds	231	3,040	3,271	-
Inventories	-	11,026	11,026	-
Prepaid items	(1,954)	(1,740)	(3,694)	(98)
Accounts payable	(11,181)	10,075	(1,106)	(294)
Accrued and other liabilities	-	-	-	(391)
Due to other funds	(1,594)	-	(1,594)	-
Net cash provided (used) by operating activities	<u>\$ (49,540)</u>	<u>\$ 468,461</u>	<u>\$ 418,921</u>	<u>\$ 57,684</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Fiduciary Funds
Statement of Assets and Liabilities
December 31, 2008

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 50,070
Investments	-
Receivables	
Taxes	<u>71,220</u>
 Total assets	 <u>\$ 121,290</u>
Liabilities	
Accrued and other liabilities	\$ 31,966
Due to other units of government	<u>89,324</u>
 Total liabilities	 <u>\$ 121,290</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

Note 1 - Summary of Significant Accounting Policies

Reporting entity

Bridgeport Charter Township is governed by an elected seven-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units – The component unit column in the entity wide financial statements include the financial data of the Township's Downtown Development Authority. This unit is reported in a separate column to emphasize that it is legally separate from the Township. The members of the Governing Board of the Downtown Development Authority are appointed by the Township Board. The budgets and expenditures of the Downtown Development Authority must be approved by the Township Board. The Township also has the ability to significantly influence operations of the Downtown Development Authority. The Downtown Development Authority does not issue any other form of financial statements except as contained in the Bridgeport Charter Township annual financial statements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Government 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 segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental 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.

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* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

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, sales 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 government.

The government 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 Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The government reports the following major proprietary funds:

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

The Water Fund accounts for the activities of the water distribution system.

Additionally, the government reports the following:

The nonmajor special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Debt Service Fund accounts for the accumulation of resources for, and payment of governmental activities principal, interest and related costs.

Junction Sewer Capital Projects Fund accounts for the construction of township project.

Internal Service Funds accounts for major machinery and equipment purchases and maintenance provided to other departments of the government on a cost reimbursement basis.

The Deferred Compensation Trust Fund accounts for amounts withheld from employees' pay in accordance with the Internal Revenue Code section 457.

Trust and Agency Fund and Current Tax Collection Fund accounts for property tax and other deposits collected on behalf of other units and individuals.

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 government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Bridgeport Charter Township Notes to Financial Statements December 31, 2008

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds and the internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for sewer and water funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, liabilities, and net assets or equity

Deposits and investments – Cash and cash equivalents are considered to be 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 based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due 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. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2008 taxable valuation of the government totaled \$230,127,427, on which ad valorem taxes consisted of 4.7332 mills for operating purposes. This resulted in \$978,900 for general operating expenses and \$110,339 for the Bridgeport Charter Township Downtown Development Authority, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. In addition, the taxable valuation of the IFT totaled \$4,984,046, on which taxes consisted of 2.3666 mills. This provided \$2,145 for general operating expenses \$9,650 for the Bridgeport Charter Township Downtown Development Authority.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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 government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

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

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and sewer lines	50 to 75 years
Machinery and equipment	3 to 7 years
Vehicles	3 to 5 years

Compensated absences – It is the Township’s policy to permit employees to accumulate earned but unused vacation and personal time benefits. All personal time must be used prior to the use of any accrued vacation leave. Any unused personal time is paid out at the end of the 12 month period during which they could have been used. Upon resignation, any unused personal time is compensated at 50% of the personal leave hours remaining at the time of termination. Vacation pay and personal time benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

Fund equity – 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 use for a specific purposes. Designations of fund balance represent tentative management plans that are subject to change.

Comparative data

Comparative data is not included in the government’s financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

Prior to September 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to November 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Excess of expenditures over appropriations

The Township incurred expenditures in excess of budget in the following funds. Excess expenditures in these funds occurred in the following areas:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund			
Community and economic development	\$ 6,172	\$ 6,679	\$ 507
Recreation and culture	167,784	174,333	6,549
Debt service	30,492	32,731	2,239
Transfers out	4,300	211,368	207,068
Refuse Fund			
Public works	478,298	518,761	40,463

Note 3 - Deposits and Investments

The breakdown between deposits and investments for the Township is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>
Certificates of deposit and money markets	\$ 2,767,016	\$ -	\$ 111,444
Investments in securities, mutual funds and similar vehicles	<u>58,336</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 2,825,352</u>	<u>\$ -</u>	<u>\$ 111,444</u>

As of year end, the government had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>	<u>Rating Organization</u>
ML Institutional Fund	\$ 58,336	Daily	AAA	Standard's & Poor's

Interest rate risk – The Township’s investment policy does not address exposure to fair value losses from changes in interest rates.

Credit risk – State statutes and the Township’s investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the three highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

of 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.

Concentration of credit risk – The Township minimizes credit risk by investing only in the safer types of securities, pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with whom the Township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized. Not more than 50% of any fund may be invested in commercial paper at any time.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Township’s deposits may not be returned to them. The Township’s deposit policy limits use to twelve (12) banks. As of December 31, 2008, \$1,921,176 of the Township’s bank balance of \$3,226,184 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Receivables and Deferred Revenue

The only receivables not expected to be collected within one year are as follows:

	Due After One		Fund
	Year		
Primary government			
Special assessments	\$ 3,540		Sewer

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

	<u>Unavailable</u>
Primary government	
Property taxes	<u>\$ 251,272</u>
Component unit	
Property taxes	<u>\$ 81,323</u>

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	<u>\$ 489,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,916</u>
Capital assets being depreciated				
Land improvements	615,678	-	-	615,678
Drains	65,171	-	-	65,171
Buildings, additions and improvements	1,750,747	-	-	1,750,747
Machinery and equipment	1,665,855	78,442	-	1,744,297
Vehicles	<u>1,068,924</u>	<u>-</u>	<u>-</u>	<u>1,068,924</u>
Total capital assets being depreciated	<u>5,166,375</u>	<u>78,442</u>	<u>-</u>	<u>5,244,817</u>
Less accumulated depreciation for				
Land improvements	445,248	19,207	-	464,455
Infrastructure	-	6,517	-	6,517
Buildings, additions and improvements	1,195,016	47,513	-	1,242,529
Machinery and equipment	1,240,662	109,797	-	1,350,459
Vehicles	<u>475,096</u>	<u>94,073</u>	<u>-</u>	<u>569,169</u>
Total accumulated depreciation	<u>3,356,022</u>	<u>277,107</u>	<u>-</u>	<u>3,633,129</u>
Net capital assets being depreciated	<u>1,810,353</u>	<u>(198,665)</u>	<u>-</u>	<u>1,611,688</u>
Governmental activities capital assets, net	<u>\$ 2,300,269</u>	<u>\$ (198,665)</u>	<u>\$ -</u>	<u>\$ 2,101,604</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 29,110	\$ -	\$ -	\$ 29,110
Construction in progress	<u>372,253</u>	<u>738,198</u>	<u>1,091,509</u>	<u>18,942</u>
Total capital assets not being depreciated	<u>401,363</u>	<u>738,198</u>	<u>1,091,509</u>	<u>48,052</u>
Capital assets being depreciated				
Machinery and equipment	4,080,720	118,848	40,227	4,159,341
Water system	10,277,112	1,098,761	-	11,375,873
Sewer system	<u>8,546,151</u>	<u>50,905</u>	<u>76,511</u>	<u>8,520,545</u>
Total capital assets being depreciated	<u>22,903,983</u>	<u>1,268,514</u>	<u>116,738</u>	<u>24,055,759</u>
Less accumulated depreciation for				
Machinery and equipment	3,366,888	85,870	39,430	3,413,328
Water system	4,553,779	292,400	-	4,846,179
Sewer system	<u>3,840,627</u>	<u>229,669</u>	<u>-</u>	<u>4,070,296</u>
Total accumulated depreciation	<u>11,761,294</u>	<u>607,939</u>	<u>39,430</u>	<u>12,329,803</u>
Net capital assets being depreciated	<u>11,142,689</u>	<u>660,575</u>	<u>77,308</u>	<u>11,725,956</u>
Business-type capital assets, net	<u>\$ 11,544,052</u>	<u>\$ 1,398,773</u>	<u>\$ 1,168,817</u>	<u>\$ 11,774,008</u>

Capital assets activity of the component unit for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit				
Capital assets not being depreciated				
Land	\$ 492,796	\$ 212,552	\$ -	\$ 705,348
Capital assets being depreciated				
Machinery and equipment	<u>4,857</u>	<u>-</u>	<u>-</u>	<u>4,857</u>
Less accumulated depreciation for				
Machinery and equipment	<u>1,457</u>	<u>971</u>	<u>-</u>	<u>2,428</u>
Net capital assets being depreciated	<u>3,400</u>	<u>(971)</u>	<u>-</u>	<u>2,429</u>
Component unit capital assets, net	<u>\$ 496,196</u>	<u>\$ 211,581</u>	<u>\$ -</u>	<u>\$ 707,777</u>

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

Governmental activities	
General government	\$ 38,731
Public safety	152,652
Public works	9,945
Community and economic development	4,402
Recreation and culture	19,034
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>52,343</u>
Total governmental activities	<u>277,107</u>
Business-type activities	
Sewer	289,160
Water	<u>325,814</u>
Total business-type activities	<u>614,974</u>
Total primary government	<u>\$ 892,081</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

Note 6 - Interfund Receivables, Payable and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	General	\$ 717
Water	General	10,609
General	Building Inspection	<u>2,892</u>
		<u>\$ 14,218</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Advances at year end are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sewer	<u>\$ 240,000</u>

There is a five year advance from the Sewer Fund to the General Fund which bears interest at 1.000% per year and requires semi-annual principal and interest payments of \$51,600 to \$48,480. Final payment is due June 1, 2014.

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General	Other governmental funds	\$ 211,368
Other governmental funds	General	<u>1,393</u>
		<u>\$ 212,761</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Note 7 - Leases

Operating Leases

The government leases a mailing machine and copier under noncancelable operating leases. Total costs for such leases were \$5,497 for the year ending December 31, 2008. The future minimum lease payments for these leases are as follows:

<u>Year ending December 31,</u>	
2009	<u>\$ 2,541</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

Note 8 - Long-Term Debt

The government issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Installment purchase agreements are also general obligations of the government. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the General, Sewer and Water Funds.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Secured	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities										
Bonds and notes payable										
General obligation bonds										
1988 Drain Bonds	\$ 825,000	2018	4.75% - 6.80%	\$39,543 - \$42,182	Secured	\$ 461,363	\$ -	\$ 42,182	\$ 419,181	\$ 42,182
Installment purchase agreements										
Fire equipment loan	\$ 135,775	2010	3.98%	\$27,657 - \$17,077	Secured	73,512	-	29,911	43,601	28,778
Total bonds payable						534,875	-	72,093	462,782	70,960
Compensated absences						47,000	7,500	-	54,500	-
Total governmental activities						<u>\$ 581,875</u>	<u>\$ 7,500</u>	<u>\$ 72,093</u>	<u>\$ 517,282</u>	<u>\$ 70,960</u>
Business-type activities										
Compensated absences						\$ 29,800	\$ -	\$ 2,300	\$ 27,500	\$ -
Component units										
General obligation bonds										
Downtown development bonds series 2002	\$ 1,365,000	2022	3.00% - 4.80%	\$45,000 - \$110,000	Secured	\$ 1,130,000	\$ -	\$ 50,000	\$ 1,080,000	\$ 55,000
Compensated absences						1,900	-	300	1,600	-
Total component units						<u>\$ 1,131,900</u>	<u>\$ -</u>	<u>\$ 50,300</u>	<u>\$ 1,081,600</u>	<u>\$ 55,000</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

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

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2009	\$ 70,960	\$ 21,187
2010	57,005	18,079
2011	42,182	15,818
2012	42,182	13,709
2013	42,182	11,600
2014 - 2018	<u>208,271</u>	<u>26,365</u>
	<u>\$ 462,782</u>	<u>\$ 106,758</u>

Year Ending December 31,	Component Unit	
	Principal	Interest
2009	\$ 55,000	\$ 45,899
2010	55,000	43,837
2011	60,000	41,606
2012	60,000	39,205
2013	65,000	36,704
2014 - 2018	385,000	137,954
2019 - 2022	<u>400,000</u>	<u>39,716</u>
	<u>\$ 1,080,000</u>	<u>\$ 384,921</u>

Note 9 - Risk Management

The government 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 government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 10 - Employee Retirement and Benefit Systems

Defined benefit pension plan

Plan description – The government participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the government. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 447 N. Canal Rd., Lansing, Michigan 48917.

Funding policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the government's competitive bargaining units and requires a contribution from the employees of 3.13% of gross wages for General and 2.39% of gross wages Police and Fire employees.

Annual pension costs – For year ended 2008, the government's annual pension cost of \$234,486 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2007, using the entry actual age cost method. Significant actuarial assumptions used include: 1) a 8% investment rate of return; 2) projected salary increases of 4.5% percent per year; and 3) 4.5% percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 30 years.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2008

Three year trend information as of December 31 follows:

	2007	2006	2005
Annual pension cost	\$ 213,003	\$ 202,992	\$ 188,620
Percentage of APC contributed	100%	100%	100%
Actuarial value of assets	4,722,978	4,458,568	4,205,888
Actuarial accrued liabilities	6,285,392	6,022,178	5,572,592
Unfunded AAL	1,562,414	1,563,610	1,366,704
Funded ratio	75%	74%	75%
Covered payroll	1,560,330	1,595,321	1,570,722
UAAL as a percentage of covered payroll	100%	98%	87%

Note 11 - Deferred Compensation Plan

The Township Board offers all government employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans are held in trust by the Government. The plan balances and activities are reflected in the government's financial statements.

Note 12 - Contingent Liabilities

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

Note 13 - Post-Employment Benefits

The Township currently provides post-employment health insurance benefits to qualified retired employees. The cost of these benefits is paid by the Township and is funded on a pay-as-you-go basis. The Township's cost of providing the health insurance benefits to retirees was approximately \$43,223 for the year ended December 31, 2008. There were thirteen participants at December 31, 2008.

Note 14 - Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued Statement No. 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. The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2009.

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Amended</u>		<u>Final Budget</u>
Revenues				
Taxes				
Property taxes	\$ 1,092,885	\$ 995,736	\$ 969,588	\$ (26,148)
Other taxes	3,200	2,772	2,772	-
Administration fee	111,586	60,500	119,628	59,128
Licenses and permits	5,655	13,016	10,509	(2,507)
Federal grants	-	-	900	900
State revenue sharing	973,965	973,965	972,467	(1,498)
State grants	20,000	29,444	29,445	1
Local contributions	3,500	2,786	27,786	25,000
Charges for services	106,765	109,224	134,211	24,987
Fines and forfeitures	25,000	27,974	32,572	4,598
Interest income	-	13,623	51,677	38,054
Rental income	-	50,376	52,759	2,383
Other revenue	98,000	100,210	94,185	(6,025)
Transfer in	-	-	1,393	1,393
	<u>2,440,556</u>	<u>2,379,626</u>	<u>2,499,892</u>	<u>120,266</u>
Total revenues				

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Amended</u>		<u>Final Budget</u>
Expenditures				
General government				
Township board	\$ 22,001	\$ 20,044	\$ 14,736	\$ (5,308)
Supervisor	10,703	10,586	12,371	1,785
Manager	53,747	85,957	84,308	(1,649)
Accounting	60,324	68,092	67,508	(584)
Clerk	23,803	19,981	18,377	(1,604)
Audit	10,100	14,100	9,040	(5,060)
Board of review	-	810	716	(94)
Treasurer	68,791	100,220	95,803	(4,417)
Assessor	62,150	67,135	39,934	(27,201)
Elections	45,489	48,030	45,803	(2,227)
Buildings and grounds	119,894	167,135	162,959	(4,176)
Attorney	500	5,007	5,007	-
	<u>477,502</u>	<u>607,097</u>	<u>556,562</u>	<u>(50,535)</u>
Total general government				
Public safety				
Police	773,949	848,854	828,628	(20,226)
Fire department	480,885	490,451	485,971	(4,480)
	<u>1,254,834</u>	<u>1,339,305</u>	<u>1,314,599</u>	<u>(24,706)</u>
Total public safety				

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Amended		Final Budget
Public works				
Department of public works	\$ 125,449	\$ 336,058	\$ 130,644	\$ (205,414)
Sidewalks	500	-	-	-
Drains	15,197	26,644	26,643	(1)
Highways, streets and bridges	77,000	292,000	159,661	(132,339)
Street lighting	93,000	99,397	95,342	(4,055)
Total public works	<u>311,146</u>	<u>754,099</u>	<u>412,290</u>	<u>(341,809)</u>
Community and economic development				
Planning	9,665	5,060	5,847	787
Zoning	3,050	1,112	832	(280)
Total community and economic development	<u>12,715</u>	<u>6,172</u>	<u>6,679</u>	<u>507</u>
Recreation and culture				
Parks and recreation	147,229	167,784	169,441	1,657
Library	-	-	4,892	4,892
Total recreation and culture	<u>147,229</u>	<u>167,784</u>	<u>174,333</u>	<u>6,549</u>

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Amended		Final Budget
Other functions				
Unallocated employee fringe benefits	\$ 17,386	\$ 18,220	\$ -	\$ (18,220)
Tax tribunal refunds	-	2,567	2,811	244
Total other functions	<u>17,386</u>	<u>20,787</u>	<u>2,811</u>	<u>(17,976)</u>
Debt service				
Principal retirement	27,656	27,656	29,865	2,209
Interest and fiscal charges	2,336	2,836	2,866	30
Total debt service	<u>29,992</u>	<u>30,492</u>	<u>32,731</u>	<u>2,239</u>
Transfers out	-	4,300	211,368	207,068
Total expenditures	<u>2,250,804</u>	<u>2,930,036</u>	<u>2,711,373</u>	<u>(218,663)</u>
Excess (deficiency) of revenues over expenditures	189,752	(550,410)	(211,481)	338,929
Fund balance - beginning of year	<u>1,445,782</u>	<u>1,445,782</u>	<u>1,445,782</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 1,635,534</u></u>	<u><u>\$ 895,372</u></u>	<u><u>\$ 1,234,301</u></u>	<u><u>\$ 338,929</u></u>

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
Refuse Collection Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
Revenues				
Charges for services	\$ 479,192	\$ 479,192	\$ 515,472	\$ 36,280
Interest income	4,000	4,000	4,204	204
Other revenue	100	100	57	(43)
	<u>483,292</u>	<u>483,292</u>	<u>519,733</u>	<u>36,441</u>
Total revenues				
Expenditures				
Current				
Public works	<u>478,298</u>	<u>478,298</u>	<u>518,761</u>	<u>40,463</u>
Excess of revenues over expenditures	4,994	4,994	972	(4,022)
Fund balance - beginning of year	<u>514,899</u>	<u>514,899</u>	<u>514,899</u>	<u>-</u>
Fund balance - end of year	<u>\$ 519,893</u>	<u>\$ 519,893</u>	<u>\$ 515,871</u>	<u>\$ (4,022)</u>

Bridgeport Charter Township
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Williamson Debt Service	Junction Sewer Capital Projects	
Assets						
Cash and cash equivalents	\$ 12,280	\$ 3,351	\$ 4,907	\$ 157,276	\$ 152,976	\$ 330,790
Receivables						
Taxes	-	-	-	20,934	-	20,934
Customers	1,050	1,171	-	-	-	2,221
Due from other funds	-	2,892	-	-	-	2,892
Prepaid items	333	2,653	-	-	-	2,986
Total assets	\$ 13,663	\$ 10,067	\$ 4,907	\$ 178,210	\$ 152,976	\$ 359,823
Liabilities						
Accounts payable	\$ 227	\$ 2,196	\$ 2,400	\$ -	\$ -	\$ 4,823
Deferred revenue	-	-	-	7,411	-	7,411
Total liabilities	<u>227</u>	<u>2,196</u>	<u>2,400</u>	<u>7,411</u>	<u>-</u>	<u>12,234</u>
Fund balances						
Reserved for:						
Debt service	-	-	-	170,799	-	170,799
Prepaid items	333	2,653	-	-	-	2,986
Unreserved						
Undesignated	13,103	5,218	2,507	-	152,976	173,804
Total fund balances	<u>13,436</u>	<u>7,871</u>	<u>2,507</u>	<u>170,799</u>	<u>152,976</u>	<u>347,589</u>
Total liabilities and fund balances	\$ 13,663	\$ 10,067	\$ 4,907	\$ 178,210	\$ 152,976	\$ 359,823

Bridgeport Charter Township
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Williamson Debt Service	Junction Sewer Capital Projects	Construction	
Revenues							
Licenses and permits	\$ -	\$ 80,584	\$ -	\$ -	\$ -	\$ -	\$ 80,584
Charges for services	14,540	-	-	-	-	-	14,540
Fines and forfeitures	-	6,628	5,028	-	-	-	11,656
Interest income	-	-	103	2,008	3,572	-	5,683
Other revenue	246	5,466	-	48,507	-	-	54,219
Total revenues	<u>14,786</u>	<u>92,678</u>	<u>5,131</u>	<u>50,515</u>	<u>3,572</u>	<u>-</u>	<u>166,682</u>
Expenditures							
Current							
General government	33,224	-	-	-	-	-	33,224
Public safety	-	253,344	5,949	-	-	-	259,293
Debt service							
Principal retirement	-	-	-	42,182	-	-	42,182
Interest and fiscal charges	-	-	-	22,261	-	-	22,261
Total expenditures	<u>33,224</u>	<u>253,344</u>	<u>5,949</u>	<u>64,443</u>	<u>-</u>	<u>-</u>	<u>356,960</u>
Excess (deficiency) of revenues over expenditures	<u>(18,438)</u>	<u>(160,666)</u>	<u>(818)</u>	<u>(13,928)</u>	<u>3,572</u>	<u>-</u>	<u>(190,278)</u>
Other financing sources							
Transfers in	35,000	172,000	-	-	-	4,368	211,368
Transfers out	-	-	-	-	-	(1,393)	(1,393)
Total other financing sources and uses	<u>35,000</u>	<u>172,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,975</u>	<u>209,975</u>
Net change in fund balance	16,562	11,334	(818)	(13,928)	3,572	2,975	19,697
Fund balance (deficit)- beginning of year	(3,126)	(3,463)	3,325	184,727	149,404	(2,975)	327,892
Fund balance - end of year	<u>\$ 13,436</u>	<u>\$ 7,871</u>	<u>\$ 2,507</u>	<u>\$ 170,799</u>	<u>\$ 152,976</u>	<u>\$ -</u>	<u>\$ 347,589</u>

Bridgeport Charter Township
Other Supplemental Information
Component Unit - Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Taxes	\$ 386,709	\$ 416,912	\$ 385,925	\$ (30,987)
Interest income	36,200	12,107	10,513	(1,594)
Other revenue	48,500	494	5,288	4,794
Sale of fixed assets	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	 <u>651,409</u>	 <u>429,513</u>	 <u>401,726</u>	 <u>(27,787)</u>
Expenditures				
Current				
Community and economic development	224,126	199,032	195,948	(3,084)
Capital outlay	335,500	524,213	517,091	(7,122)
Debt service				
Principal retirement	45,000	50,000	50,000	-
Interest and fiscal charges	<u>54,140</u>	<u>48,083</u>	<u>48,080</u>	<u>(3)</u>
 Total expenditures	 <u>658,766</u>	 <u>821,328</u>	 <u>811,119</u>	 <u>(10,209)</u>
 Excess (deficiency) of revenues over expenditures	 (7,357)	 (391,815)	 (409,393)	 (17,578)
 Fund balance - beginning of year	 <u>903,330</u>	 <u>903,330</u>	 <u>903,330</u>	 <u>-</u>
 Fund balance - end of year	 <u>\$ 895,973</u>	 <u>\$ 511,515</u>	 <u>\$ 493,937</u>	 <u>\$ (17,578)</u>

Bridgeport Charter Township
Component Unit - Downtown Development Authority
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, 2008

Net change in fund balances - Total governmental funds \$ (409,393)

Total change in net assets reported for governmental activities in the statement of activities is different because:

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.

Depreciation expense	(971)
Capital outlay	212,552

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property taxes	14,689
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Expenses are recorded when incurred in the statement of activities

Accrued interest	200
Compensated absences	300

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments of long-term debt	50,000
------------------------------	--------

Change in net assets of governmental activities **\$ (132,623)**

Bridgeport Charter Township
Other Supplemental Information
Schedule of Indebtedness
December 31, 2008

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Governmental Activities						
General Obligation Bonds						
1998 Drain Bonds						
Amount of issue - \$ 825,000						
	5.000%	2009	\$ 42,182	\$ 10,503	\$ 9,470	\$ 62,155
	5.000%	2010	42,182	9,470	8,436	60,088
	5.000%	2011	42,182	8,436	7,382	58,000
	5.000%	2012	42,182	7,382	6,327	55,891
	5.000%	2013	42,182	6,327	5,273	53,782
	5.000%	2014	42,182	5,273	4,218	51,673
	5.000%	2015	42,182	4,218	3,164	49,564
	5.000%	2016	42,182	3,164	2,109	47,455
	5.000%	2017	42,182	2,109	1,055	45,346
	6.800%	2018	39,543	1,055	-	40,598
			<u>\$ 419,181</u>	<u>\$ 57,937</u>	<u>\$ 47,434</u>	<u>\$ 524,552</u>
Installment purchase agreements						
Fire equipment loan						
Amount of issue - \$ 135,775						
	3.980%	2009	\$ 28,778	\$ 751	\$ 463	\$ 29,992
	3.980%	2010	14,823	173	-	14,996
			<u>\$ 43,601</u>	<u>\$ 924</u>	<u>\$ 463</u>	<u>\$ 44,988</u>

Bridgeport Charter Township
Other Supplemental Information
Schedule of Indebtedness
December 31, 2008

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Downtown Development Bonds						
Series 2002						
Amount of issue - \$ 1,365,000						
	3.750%	2009	\$ 55,000	\$ 23,465	\$ 22,434	\$ 100,899
	3.750%	2010	55,000	22,434	21,403	98,837
	4.000%	2011	60,000	21,403	20,203	101,606
	4.000%	2012	60,000	20,203	19,002	99,205
	4.000%	2013	65,000	19,002	17,702	101,704
	4.100%	2014	70,000	17,702	16,267	103,969
	4.200%	2015	75,000	16,267	14,693	105,960
	4.250%	2016	75,000	14,693	13,099	102,792
	4.375%	2017	80,000	13,099	11,349	104,448
	4.500%	2018	85,000	11,349	9,436	105,785
	4.600%	2019	90,000	9,436	7,366	106,802
	4.700%	2020	95,000	7,366	5,134	107,500
	4.750%	2021	105,000	5,134	2,640	112,774
	4.800%	2022	110,000	2,640	-	112,640
			<u>\$ 1,080,000</u>	<u>\$ 204,193</u>	<u>\$ 180,728</u>	<u>\$ 1,464,921</u>



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June 3, 2009

Management and the Board of Trustees
Bridgeport Charter Township

Dear Management and the Board of Trustees:

We have completed our audit of the financial statements of Bridgeport Charter Township as of and for the year ended December 31, 2008 and have issued our report dated June 3, 2009. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The appendices to this letter set forth those communications as follows:

- I Communication of Internal Control Matters Identified During the Audit
- II Auditors' Communication of Significant Matters with Those Charged with Governance
- III Management Comments

We discussed these matters with various personnel in the organization during the audit and have already met with management during our fieldwork. We would also be pleased to meet with you to discuss these matters at your convenience.

These communications are intended solely for the information and use of management, the Board of Trustees, and others within the organization, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.

Appendix I

Communication of Internal Control Matters Identified During the Audit

In planning and performing our audit of the financial statements of Bridgeport Charter Township as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Bridgeport Charter Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control:

Reconciliations

As part of an effective internal control process, all accounts need to be reconciled in a timely manner. This key control provides management and the Board of Trustees with the assurance that all activity is being posted and reconciled on a timely basis. Without timely reconciliations it could be several months before an error or irregularity would be noticed. During our field work, we noted that the bank reconciliations had not been performed timely during 2009.

We strongly recommend that monthly bank reconciliations be completed within 30 days of receiving the bank statement. In addition, we further recommend that all reconciliations be reviewed by someone who is not involved in the reconciliation process so that the timeliness and accuracy can be verified. This review should be documented by the person initialing and dating the reconciliation.

Appendix II

Auditors' Communication of Significant Matters with Those Charged with Governance

Responsibilities under generally accepted auditing standards

As stated in our engagement letter dated December 1, 2008, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Our responsibility, as prescribed by US GAAS, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects. Our audit does not relieve you of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit as outlined in our discussion with you related to planning matters on December 1, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

- Management is responsible for the selection and use of appropriate accounting policies. We will advise management about their appropriateness and application. The significant accounting policies are described in (Note 1) of the financial statements. We noted no transactions entered into by the organization during the year where there is lack of authoritative guidance or consensus. There are no significant transactions that were recognized in a period other than which they occurred.
- Accounting estimates are based on management's knowledge and experience about past and current events and assumptions. Some estimates are sensitive because of their significance to the financial statements and the fact that future events affecting them may differ from those expected.
- Disclosures in the financial statements are neutral, consistent and clear. Certain disclosures are more sensitive than others due to their relevance to the users of the financial statements.

Corrected and Uncorrected Misstatements

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all attached adjustments, except for the uncorrected misstatements. Management has determined that the effects of the uncorrected misstatements attached are immaterial both individually and in the aggregate, qualitatively and quantitatively, to the financial statements taken as a whole.

Uncorrected Misstatements —Amount of Over (Under) Statement of:			
Description	Total Liabilities	Expense	Change in Fund Balance/ Net Assets
General Fund			
Accrued payroll is not recorded	\$ -12,837	\$ -12,837	\$ -12,837
Prior year			29,412
Total General Fund			16,575
Building Inspection Fund			
Accrued payroll is not recorded	\$ -1,095	\$ -1,095	\$ -1,095
Prior year			2,323
Total Building Inspection Fund			1,238

Disagreements with Management

A disagreement with management is defined as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, which could be significant, individually or in the aggregate to the financial statements or the auditors' report. We had no disagreements with management during the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

From time to time, management may decide to consult with other accountants about audit and accounting matters. Should this occur, professional standards require the consulting accountant to communicate with us to determine that they have all the relevant facts. To our knowledge, there were no consultations with other accountants during the year.

Significant Issues Discussed or Subject to Correspondence with Management

From time to time auditors discuss significant issues with management such as business conditions affecting the entity, business plans and strategies that may affect the risk of material misstatement and the application of accounting principles and auditing standards. The issues discussed during the audit occurred during the normal course of our professional relationship and our responses were not a condition to our retention.

Appendix III Management Comments

In planning and performing our audit of the financial statements of Bridgeport Charter Township as of and for the year ended December 31, 2008, we considered Bridgeport Charter Township's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls, improving operating efficiency and reducing expenses. This letter does not affect our report dated June 3, 2009, on the financial statements of Bridgeport Charter Township. Our comments and recommendations regarding those matters are:

Reconciliations of Tax Accounts

During our audit, we noted that the tax fund had not been completely reconciled to the County's reconciliation of collections and disbursements. Discrepancies between the County's records and the Township's books resulted in additional time being spent to complete this area. We did note that disbursements from the tax funds had been done timely and that the bank account was reconciled to general ledger at December 31, 2008.

Financial Reporting

During our discussions with Board members and employees, it was noted that the Board is not receiving monthly budget to actual comparisons. These reports would be beneficial as the Board and management could use them to monitor spending on a monthly basis and better identify areas that may need adjustment, additional monitoring, or elimination.

Since the Township's expenditures exceeded the budget in several areas, we suggest that a report be developed to provide this information to the Board as soon as possible to help its members make informed decisions. The Township's current accounting software has the capability to generate a report that could easily be included in the monthly board packet and make this information more readily available.

Audit Adjusting Journal Entries

In the current year we proposed several audit adjustments. Many of these adjustments were yearend accrual entries. We recommend that accrual adjustments be made and reconciled prior to providing the year end trial balance to the auditor. The target number of audit adjustments should be between three and five each year.

New Accounting Standards

There are several new accounting and auditing standards issued that will affect the Township. Most notably Governmental Accounting Standard Board #45 – Financial Reporting for Post Retirement Benefit Plans Other Than Pension. The Township currently pays for retiree post retirement benefits for nine former employees on a pay as you go basis. Under this new standard the Township would have to begin recognizing this obligation in the 2009 calendar year.