

**Charter Township of Redford
Wayne County, Michigan**

**Financial Report
with Supplemental Information
March 31, 2014**

Charter Township of Redford

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Redford

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Township"), as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Charter Township of Redford's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
Charter Township of Redford

Opinion

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 units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford as of March 31, 2014 and the respective changes in its financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, during the Township's 2013-2014 fiscal year, the Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension system schedules of funding progress and employer contributions, other postemployment benefits schedules of funding progress and employer contributions, and general fund budgetary comparison schedule as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Redford's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the Board of Trustees
Charter Township of Redford

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2014 on our consideration of the Charter Township of Redford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township of Redford's internal control over financial reporting and compliance.

Plante & Moran, PLLC

August 27, 2014

Charter Township of Redford

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Redford's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2014. Please read it in conjunction with the Township's financial statements and notes to the financial statements that follow.

Financial Highlights

- State-shared revenue, our second largest revenue source, increased approximately \$123,000 for the year ended March 31, 2014 to \$4,705,000.
- Short-term interest rates continue to remain low and are expected to stay that way for some time. Investment earnings in the General Fund decreased slightly from the previous year at \$10,000 for fiscal year 2014 compared to \$18,000 in 2013. We expect future earnings to continue at the same level, with the federal funds rate policy continuing at 0 percent to .25 percent and our reduced invested cash balances due to lower revenue.
- Employee and postemployment healthcare costs for fiscal year 2014 remained fairly level with fiscal year 2013 at \$7,185,000, of which \$4,430,000 was paid for retiree healthcare, a similar level to the prior year, and \$2,755,000 was paid for active employees. Healthcare costs have increased by \$3,685,000 from the 2001 annual amount of \$3,500,000. This increase is considerably well above the CPI inflation rate.
- In August 2012, the voters in Redford approved the Police and Fire Special Assessment district, in accordance with P.A. 33. As a result, the General Fund realized an increase in property tax revenue dedicated to police and fire operations the past two years. The increase in overall property tax revenue in the General Fund was \$670,000.
- Total net position related to the Township's governmental activities decreased by approximately \$2,342,000. This can mostly be attributed to the decrease in federal funds the Township received. In the current year, the Staffing for Adequate Fire & Emergency Response Hiring Program (SAFER) expired, as did the COPS Hiring Recovery Program (CHRP). In 2013, these two grants combined provided for almost \$1,000,000 in revenue for the Township. Also in 2013, the Drug Law Enforcement Fund received \$1,200,000 in drug forfeiture monies. In the current year, the forfeited money was only \$60,000.

Using this Annual Report

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

Charter Township of Redford

Management's Discussion and Analysis (Continued)

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

The Township as a Whole

The following table shows, in a condensed format, the approximate net position as of March 31, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Cash and investments	\$ 21,311,000	\$ 22,351,000	\$ 11,087,000	\$ 10,571,000	\$ 32,398,000	\$ 32,922,000
Other current assets	11,634,000	12,054,000	4,239,000	3,636,000	15,873,000	15,690,000
Capital assets	20,551,000	21,033,000	41,692,000	42,048,000	62,243,000	63,081,000
Other noncurrent assets	-	134,000	-	-	-	134,000
Total assets	53,496,000	55,572,000	57,018,000	56,255,000	110,514,000	111,827,000
Deferred Outflows of Resources						
	-	-	26,000	160,000	26,000	-
Liabilities						
Current liabilities	3,756,000	4,380,000	2,561,000	1,588,000	6,317,000	5,968,000
Long-term liabilities	30,760,000	29,870,000	9,767,000	10,560,000	40,527,000	40,430,000
Total liabilities	34,516,000	34,250,000	12,328,000	12,148,000	46,844,000	46,398,000
Net Position						
Net investment in capital assets	9,347,000	8,533,000	35,546,000	34,738,000	44,893,000	43,271,000
Restricted	8,348,000	8,623,000	341,000	341,000	8,689,000	8,964,000
Unrestricted	1,285,000	4,166,000	8,829,000	9,188,000	10,114,000	13,354,000
Total net position	\$ 18,980,000	\$ 21,322,000	\$ 44,716,000	\$ 44,267,000	\$ 63,696,000	\$ 65,589,000

The current level of unrestricted net position for our governmental activities stands at \$1,285,000.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The following table shows the approximate changes in net position for the years ended March 31, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue						
Program revenue:						
Charges for services	\$ 5,731,000	\$ 5,736,000	\$ 17,430,000	\$ 17,447,000	\$ 23,161,000	\$ 23,183,000
Operating grants	3,452,000	6,339,000	-	-	3,452,000	6,339,000
Capital grants	402,000	771,000	-	-	402,000	771,000
General revenue:						
Property taxes	18,629,000	19,037,000	-	-	18,629,000	19,037,000
State-shared revenue	4,705,000	4,582,000	-	-	4,705,000	4,582,000
Investment earnings (loss)	36,000	27,000	(90,000)	160,000	(54,000)	187,000
Gain on sale of assets	48,000	14,000	5,000	26,000	53,000	40,000
Transfers and other revenue	1,461,000	1,680,000	-	-	1,461,000	1,680,000
Total revenue	34,464,000	38,186,000	17,345,000	17,633,000	51,809,000	55,819,000
Program Expenses						
General government	3,454,000	3,545,000	-	-	3,454,000	3,545,000
District court	2,438,000	2,273,000	-	-	2,438,000	2,273,000
Public safety	22,731,000	21,946,000	-	-	22,731,000	21,946,000
Public works	4,844,000	5,327,000	-	-	4,844,000	5,327,000
Health and welfare	429,000	296,000	-	-	429,000	296,000
Community and economic development	1,905,000	2,841,000	-	-	1,905,000	2,841,000
Recreation and cultural	494,000	161,000	-	-	494,000	161,000
Interest on long-term debt	511,000	579,000	-	-	511,000	579,000
Water and sewer	-	-	14,666,000	16,838,000	14,666,000	16,838,000
Golf course	-	-	1,209,000	1,246,000	1,209,000	1,246,000
Senior housing	-	-	483,000	485,000	483,000	485,000
Protective inspection	-	-	539,000	876,000	539,000	876,000
Total expenses	36,806,000	36,968,000	16,897,000	19,445,000	53,703,000	56,413,000
Change in Net Position	\$ (2,342,000)	\$ 1,218,000	\$ 448,000	\$ (1,812,000)	\$ (1,894,000)	\$ (594,000)

The Township is a mature community that developed post-World War II as an early suburban community. Because of our fully developed status, there is little space for new development and tax-base growth. Our efforts are being redirected at redevelopment, especially of commercial, industrial, and public lands.

A large financial investment has occurred by the developer in a partnership with the Township. Currently, the development of the old Detroit Catholic Central property, known as the Shamrock Village Subdivision project located in the area of Breakfast Drive just north of Interstate 96 between the major intersections of Beech Daly and Inkster roads, continues to progress and move forward. It is comprised of a Phase I and Phase II development that will provide additional housing stock, a senior housing component, and improved infrastructure to the community. The project entered into Phase II during the current fiscal year.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Governmental Activities

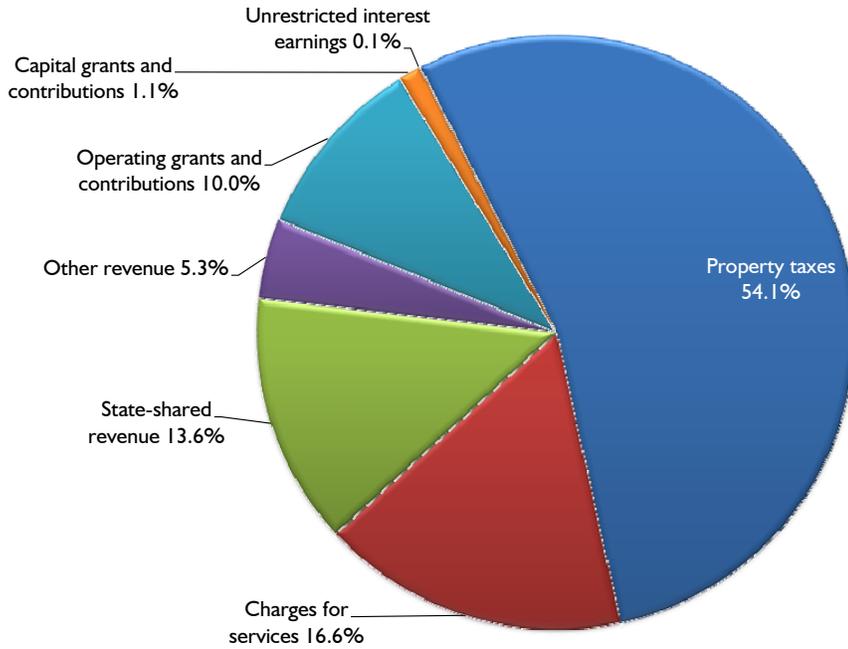
Local property taxes and state-shared revenue make up approximately 68 percent, or \$23,334,000, of the Township's total governmental revenue of \$34,464,000. The majority of the remaining amount of revenue is relative to charges for services and operating and capital grants. As noted above in the "Financial Highlights" section, operating grant revenue decreased by \$2,887,000 as a result of the expiring COPS Hiring Recovery Program and Staffing for Adequate Fire & Emergency Response hiring grants, a decrease in drug forfeiture revenue, and a decrease in the Neighborhood Stabilization Program home sales.

The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$22,731,000, or 62 percent of the total governmental expenses. Public safety expenditures increased by \$785,000 in the current year as a result of the allocation of ordinance enforcement activities to the governmental funds as well as an increase in wage and fringe benefit costs. The public works activities, including solid waste disposal, cost approximately \$4,844,000, or 13 percent of governmental expenses. The remaining \$9,231,000 of expenses, or 25 percent, pays for recreation, community development, health and welfare, general government activities, and interest on debt. Community and economic development expenditures decreased by approximately \$936,000 as a result of a decrease in Neighborhood Stabilization Program projects.

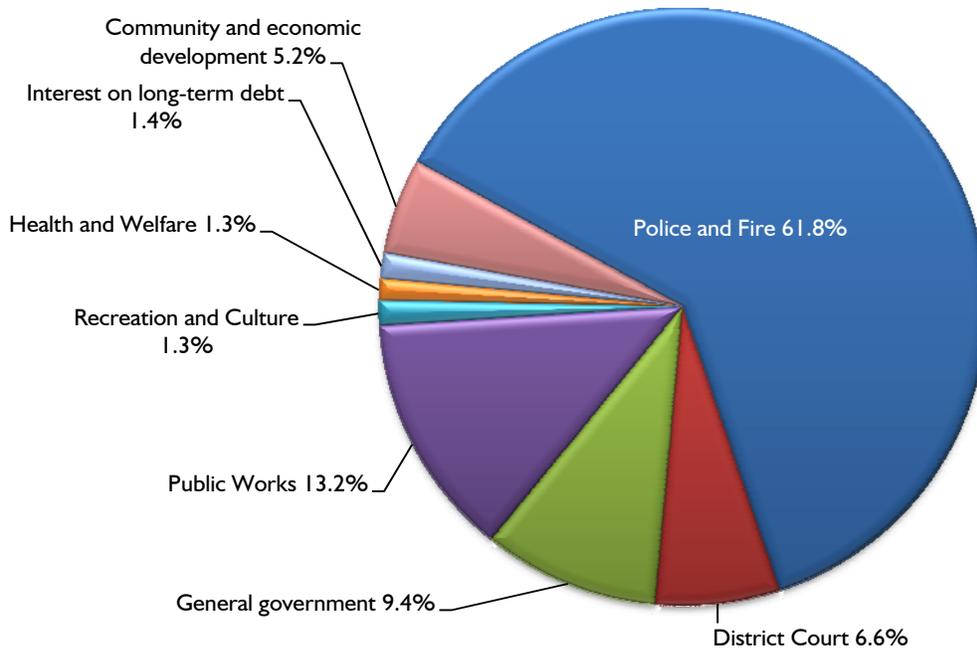
Charter Township of Redford

Management's Discussion and Analysis (Continued)

Revenue by Source - Governmental Activities



Expenses by Activity - Governmental Activities



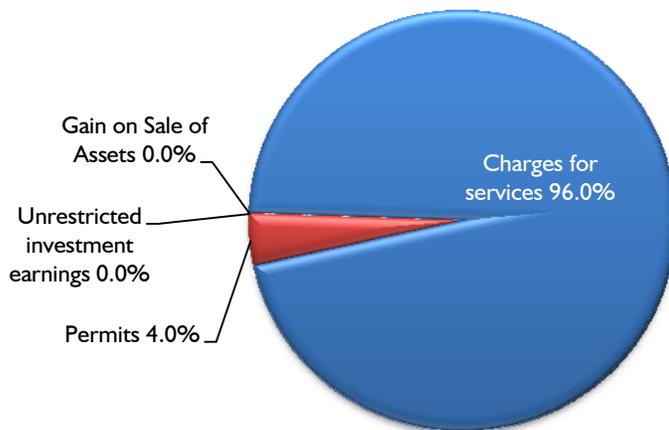
Charter Township of Redford

Management's Discussion and Analysis (Continued)

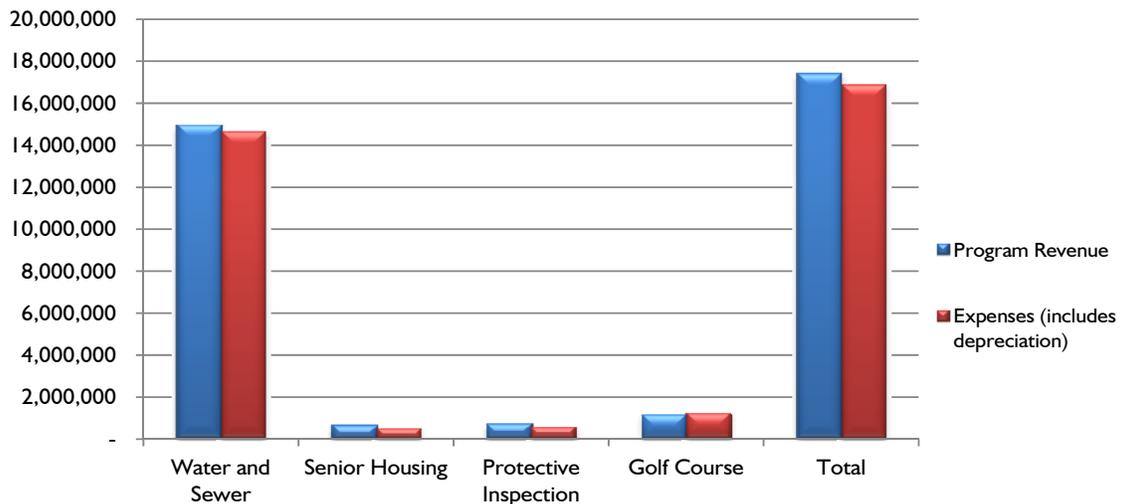
Business-type Activities

The business-type activities consist of the Water and Sewer Fund, the Golf Course Fund, the Senior Housing Fund, and the Protective Inspection Fund.

Revenue by Source - Business-type Activities



Expenses and Program Revenue - Business-type Activities



Charter Township of Redford

Management's Discussion and Analysis (Continued)

- Total net position related to the Township's business-type activities was an increase of \$448,000 compared to a decrease of \$1,812,000 in the prior year. In FYE 2013, Redford was required to pay \$2,500,000 in relation to its share of costs on the CSO Upper Rouge Tunnel project with the City of Dearborn Heights and the City of Detroit that was canceled. This was a one-time payment, so there was a significant decrease in business-type expenses in the current year.
- The Township provides water and sewer services to residents and businesses connected to the system. The system generates revenue from customers of the system such that the system is financially self-sufficient and not reliant on taxes. The Township purchases water as a wholesale customer of the Detroit Water and Sewer Department. The Township, through our engineering consultants, developed a system of controls to monitor nonrevenue water on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. The fund realized operating income of approximately \$447,000 and an increase in net position of approximately \$216,000. The Township operates a combined sewerage transmission system that collects sanitary sewerage from customers and storm water run-off during rain events for delivery to the Detroit sewerage treatment facility.
- The Township owns and operates Glenhurst Municipal Golf Course as a business-type activity. The Township has contracted with a third party to oversee and manage the operations of the facility. The operations of the golf course have continually generated sufficient surpluses to provide resources for major reinvestment in the golf course infrastructure. Several years ago, an \$800,000 renovation project was completed on the course. The improvements have been well received by our regular patrons. The capital improvements and renovations were paid from retained earnings.

The golf course operations produced a deficit of \$66,000 in FY 2014 after depreciation. The golf course experienced a sales decrease of \$39,000 while operating expenses decreased by \$37,000 from the previous year. Some of the revenue reduction can be attributed to the fact that the Township had a warmer start to spring in last fiscal year, bringing more golfers out in early April 2012 as compared to the current year. Operating expenses decreased as a result of a decrease in the management fee and use of utilities.

- The Township owns and operates a 92-unit independent-living senior citizens apartment complex named Minock Meadows, available to current and former residents and family members of residents. The facility provides reasonably priced market-rate housing for self-sufficient seniors interested in remaining in the Township. The financial results show an operating surplus of \$198,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$1,585,000 of principal remains outstanding.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

- The Protective Inspection Fund is operated as a business-type activity. The fund accounts for activities related to building and construction code enforcement. The goal of the operation is to generate sufficient revenues from building ordinance code fees to support the cost of operations. For fiscal year 2014, the fund operated at a surplus, not requiring a General Fund supplement for the fourth year in a row. The turnaround is a result of increased revenue from registrations, inspections, and other ordinance enforcement activities while continuing to maintain operating expenses accordingly.

Financial Analysis of the Township's Funds

Our analysis of the major funds is included in Note I, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as solid waste, special grants, and capital projects. The Township's major governmental funds for fiscal year 2014 were the General Fund and the Sidewalk Improvement Fund.

- The General Fund pays for most of the Township's governmental services. The most costly services are police and fire, which incurred expenses of approximately \$19,511,000 in fiscal year 2014. These two activities are partially funded by three police and fire millages. During the current year, this amounted to approximately \$5,131,000 (of which \$2,912,000 is further restricted as to use) for police and fire operations and \$7,560,000 for the retirement system. The remaining \$6,820,000 operating cost of the police and fire departments is funded by other revenue of the General Fund. In addition, the General Fund pays for the cost of general governmental services including District Court, probation and criminal justice activities, treasury and financial operations, central staff services, recreation, public works, and various other activities exceeding \$7,590,000.
- The Township operates a sidewalk improvement capital projects special assessment program, known as the Sidewalk Improvement Fund. Township ordinance officers cite hazardous sidewalks for replacement by the property owner. If the property owner does not make the repair within a reasonable time, the Township replaces the sidewalks and assesses the property. Payments can be made in full or will be assessed with interest on a five-year amortization schedule. The annual payments are collected on the property tax bill. For the 2014 fiscal year, approximately \$627,000 in sidewalks was replaced and \$633,000 in revenue was received. The current accounts receivable balance at year end was \$1,335,000.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account changing events. An amendment was passed, in accordance with budgetary accounting policies, increasing estimated revenue by \$779,000. A large portion of this increase can be attributed to the additional revenue received for the renewal of the cell phone tower contracts as well as an increase in collection of fines and fees.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The expenditures were also amended, increasing estimated expenditures by approximately \$645,000. This increase relates to a variation of many different factors, including a transfer out to supplement the 911 Dispatch Fund, an increase in insurance and bond costs, and expenditures related to the extension of the CHRP grant which were not originally budgeted.

Capital Asset and Debt Administration

At the end of the fiscal year, the Township had a \$62,242,000 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines, net of related accumulated depreciation. The capital made up 55 percent of the Township's total assets amount of \$113,334,000 (including component units). Capital expenditures programs remained at a reduced level for the 2014 fiscal year.

Additional information on the Township's capital assets can be found in Note 4 of this report.

The long-term debt amount (including component units) of \$23,953,000 is related to the investment in capital assets and a Brownfield Redevelopment project. At the end of the fiscal year, the Township had \$11.5 million in debt in the governmental-type activities while business-type activities had \$6.2 million outstanding, with 73 percent of that amount in the Water and Sewer Fund and \$6.3 million in component unit debt.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for the 2014-2015 fiscal year anticipates a moderate reduction in operating property tax revenue of \$200,000. The police and fire pension millage, street lighting millage, and Police and Fire Special Assessment District are to be established to cover costs.

The Township has seen, over the past few years, a severe decline in housing values reflective of the national housing and mortgage crisis. Unfortunately, the Township is also experiencing a large number of tax appeals by commercial and industrial property owners. Even though communities around Metro Detroit are seeing an increase in taxable values, our expectation for the following year is another slight decrease in taxable values. The state-wide Tax Reform Act limits growth in taxable value on any individual property to the lesser of inflation or 5 percent.

Water and sewer rates will increase in the 2015 fiscal year by just more than a 7.0 percent average. The major cause for the rate increase is supplier costs from the Detroit Water and Sewer Department and Wayne County - Rouge Valley Interceptor System.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions concerning any of the information that is provided in this report, we welcome you to contact the Township's finance department or visit our website at www.redfordtwp.com.

Charter Township of Redford

Statement of Net Position (Deficit) March 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 20,997,743	\$ 10,746,712	\$ 31,744,455	\$ 1,974,440
Receivables - Net (Note 3)	4,396,879	5,276,026	9,672,905	542,587
Due from component units	1,589,246	-	1,589,246	-
Due from primary government	-	-	-	1,669
Internal balances	1,863,649	(1,863,649)	-	-
Deposits	1,310,002	12,276	1,322,278	-
Prepaid expenses and other assets	331,990	138,807	470,797	-
Restricted assets (Notes 2 and 7)	313,517	340,500	654,017	-
Assets held for resale	608,040	-	608,040	-
Inventories and other assets	-	51,678	51,678	-
Due from other governmental units (Note 3)	1,534,020	623,892	2,157,912	-
Capital assets:				
Assets not subject to depreciation (Note 4)	1,343,404	2,514,744	3,858,148	75,690
Assets subject to depreciation (Note 4)	19,207,123	39,177,084	58,384,207	226,701
Total assets	53,495,613	57,018,070	110,513,683	2,821,087
Deferred Outflows of Resources -				
Bond refunding loss being amortized	-	25,782	25,782	-
Liabilities				
Accounts payable	2,392,737	2,011,058	4,403,795	690,730
Due to other governmental units	16,255	-	16,255	-
Due to component units	1,669	-	1,669	-
Due to primary government	-	-	-	1,589,246
Accrued liabilities and other	951,703	141,223	1,092,926	933,195
Unearned revenue	4,167	-	4,167	-
Other current liabilities	389,320	50,700	440,020	-
Current portion of CSO installment agreement (Note 6)	-	358,560	358,560	-
Compensated absences				
Due within one year:				
Compensated absences (Note 6)	140,391	-	140,391	-
Estimated insurance and other liabilities	300,000	-	300,000	-
Provision for prop tax refunds	307,335	-	307,335	-
Current portion of long-term debt (Note 6)	1,343,968	1,408,032	2,752,000	350,000
Due in more than one year:				
Compensated absences (Note 6)	2,003,860	478,376	2,482,236	-
Estimated insurance and other liabilities (Note 8)	943,593	-	943,593	-
CSO installment agreement (Note 6)	-	1,643,379	1,643,379	-
Net OPEB obligation (Notes 12 and 13)	15,548,346	1,498,736	17,047,082	-
Long-term debt (Note 6)	10,172,703	4,738,817	14,911,520	5,905,000
Total liabilities	34,516,047	12,328,881	46,844,928	9,468,171
Net Position				
Net investment in capital assets	9,347,373	35,544,979	44,892,352	302,391
Restricted for:				
Road improvements	1,076,868	-	1,076,868	-
Debt service	1,349,277	340,500	1,689,777	-
Solid waste activities	1,696,095	-	1,696,095	-
Grant programs	1,144,629	-	1,144,629	-
Drain improvements	886,315	-	886,315	-
Drug law enforcement	665,580	-	665,580	-
911	66,224	-	66,224	-
Other purposes	338,452	-	338,452	-
Public safety SAD	1,123,390	-	1,123,390	-
Unrestricted	1,285,363	8,829,492	10,114,855	(6,949,475)
Total net position (deficit)	\$ 18,979,566	\$ 44,714,971	\$ 63,694,537	\$ (6,647,084)

Charter Township of Redford

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,453,542	\$ 1,021,450	\$ 21,994	\$ 97,306
District Court	2,437,647	2,062,388	-	-
Public safety	22,731,334	1,265,433	673,532	26,094
Public works	4,844,286	1,098,509	1,033,444	168,994
Health and welfare	429,460	26,969	-	109,774
Community and economic development	1,905,302	1,135	1,721,838	-
Recreation and culture	493,546	254,572	1,569	-
Interest on long-term debt	511,144	-	-	-
Total governmental activities	36,806,261	5,730,456	3,452,377	402,168
Business-type activities:				
Water and Sewer Fund	14,665,728	14,975,244	-	-
Golf course	1,208,952	1,138,510	-	-
Senior Housing Fund	483,194	621,423	-	-
Protective inspection	538,700	694,914	-	-
Total business-type activities	16,896,574	17,430,091	-	-
Total primary government	<u>\$ 53,702,835</u>	<u>\$ 23,160,547</u>	<u>\$ 3,452,377</u>	<u>\$ 402,168</u>
Component units:				
Downtown Development Authority	\$ 124,159	\$ 3,559	\$ -	\$ -
Brownfield Redevelopment Financing Authority	2,674,241	-	-	-
Total component units	<u>\$ 2,798,400</u>	<u>\$ 3,559</u>	<u>\$ -</u>	<u>\$ -</u>

General revenue:

Property taxes
 State-shared revenue
 Investment income (loss)
 Cable franchise fees
 Other miscellaneous income
 Gain on sale of fixed assets

Total general revenue

Change in Net Position

Net Position (Deficit) - Beginning of year - As restated (Note 17)

Net Position (Deficit) - End of year

Statement of Activities Year Ended March 31, 2014

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,312,792)	\$ -	\$ (2,312,792)	\$ -
(375,259)	-	(375,259)	-
(20,766,275)	-	(20,766,275)	-
(2,543,339)	-	(2,543,339)	-
(292,717)	-	(292,717)	-
(182,329)	-	(182,329)	-
(237,405)	-	(237,405)	-
(511,144)	-	(511,144)	-
(27,221,260)	-	(27,221,260)	-
-	309,516	309,516	-
-	(70,442)	(70,442)	-
-	138,229	138,229	-
-	156,214	156,214	-
-	533,517	533,517	-
(27,221,260)	533,517	(26,687,743)	-
-	-	-	(120,600)
-	-	-	(2,674,241)
-	-	-	(2,794,841)
18,629,309	-	18,629,309	2,100,617
4,705,149	-	4,705,149	-
35,764	(90,149)	(54,385)	2,858
842,862	-	842,862	-
618,189	-	618,189	645,162
47,542	4,501	52,043	-
24,878,815	(85,648)	24,793,167	2,748,637
(2,342,445)	447,869	(1,894,576)	(46,204)
21,322,011	44,267,102	65,589,113	(6,600,880)
\$ 18,979,566	\$ 44,714,971	\$ 63,694,537	\$ (6,647,084)

Charter Township of Redford

Governmental Funds Balance Sheet March 31, 2014

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents	\$ 8,899,825	\$ 939,514	\$ 9,560,330	\$ 19,399,669
Receivables (Note 3):				
Property taxes receivable	2,229,881	-	315,647	2,545,528
Receivables from sales to customers on account	-	1,335,417	1,000,318	2,335,735
Accrued interest receivable	337	-	-	337
Other receivables	80,793	-	1,537	82,330
Due from component units	1,589,246	-	-	1,589,246
Due from other funds (Note 5)	2,065,208	2,430	64,991	2,132,629
Prepaid expenses and other assets	309,080	-	22,910	331,990
Assets held for resale	-	-	608,040	608,040
Restricted assets	-	-	313,517	313,517
Due from other governmental units (Note 3)	1,240,523	-	293,497	1,534,020
	<u>\$ 16,414,893</u>	<u>\$ 2,277,361</u>	<u>\$ 12,180,787</u>	<u>\$ 30,873,041</u>
Total assets				
Liabilities				
Accounts payable	\$ 1,840,215	\$ -	\$ 540,242	\$ 2,380,457
Due to other governmental units	16,105	-	150	16,255
Due to component units	-	-	1,669	1,669
Due to other funds	5,613	-	257,036	262,649
Accrued liabilities and other	898,691	-	21,456	920,147
Unearned revenue (Note 3)	4,167	-	-	4,167
Deposits and other liabilities	389,320	-	-	389,320
Provision for property tax refunds	293,425	-	13,910	307,335
	<u>3,447,536</u>	<u>-</u>	<u>834,463</u>	<u>4,281,999</u>
Total liabilities				
Deferred Inflows of Resources - Unavailable revenue	2,260,106	1,293,479	1,501,684	5,055,269
Fund Balances				
Nonspendable (Note 15)	309,080	-	22,910	331,990
Restricted (Note 15)	992,770	-	6,053,378	7,046,148
Committed (Note 15)	178,079	-	3,290,969	3,469,048
Assigned (Note 15)	1,569	983,882	701,284	1,686,735
Unassigned (Note 15)	9,225,753	-	(223,901)	9,001,852
	<u>10,707,251</u>	<u>983,882</u>	<u>9,844,640</u>	<u>21,535,773</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,414,893</u>	<u>\$ 2,277,361</u>	<u>\$ 12,180,787</u>	<u>\$ 30,873,041</u>

Charter Township of Redford

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit) March 31, 2014

Fund Balance Reported in Governmental Funds	\$ 21,535,773
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	20,550,527
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	1,849,903
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures	2,497,526
Allowance for potential chargebacks on delinquent personal and real property taxes expected to be collected over several years	(567,051)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(11,516,671)
Accrued interest is not due and payable in the current period and is not reported in the funds	(20,622)
Revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures	707,840
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(2,144,251)
Net other postemployment benefits obligation is not recorded as a liability in the funds	(15,548,346)
Internal Service Funds are included as part of governmental activities	<u>1,634,938</u>
Net Position of Governmental Activities	<u>\$ 18,979,566</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2014

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Revenue				
Property taxes (Note 1)	\$ 17,125,973	\$ -	\$ 2,035,578	\$ 19,161,551
Licenses and permits	948,585	-	-	948,585
Federal grants	622,704	-	1,669,651	2,292,355
State sources	4,837,488	-	140,820	4,978,308
Charges for services	2,056,417	574,825	573,536	3,204,778
Fines and forfeitures	2,452,290	55,346	235,077	2,742,713
Investment income	10,240	2,347	22,853	35,440
Other revenue:				
Special assessments	-	-	173,212	173,212
Other miscellaneous income	1,638,752	-	1,107,298	2,746,050
Total revenue	<u>29,692,449</u>	<u>632,518</u>	<u>5,958,025</u>	<u>36,282,992</u>
Expenditures - Current				
General government	3,902,840	-	-	3,902,840
District Court	2,437,647	-	-	2,437,647
Public safety	19,931,156	-	508,495	20,439,651
Public works	1,678,718	-	2,233,850	3,912,568
Health and welfare	-	-	266,407	266,407
Community and economic development	60,546	-	1,553,593	1,614,139
Recreation and culture:				
Parks and recreation	184,399	-	-	184,399
Parks facilities	243,509	-	-	243,509
Senior citizens	32,614	-	-	32,614
Cultural	2,946	-	-	2,946
Capital outlay	-	627,175	1,200,110	1,827,285
Debt service	-	-	1,817,263	1,817,263
Total expenditures	<u>28,474,375</u>	<u>627,175</u>	<u>7,579,718</u>	<u>36,681,268</u>
Excess of Revenue Over (Under) Expenditures	1,218,074	5,343	(1,621,693)	(398,276)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	64,595	-	-	64,595
Transfers in	-	-	968,126	968,126
Transfers out	(763,447)	-	(204,679)	(968,126)
Total other financing (uses) sources	<u>(698,852)</u>	<u>-</u>	<u>763,447</u>	<u>64,595</u>
Net Change in Fund Balances	519,222	5,343	(858,246)	(333,681)
Fund Balances - Beginning of year	<u>10,188,029</u>	<u>978,539</u>	<u>10,702,886</u>	<u>21,869,454</u>
Fund Balances - End of year	<u>\$ 10,707,251</u>	<u>\$ 983,882</u>	<u>\$ 9,844,640</u>	<u>\$ 21,535,773</u>

Charter Township of Redford

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (333,681)

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	1,347,646
Depreciation expense	(1,813,441)
Net book value of assets disposed of	(17,053)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(531,446)
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Governmental funds report bond issuance costs as expenditures in the period incurred. With the implementation of GASB Statement No. 65, bond issuance costs were fully amortized in the current year for government-wide statements.	(133,703)
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Change in accrued interest payable and other	2,152
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,303,968
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Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	131,640
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Change in other postemployment liability	(2,510,464)
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Internal Service Funds are included as part of governmental activities	<u>211,937</u>
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Change in Net Position of Governmental Activities \$ (2,342,445)

Charter Township of Redford

Proprietary Funds Statement of Net Position March 31, 2014

	Enterprise Funds				Governmental Activities
	Water and Sewer	Senior Housing	Nonmajor	Total	Proprietary Internal
	Fund	Fund	Enterprise Funds		Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 8,812,062	\$ 433,793	\$ 1,500,857	\$ 10,746,712	\$ 1,598,074
Receivables	4,328,995	418	14,453	4,343,866	-
Other receivables	932,160	-	-	932,160	-
Due from other funds	-	-	57	57	40,000
Deposits	-	-	12,276	12,276	1,310,002
Prepaid expenses and other assets	127,322	2,487	8,998	138,807	-
Inventories and other assets	51,678	-	-	51,678	-
Due from other governmental units	623,892	-	-	623,892	-
Total current assets	14,876,109	436,698	1,536,641	16,849,448	2,948,076
Noncurrent assets:					
Restricted assets (Note 7)	340,500	-	-	340,500	-
Capital assets (Note 4)	36,262,344	2,890,923	2,538,561	41,691,828	-
Total noncurrent assets	36,602,844	2,890,923	2,538,561	42,032,328	-
Total assets	51,478,953	3,327,621	4,075,202	58,881,776	2,948,076
Deferred Outflows of Resources -					
Bond discount/refunding loss being amortized	-	25,782	-	25,782	-
Liabilities					
Current liabilities:					
Accounts payable	1,978,743	8,659	23,656	2,011,058	12,280
Due to other funds	1,701,694	-	162,012	1,863,706	46,331
Accrued liabilities and other	111,971	26,311	2,941	141,223	10,934
Other current liabilities	-	50,700	-	50,700	-
Current portion of CSO installment agreement (Note 6)	358,560	-	-	358,560	-
Provision for claims	-	-	-	-	300,000
Current portion of long-term debt (Note 6)	1,148,032	260,000	-	1,408,032	-
Total current liabilities	5,299,000	345,670	188,609	5,833,279	369,545
Noncurrent liabilities:					
Compensated absences	359,127	41,576	77,673	478,376	-
Estimated insurance and other liabilities	-	-	-	-	943,593
Net OPEB obligation	1,257,261	48,764	192,711	1,498,736	-
CSO installment agreement - Net of current portion (Note 6)	1,643,379	-	-	1,643,379	-
Long-term debt (Note 6)	3,413,817	1,325,000	-	4,738,817	-
Total noncurrent liabilities	6,673,584	1,415,340	270,384	8,359,308	943,593
Total liabilities	11,972,584	1,761,010	458,993	14,192,587	1,313,138
Net Position					
Net investment in capital assets	31,700,495	1,305,923	2,538,561	35,544,979	-
Restricted - Debt service	340,500	-	-	340,500	-
Unrestricted	7,465,374	286,470	1,077,648	8,829,492	1,634,938
Total net position	<u>\$ 39,506,369</u>	<u>\$ 1,592,393</u>	<u>\$ 3,616,209</u>	<u>44,714,971</u>	<u>\$ 1,634,938</u>
Net Position of Business-type Activities				<u>\$ 44,714,971</u>	

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Redford

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended March 31, 2014

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Total	Proprietary Internal Service Fund
Operating Revenue					
Charges for services	\$ 14,975,244	\$ 621,423	\$ 1,138,510	\$ 16,735,177	\$ 426,133
Permits	-	-	694,914	694,914	-
Township contributions	-	-	-	-	4,128,955
Total operating revenue	14,975,244	621,423	1,833,424	17,430,091	4,555,088
Operating Expenses					
Cost of water and sewer	10,873,542	-	-	10,873,542	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	3,948,658
Billing and administrative costs	325,000	-	-	325,000	-
General and administrative costs	1,793,267	313,180	49,854	2,156,301	426,133
Cost of services	-	-	1,514,543	1,514,543	-
Depreciation and amortization	1,536,703	109,866	183,255	1,829,824	-
Total operating expenses	14,528,512	423,046	1,747,652	16,699,210	4,374,791
Operating Income	446,732	198,377	85,772	730,881	180,297
Nonoperating (Expenses) Revenue					
Investment (loss) income	(93,415)	656	2,610	(90,149)	31,640
Interest expense	(137,216)	(60,148)	-	(197,364)	-
Gain on sale of assets	-	-	4,501	4,501	-
Total nonoperating (expenses) revenue	(230,631)	(59,492)	7,111	(283,012)	31,640
Change in Net Position	216,101	138,885	92,883	447,869	211,937
Net Position - Beginning of year	39,290,268	1,453,508	3,523,326	44,267,102	1,423,001
Net Position - End of year	\$ 39,506,369	\$ 1,592,393	\$ 3,616,209	\$ 44,714,971	\$ 1,634,938

Charter Township of Redford

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2014

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Proprietary Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 15,393,596	\$ 622,648	\$ 1,900,111	\$ -
Receipts from interfund services and reimbursements	-	-	-	4,806,929
Payments to suppliers	(8,578,874)	(139,367)	(1,134,829)	(9,237)
Payments to employees	(4,294,030)	(163,655)	(455,784)	(400,714)
Internal activity - Payments to other funds	(41,387)	-	(4,354)	(235,815)
Claims paid	-	-	-	(4,170,447)
Net cash provided by (used in) operating activities	2,479,305	319,626	305,144	(9,284)
Cash Flows from Capital and Related Financing Activities				
Proceeds from sales of capital assets	-	-	4,500	-
Purchase of capital assets	(1,312,243)	(18,811)	(142,952)	-
Principal and interest paid on capital debt	(1,145,818)	(51,480)	-	-
Net cash used in capital and related financing activities	(2,458,061)	(70,291)	(138,452)	-
Cash Flows from Investing Activities - Interest received on investments	75,237	656	2,611	31,640
Net Increase in Cash and Cash Equivalents	96,481	249,991	169,303	22,356
Cash and Cash Equivalents - Beginning of year	9,056,081	183,802	1,331,554	1,575,718
Cash and Cash Equivalents - End of year	\$ 9,152,562	\$ 433,793	\$ 1,500,857	\$ 1,598,074
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 8,812,062	\$ 433,793	\$ 1,500,857	\$ 1,598,074
Restricted cash	340,500	-	-	-
Total cash and cash equivalents	\$ 9,152,562	\$ 433,793	\$ 1,500,857	\$ 1,598,074
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 446,732	\$ 198,377	\$ 85,772	\$ 180,297
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	1,536,703	109,866	183,255	-
Changes in assets and liabilities:				
Receivables	418,352	1,225	65,600	-
Due from other funds	-	-	-	251,841
Deposits	-	-	5,399	9,892
Prepaid and other assets	(475,700)	(2,487)	(2,203)	6,331
Accounts payable	965,278	(2,831)	(4,453)	5,118
Due to other funds	283,613	-	(4,354)	(235,815)
Estimated claims liability	-	-	-	(221,789)
Accrued and other liabilities	(695,673)	15,476	(23,872)	(5,159)
Net cash provided by (used in) operating activities	\$ 2,479,305	\$ 319,626	\$ 305,144	\$ (9,284)

Noncash Investing, Capital, and Financing Activities - During the year ended March 31, 2014, unrealized losses of \$168,625 on investments were recorded in the Water and Sewer Fund.

Charter Township of Redford

Fiduciary Funds Statement of Fiduciary Net Position March 31, 2014

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 7,269,326	\$ 1,203,475
Investments:		
Agency securities	4,903,210	-
Stocks	40,809,685	-
Corporate bonds	13,576,793	-
Real estate investment trust	1,074,583	-
Short-term funds (2a7-like)	5,684,212	-
Accrued interest receivable	286,053	-
Total assets	73,603,862	\$ 1,203,475
Liabilities		
Accounts payable	66,313	\$ -
Due to primary government	316,618	-
Refundable deposits, bonds, etc.	-	1,203,475
Deferred Retirement Option Plan liability	4,127,320	-
Total liabilities	4,510,251	\$ 1,203,475
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 69,093,611	

Charter Township of Redford

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended March 31, 2014

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 1,797,199
Net increase in fair value of investments	6,389,044
Investment-related expenses	(401,385)
Net investment income	7,784,858
Contributions - Employer contributions	10,038,431
Total additions	17,823,289
Deductions	
Benefit payments	11,085,645
Refunds and withdrawals	626,847
Deferred Retirement Plan Option expenses	1,727,929
Administrative expenses	72,934
Total deductions	13,513,355
Net Increase in Net Position Held in Trust	4,309,934
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	64,783,677
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 69,093,611

Charter Township of Redford

Component Units Statement of Net Position (Deficit) March 31, 2014

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 236,773	\$ 1,737,667	\$ 1,974,440
Receivables	-	542,587	542,587
Due from primary government	-	1,669	1,669
Capital assets (Note 4)	302,391	-	302,391
Total assets	539,164	2,281,923	2,821,087
Liabilities			
Accounts payable	38,388	652,342	690,730
Due to primary government	-	1,589,246	1,589,246
Accrued liabilities and other	1,035	932,160	933,195
Due within one year - Current portion of long-term debt	-	350,000	350,000
Due in more than one year - Long-term debt	-	5,905,000	5,905,000
Total liabilities	39,423	9,428,748	9,468,171
Net Position (Deficit)			
Net investment in capital assets	302,391	-	302,391
Unrestricted	197,350	(7,146,825)	(6,949,475)
Total net position (deficit)	\$ 499,741	\$ (7,146,825)	\$ (6,647,084)

Charter Township of Redford

Component Units Statement of Activities Year Ended March 31, 2014

	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Downtown Development Authority - Public works	\$ 124,159	\$ 3,559	\$ (120,600)	\$ -	\$ (120,600)
Brownfield Redevelopment Financing Authority:					
Community and economic development	2,354,079	-	-	(2,354,079)	(2,354,079)
Debt service	320,162	-	-	(320,162)	(320,162)
Total Brownfield Redevelopment Financing Authority	2,674,241	-	-	(2,674,241)	(2,674,241)
Total component units	\$ 2,798,400	\$ 3,559	(120,600)	(2,674,241)	(2,794,841)
General revenue:					
Property taxes			169,236	1,931,381	2,100,617
Investment income			357	2,501	2,858
Other miscellaneous income			-	645,162	645,162
Total general revenue			169,593	2,579,044	2,748,637
Change in Net Position			48,993	(95,197)	(46,204)
Net Position (Deficit) - Beginning of year - As restated (Note 17)			450,748	(7,051,628)	(6,600,880)
Net Position (Deficit) - End of year			\$ 499,741	\$ (7,146,825)	\$ (6,647,084)

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Charter Township of Redford:

Reporting Entity

The Charter Township of Redford is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township'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 Township (see discussion below for description).

Blended Component Units

The Redford Township Building Authority is governed by a board that is appointed by the Township board. Although it is legally separate from the Township, it is reported in the General Fund as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

The Redford Township Police and Fire Retirement System has also been blended into the Township's financial statements. The system is governed by a five-member pension board that includes two individuals chosen by the Township board. The system is reported in a trust fund as if it were part of the primary government because of the fiduciary responsibility that the Township retains relative to the operations of the retirement system.

Discretely Presented Component Units

Downtown Development Authority - The Downtown Development Authority (the "DDA") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The DDA's governing body is appointed by the Township's board. It is reported within the component unit column in the combined financial statements to emphasize that it is legally separate from the Township. The DDA does not publish separately issued financial statements. The DDA can be contacted at the Township offices at 15145 Beech Daly Road, Redford Township, Michigan 48239.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

Brownfield Redevelopment Financing Authority - The Brownfield Redevelopment Financing Authority (the "Authority") was established pursuant to Public Act 381 of 1996. The Authority was created to promote revitalization of environmentally distressed areas within the boundaries of the Township. The Authority's governing body is approved by the Township board. It is reported within the component unit column in the combined financial statements to emphasize that it is legally separate from the Township. The Authority does not publish separately issued financial statements. The Authority can be contacted at the Township offices at 15145 Beech Daly Road, Redford Township, Michigan 48239.

Economic Development Corporation - The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Township, primarily through loans to eligible businesses. The EDC had no financial activity during the year ended March 31, 2014.

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective, and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. 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. The statements also present a schedule reconciling these amounts to the modified accrual based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, delinquent property taxes, special assessments, and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Accounting

The Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

Governmental funds include all activities that provide general governmental services that are not business type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as “major” governmental funds:

- The General Fund, which is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Sidewalk Improvement Fund accounts for the construction and improvements to the sidewalks in the Township. Included in the fund are the special assessment receivables and revenues related to the construction, in addition to the construction costs.

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following funds as “major” enterprise funds:

- The Water and Sewer Fund accounts for the results of operations for providing water and sewer services to the citizens and businesses of the Township. The fund's primary revenue is generated through user charges from those requesting water and sewer services.
- The Senior Housing Fund accounts for the results of operations for providing senior housing facilities to elderly citizens of the Township. The revenues are generated through monthly rental payments made by tenants.

The Township's internal service funds are used to allocate insurance costs and machinery and equipment purchases and maintenance to the various funds on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

The Agency Fund accounts for monies from the Shamrock Village Brownfield project to partially secure payment on the Brownfield Bonds protecting the Township should there be a default by the developer on the contractual obligations of the development agreement and/or Brownfield Plan.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our governments programs. Activities that are reported as fiduciary include:

- The Police and Fire Pension Trust Fund accounts for the activities of the police and fire employees' retirement system, which accumulates resources for pension benefit payments to qualified police and fire employees.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

- The Police and Fire Other Postemployment Benefits Trust Fund accumulates resources to fund the Township's obligation to provide healthcare benefits to retirees.
- The General Employees' Other Postemployment Benefits Trust Fund accumulates resources to fund the Township's obligation to provide healthcare benefits to retirees.

Interfund Activity - During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. To the extent that cash from various funds has been pooled, pooled investment income is generally allocated to each fund using a weighted average of balance for the principal.

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. 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

Restricted Assets - The revenue bonds of the Enterprise Funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Charter Township of Redford water and sewer lines. In addition, unspent bond proceeds have been classified as restricted assets in the governmental funds.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Capital Asset Class	Lives
Land improvements	7 to 50 years
Road usage rights	15 years
Buildings and improvements	7 to 50 years
Water and sewer facilities	50 to 100 years
Water meters	20 to 60 years
CSO basin	30 years
Vehicles	3 to 10 years
Equipment	5 to 10 years

Amortization - Bond discounts recorded in the business-type activities are being amortized over the life of the bonds. In addition, bond issuance costs have been written off in the governmental and business-type activities in accordance with the implementation of GASB Statement No. 65, (see Note 17). For the year ended March 31, 2014, amortization of \$133,703 and \$171,239 has been included in the operating expenses of the governmental and business-type activities, respectively, and accumulated amortization totaled \$203,593 and \$1,978,129 for governmental and business-type activities, respectively.

Note I - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts 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 expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position (deficit) and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position (deficit). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position (deficit) and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has items that qualify for reporting in this category, deferred inflows of resources related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: federal sources, grant reimbursements, and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been

Note I - Summary of Significant Accounting Policies (Continued)

depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, with the following exception. A portion of the public safety special assessment has been set aside to fund future capital asset purchases and compensated absence payouts. These funds are restricted, but are long-term in nature; therefore the Township will spend the funds as allowable expenditures are incurred. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township board has by resolution authorized the finance director to assign fund balance. The board may assign balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note I - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

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

The Township's 2013 tax is levied and collectible on December 1, 2013 and is recognized as revenue in the year ended March 31, 2014, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2013 taxable valuation of the Township totaled \$783 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 4.2306 mills for general operating purposes, 2.961 mills for police and fire operating purposes, 4.1785 mills for police and fire special assessment district, 9.4475 mills for police and fire pension, 2.5984 mills for solid waste management, 1.278 mills for street lighting, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$3.2 million for general operating purposes, \$2.2 million for police and fire operating purposes, \$2.9 million for the police and fire special assessment district, \$7.6 million for police and fire pension, \$2.0 million for solid waste management, \$0.9 million for street lighting, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General and Special Revenue Funds.

Pension and Other Postemployment Benefit Costs - The Township offers both pension and retiree healthcare benefits to retirees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick leave benefits, after five years of employment, and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. Claims and judgments liability will generally be liquidated through the Township's General Fund. The net pension obligation and net OPEB obligation have generally been liquidated from the funds that the individual employee's salaries are paid, which are primarily the General and Water and Sewer Funds.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification - 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 Water and Sewer Fund and Internal Service Funds are charges to customers for sales and services. The Water and Sewer Fund 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 enterprise funds and 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.

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

Comparative Data/Reclassifications - Comparative data is not included in the Township's financial statements.

Note 2 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and cash equivalents	\$ 20,902,658	\$ 7,181,764	\$ 8,472,801	\$ 36,557,223	\$ 1,974,440
Investments	95,085	3,564,948	66,048,483	69,708,516	-
Restricted cash and investments	313,517	340,500	-	654,017	-
Total	<u>\$ 21,311,260</u>	<u>\$ 11,087,212</u>	<u>\$ 74,521,284</u>	<u>\$ 106,919,756</u>	<u>\$ 1,974,440</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 2 - Deposits and Investments (Continued)

These amounts are classified into the following deposits and investment categories:

	Primary Government	Component Units
Deposits with financial institutions	\$ 37,196,112	\$ 1,974,440
Investments:		
U.S. government securities	7,228,645	-
Stocks	40,809,686	-
Bonds	13,576,793	-
Real estate investment trust	1,074,583	-
Short-term funds (2a7-like)	7,012,362	-
Petty cash or cash on hand	21,575	-
Total	<u>\$ 106,919,756</u>	<u>\$ 1,974,440</u>

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

The Pension, Police and Fire, and General Employees' Trust Funds are also authorized by Michigan Public Act 347 of 2012 to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. Charter Township of Redford's deposits and investment policies are in accordance with statutory authority.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 2 - Deposits and Investments (Continued)

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$32,626,958 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had \$1,947,417 of bank deposits that were uninsured and uncollateralized.

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, the Township had no investment securities which were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

At year end, the Township had the following investments:

Investment	Fair Value	Weighted Average Maturity (in years)
U.S. government agency securities (Water and Sewer Fund)	\$ 2,297,513	13.8
U.S. government agency securities (pension)	4,931,132	24.4
Corporate bonds (pension)	13,576,793	7.8
Total	<u>\$ 20,805,438</u>	

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 2 - Deposits and Investments (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
U.S. Treasury	\$ 1,617,921	AAA	S&P
U.S. government securities (pension)	3,285,289	AA+	S&P
U.S. government securities (Water and Sewer Fund)	2,331,885	AA+	S&P
Corporate bonds (pension)	5,955,422	A	S&P
Corporate bonds (pension)	566,753	A+	S&P
Corporate bonds (pension)	1,553,566	A-	S&P
Corporate bonds (pension)	327,067	AA	S&P
Corporate bonds (pension)	567,304	AA+	S&P
Corporate bonds (pension)	1,673,409	BBB	S&P
Corporate bonds (pension)	2,176,664	BBB+	S&P
Corporate bonds (pension)	750,157	BBB-	S&P
Corporate bonds (pension)	6,451	Not rated	
Short-term funds - MBIA pooled accounts	2,981	Not rated	
Comerica J-Fund	7,009,381	AI, PI	S&P, Moody's
Total	\$ 27,824,250		

Concentration of Credit Risk - The Township limits the amount it may invest in any one issuer to 5 percent. No more than 5 percent of the Township's investments is invested in any one issuer.

Note 3 - Receivables

Receivables as of year end for the Township's individual major funds and the nonmajor, Internal Service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Sidewalk					Nonmajor			Total Primary Government	Component Units
	General Fund	Improvement Fund	Nonmajor Funds	Governmental Funds Total	Water and Sewer Fund	Senior Housing Fund	Enterprise Funds	Proprietary Funds Total		
Receivables:										
Property taxes receivable	\$ 2,339,035	\$ -	\$ 315,647	\$ 2,654,682	\$ -	\$ -	\$ -	\$ -	\$ 2,654,682	\$ -
Receivables from sales to customers on account	-	1,335,417	1,000,318	2,335,735	4,328,995	418	14,453	4,343,866	6,679,601	-
Accrued interest receivable	337	-	-	337	-	-	-	-	337	-
Due from other governmental units	1,240,523	-	293,497	1,534,020	623,892	-	-	623,892	2,157,912	-
Other receivables	80,793	-	1,537	82,330	932,160	-	-	932,160	1,014,490	542,587
Less allowance for uncollectibles	(109,154)	-	-	(109,154)	-	-	-	-	(109,154)	-
Net receivables	\$ 3,551,534	\$ 1,335,417	\$ 1,610,999	\$ 6,497,950	\$ 5,885,047	\$ 418	\$ 14,453	\$ 5,899,918	\$ 12,397,868	\$ 542,587

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 3 - Receivables (Continued)

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

	Governmental Funds	
	Unavailable	Unearned
Delinquent property taxes	\$ 2,497,526	\$ -
Special assessments	1,849,903	-
Community Development Block Grant	692,591	-
Home Grant	13,249	-
JAG Grant	2,000	-
Parks and recreation	-	4,167
Total	<u>\$ 5,055,269</u>	<u>\$ 4,167</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 4 - Capital Assets

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

Governmental Activities	Balance April 1, 2013	Additions	Disposals and Adjustments	Balance March 31, 2014
Capital assets not being depreciated - Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Capital assets being depreciated:				
Road rights	12,755,044	-	-	12,755,044
Buildings and improvements	17,158,551	48,619	-	17,207,170
Machinery and equipment	270,018	49,557	-	319,575
Vehicles	3,011,224	923,634	(60,143)	3,874,715
Office equipment	3,403,075	311,533	-	3,714,608
Land improvements	2,948,240	-	-	2,948,240
Furniture and fixtures	64,410	14,303	-	78,713
Subtotal	39,610,562	1,347,646	(60,143)	40,898,065
Accumulated depreciation:				
Road usage rights	4,613,399	850,371	-	5,463,770
Buildings and improvements	8,450,208	396,179	-	8,846,387
Machinery and equipment	262,166	9,443	-	271,609
Vehicles	2,697,368	191,439	(43,090)	2,845,717
Office equipment	2,770,087	226,719	-	2,996,806
Land improvements	1,074,649	135,540	-	1,210,189
Furniture and fixtures	52,714	3,750	-	56,464
Subtotal	19,920,591	1,813,441	(43,090)	21,690,942
Net capital assets being depreciated	19,689,971	(465,795)	(17,053)	19,207,123
Net capital assets	<u>\$ 21,033,375</u>	<u>\$ (465,795)</u>	<u>\$ (17,053)</u>	<u>\$ 20,550,527</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 4 - Capital Assets (Continued)

Business-type Activities	Balance April 1, 2013	Additions	Disposals and Adjustments	Balance March 31, 2014
Capital assets not being depreciated:				
Land	\$ 868,128	\$ -	\$ -	\$ 868,128
Construction in progress	1,533,205	113,411	-	1,646,616
Subtotal	2,401,333	113,411	-	2,514,744
Capital assets being depreciated:				
Water and sewer facilities	34,836,730	529,433	-	35,366,163
Water meters	2,004,053	-	-	2,004,053
Buildings and improvements	9,181,593	78,282	-	9,259,875
Equipment	2,007,942	588,440	(52,425)	2,543,957
Vehicles	1,353,253	-	-	1,353,253
Road rights	37,077	-	-	37,077
CSO basin	19,101,358	8,202	-	19,109,560
Land improvements	74,215	-	-	74,215
Subtotal	68,596,221	1,204,357	(52,425)	69,748,153
Accumulated depreciation:				
Water and sewer facilities	10,198,616	562,622	-	10,761,238
Water meters	1,868,197	22,963	-	1,891,160
Buildings and improvements	4,539,435	214,558	-	4,753,993
Equipment	1,534,166	152,761	(37,425)	1,649,502
Vehicles	1,002,392	56,905	-	1,059,297
Road rights	1,236	2,472	-	3,708
Land improvements	4,535	4,949	-	9,484
CSO basin	9,801,331	641,356	-	10,442,687
Subtotal	28,949,908	1,658,586	(37,425)	30,571,069
Net capital assets being depreciated	39,646,313	(454,229)	(15,000)	39,177,084
Net capital assets	\$ 42,047,646	\$ (340,818)	\$ (15,000)	\$ 41,691,828

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 4 - Capital Assets (Continued)

Component Units	Balance April 1, 2013	Reclassifications	Additions	Balance March 31, 2014
Capital assets not being depreciated:				
Land	\$ 75,690	\$ -	\$ -	\$ 75,690
Construction in progress	116,704	(116,704)	-	-
Subtotal	192,394	(116,704)	-	75,690
Capital assets being depreciated:				
Machinery and equipment	14,416	-	-	14,416
Land improvements	89,816	116,704	51,365	257,885
Subtotal	104,232	116,704	51,365	272,301
Accumulated depreciation:				
Machinery and equipment	8,125	-	1,933	10,058
Land improvements	24,950	-	10,592	35,542
Subtotal	33,075	-	12,525	45,600
Net capital assets being depreciated	71,157	116,704	38,840	226,701
Net capital assets	<u>\$ 263,551</u>	<u>\$ -</u>	<u>\$ 38,840</u>	<u>\$ 302,391</u>

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

Governmental activities:

General government	\$ 78,506
Public safety	625,821
Public works	925,263
Community and economic development	63,247
Recreation and culture	120,604
Total governmental activities	<u>\$ 1,813,441</u>

Business-type activities:

Water and sewer	\$ 1,384,274
Senior housing	91,056
Protective inspection	4,957
Golf course	178,299
Total business-type activities	<u>\$ 1,658,586</u>

Component unit activities - Downtown Development Authority	<u>\$ 12,525</u>
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Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Nonmajor governmental funds	\$ 195,171
	Golf Course Fund	122,012
	Internal Service Funds	46,331
	Water and Sewer Fund	<u>1,701,694</u>
	Total General Fund	2,065,208
Sidewalk Improvement Fund	General Fund	2,430
Nonmajor governmental funds	Nonmajor governmental funds	61,865
	General Fund	<u>3,126</u>
	Total nonmajor governmental funds	64,991
Nonmajor enterprise funds	General Fund	57
Internal Service Funds	Golf Course Fund	<u>40,000</u>
	Total	<u>\$ 2,172,686</u>

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

Interfund transfers reported in the fund financial statements related to debt service are comprised of the following:

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Nonmajor governmental funds	\$ 763,447
Nonmajor governmental funds	Nonmajor governmental funds	<u>204,679</u>
	Total	<u>\$ 968,126</u>

Transfers were related to funding debt payments, operating expenditures, and capital improvements.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 6 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. The Building Authority bond commitments are limited by the Township's legal ability to levy property taxes.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation bonds:							
2006 Capital Improvement Bonds:							
Amount of issue - \$2,695,000	3.75% -	\$150,000 -					
Maturing through 2021	4.00%	\$200,000	\$ 1,495,000	\$ -	\$ (200,000)	\$ 1,295,000	\$ 200,000
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% -	\$300,000 -					
Maturing through 2024	4.50%	\$500,000	4,200,000	-	(300,000)	3,900,000	300,000
Building Authority Bonds:							
2011 Refunding Bonds for 1998A Fire Station:							
Amount of issue - \$1,525,000 (part of \$3,105,000 issue)	2.00% -	\$205,000-					
Maturing through 2018	3.00%	\$245,000	1,115,000	-	(210,000)	905,000	205,000
2011 Refunding Bonds for 1998B Service Building:							
Amount of issue - \$830,000 (part of \$3,105,000 issue)	2.00% -	\$125,000-					
Maturing through 2018	3.00%	\$130,000	610,000	-	(105,000)	505,000	130,000
2011 Refunding Bonds for 1999 Service Building:							
Amount of issue - \$265,000 (part of \$3,105,000 issue)	2.00% -	\$45,000-					
Maturing through 2018	3.00%	\$50,000	185,000	-	(40,000)	145,000	45,000
2007 Capital Improvement Bonds:							
Lyndon:							
Amount of issue - \$507,461 (part of \$4.5M original issue)		\$33,459-					
Maturing through 2022	4.00%	\$47,400	334,724	-	(33,459)	301,265	33,459
Glendale:							
Amount of issue - \$304,486 (part of \$4.5M original issue)		\$20,076 -					
Maturing through 2022	4.00%	\$28,441	200,840	-	(20,076)	180,764	20,076
2007 Capital Improvement Bond - Roads:							
Amount of issue - \$2,812,401 (part of \$4.5M original issue)		\$185,433-					
Maturing through 2022	4.00%	\$262,696	1,855,075	-	(185,433)	1,669,642	185,433
2007 CDBG Bond:							
Amount of issue - \$3,545,000	4.73% -	\$225,000-					
Maturing through 2023	5.13%	\$365,000	2,825,000	-	(210,000)	2,615,000	225,000
Total bonds payable			12,820,639	-	(1,303,968)	11,516,671	1,343,968
Accumulated compensated absences			2,275,891	711,764	(843,404)	2,144,251	140,391
Total governmental activities			\$ 15,096,530	\$ 711,764	\$ (2,147,372)	\$ 13,660,922	\$ 1,484,359

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General obligation bonds:							
2004 Combined Sewer Overflow							
Refunding Bonds:							
Amount of issue - \$5,495,000	3.40%-	\$550,000-					
Maturing through 2016	3.625%	\$560,000	\$ 1,685,000	\$ -	\$ (575,000)	\$ 1,110,000	\$ 560,000
2004 Refunding Bonds Senior Housing:							
Amount of issue - \$1,695,000		\$260,000 -					
Maturing through 2018	3.40%-4.00%	\$350,000	1,595,000	-	(10,000)	1,585,000	260,000
Revenue bonds:							
2012 Water Supply and Sewage							
Disposal Bonds Revenue Refunding							
Bonds:							
Amount of issue - \$3,405,000		\$348,000-					
Maturing through 2022	1.55%	\$445,000	2,980,000	-	(445,000)	2,535,000	442,000
1994 Combined Sewer Overflow State							
Revolving Fund Debt:							
Amount of Issue - \$2,052,897		\$85,000 -					
Maturing through 2014	2.00%	\$92,897	257,897	-	(80,000)	177,897	85,000
2007 Capital Improvement Bonds:							
Water Mains:							
Amount of issue - \$925,642 (part		\$61,032-					
of 4.5M original issue)		\$86,492					
Maturing through 2022	4.00%		834,351	-	(61,032)	773,319	61,032
Less deferred amounts -							
Issuance discounts							
			-	-	-	(34,367)	-
Total bonds payable			7,352,248	-	(1,171,032)	6,146,849	1,408,032
CSO installment agreement			2,360,499	-	(358,560)	2,001,939	358,560
Accumulated compensated absences			598,790	30,857	(151,271)	478,376	-
Total business-type activities			<u>\$ 10,311,537</u>	<u>\$ 30,857</u>	<u>\$ (1,680,863)</u>	<u>\$ 8,627,164</u>	<u>\$ 1,766,592</u>
Component Unit Activities							
Limited Tax General Obligation Bonds,							
Series 2007:							
Amount of issue - \$3,805,000	4.00% -	\$200,000 -					
Maturing through 2026	5.00%	\$1,205,000	\$ 3,280,000	\$ -	\$ (200,000)	\$ 3,080,000	\$ 200,000
Limited Tax General Obligation Bonds,							
Series 2006A:							
Amount of issue - \$3,670,000		\$125,000 -					
Maturing through 2026	5.35%-5.70%	\$400,000	3,300,000	-	(125,000)	3,175,000	150,000
Total bonds payable			<u>\$ 6,580,000</u>	<u>\$ -</u>	<u>\$ (325,000)</u>	<u>\$ 6,255,000</u>	<u>\$ 350,000</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 6 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$1,029,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending March 31	Governmental Activities			Business-type Activities			Component Unit Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,343,968	\$ 458,917	\$ 1,802,885	\$ 1,408,032	\$ 217,250	\$ 1,625,282	\$ 350,000	\$ 305,475	\$ 655,475
2016	1,453,882	412,444	1,866,326	1,475,015	115,423	1,590,438	350,000	289,450	639,450
2017	1,463,882	360,834	1,824,716	845,118	131,287	976,405	395,000	271,425	666,425
2018	1,468,796	305,555	1,774,351	918,204	48,131	966,335	430,000	250,975	680,975
2019	1,178,710	249,487	1,428,197	754,290	23,779	778,069	465,000	230,875	695,875
2020-2024	4,107,433	517,369	4,624,802	780,557	25,941	806,498	2,865,000	784,650	3,649,650
2024-2027	500,000	22,500	522,500	-	-	-	1,400,000	104,775	1,504,775
Total	\$ 11,516,671	\$ 2,327,106	\$ 13,843,777	\$ 6,181,216	\$ 561,811	\$ 6,743,027	\$ 6,255,000	\$ 2,237,625	\$ 8,492,625

Future Revenue Pledged for Debt Payments - The Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water supply and sewage disposal systems. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$2,849,551.

The Township has pledged a portion of future property tax revenues to repay \$6,255,000 in Brownfield Redevelopment bonds issued in 2006 and 2007 to finance various capital improvements. The bonds are payable solely from the incremental property taxes captured by the Authority, and are projected to produce 100 percent of debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$8,492,625 payable through 2026. For the current year, principal and interest paid and total property tax captures were \$645,163 and \$1,886,667, respectively.

No Commitment Debt - Excluded from the basic financial statements are revenue bonds issued by the Economic Development Corporation. The revenue bonds are payable solely from the net revenue derived from the respective leases and are not a general obligation of the Township. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the Township's financial statements. The information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. The outstanding balance on all of the bond issues as of March 31, 2014 was \$7,635,000.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 7 - Restricted Net Position

Restricted assets consist of the following:

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 313,517	\$ 340,500

Net position has been restricted in the amount of \$313,517 in the governmental activities for unspent bond proceeds and \$340,500 in the business-type activities for the 2012 Revenue Bonds debt.

Note 8 - Risk Management

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

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Township.

The Township estimates the liability for general liability and medical benefit claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the Self-insurance Internal Service Fund. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability		Medical Claims	
	2014	2013	2014	2013
Unpaid claims - Beginning of year	\$ 965,382	\$ 884,132	\$ 500,000	\$ 700,000
Incurred claims (including claims incurred but not reported)	858,970	1,865,228	3,048,196	2,699,080
Claim payments	(880,759)	(1,783,978)	(3,248,196)	(2,899,080)
Unpaid claims - End of year	\$ 943,593	\$ 965,382	\$ 300,000	\$ 500,000

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 9 - Single-employer Defined Benefit Pension Plan

Plan Description - The Police and Fire Pension Plan is a combination of a single-employer defined benefit pension plan and a single-employer defined contribution plan. The defined contribution portion of the plan was set up for the annual employees' contribution. The assets of the defined contribution plan are used to fund the defined benefit pension plan. Therefore, the two plans work together as a defined benefit pension plan. The plan is administered by the Redford Township Police and Fire Employees' Retirement System; this plan covers substantially all police and fire employees of the Township. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. At March 31, 2013, the date of the most recent actuarial valuation, membership consisted of 155 retirees and beneficiaries currently receiving benefits. The plan does not issue a separate financial report.

Contributions - Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Please refer to Note 1 for further significant accounting policies.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units. The Township has assumed the responsibility to contribute 5 percent of employees' covered wages on behalf of the police and fire employees.

Deferred Retirement Option Plan (DROP) - During 2012, the Township began offering a DROP to those members of the Fire Department that were hired before June 1, 2010 and had at least 20 years of service. Once a member elects to enter the DROP, a valuation of his or her accumulated benefits is performed and the individual DROP account balances will earn interest at a rate of 5 percent per annum. The DROP employees continue working at their current salary level, but for pension plan purposes they stop accruing benefits. A liability has been recorded in the Police and Fire Pension Plan for those employees that had entered the DROP as of March 31, 2014.

Annual Pension Cost - For the year ended March 31, 2014, the Township's annual pension cost of \$4,257,948 for the plan was equal to the Township's required and actual contribution. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 20 years.

	Fiscal Year Ended March 31		
	2014	2013	2012
Annual pension cost (APC)	\$ 4,257,948	\$ 4,070,562	\$ 4,407,240
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 9 - Single-employer Defined Benefit Pension Plan (Continued)

Funding Status and Funding Progress - As of March 31, 2013, the most recent actuarial valuation date, the plan was 60 percent funded. The actuarial accrued liability for benefits was \$110 million and the actuarial value of assets was \$66 million, resulting in an unfunded actuarial accrued liability of \$44 million. The covered payroll (annual payroll to active employees covered by the plan) was \$6 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 738 percent.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at March 31, 2013 using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 7.5 investment rate of return, (b) projected salary increases of 4.5 percent per year, attributable to inflation, and (c) additional projected salary increases ranging from 0 percent to 4.40 percent per year, attributable to merit/seniority. The actuarial value of assets was 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 percentage of payroll on a closed basis. The remaining amortization period is 20 years.

Note 10 - Multi-employer Defined Benefit Pension Plan

Plan Description - The Township also participates in the Municipal Employees' Retirement System of Michigan, an agent multiple-employer defined benefit pension plan that covers a substantial number of employees of the Township other than police and fire employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 3 percent to 5 percent, which is paid by the Township.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 10 - Multi-employer Defined Benefit Pension Plan (Continued)

Annual Pension Cost - For the year ended March 31, 2014, the Township's annual pension cost of \$893,945 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2011, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year attributable to inflation, and (c) additional projected salary increases ranging from 0 percent to 13 percent per year, attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a 10-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 25 years.

Three-year Trend Information

	Fiscal Year Ended March 31		
	2014	2013	2012
Annual pension cost (APC)	\$ 893,945	\$ 922,879	\$ 962,999
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -
	Actuarial Valuation as of December 31		
	2012	2011	2010
Actuarial value of assets	\$ 33,032,514	\$ 33,840,742	\$ 34,512,997
Actuarial accrued liability (AAL)			
(entry age)	\$ 46,439,237	\$ 46,629,138	\$ 44,941,630
Unfunded AAL (UAAL)	\$ 13,406,723	\$ 12,788,396	\$ 10,428,633
Funded ratio	71.1 %	72.6 %	76.8 %
Covered payroll	\$ 3,912,707	\$ 4,315,561	\$ 4,268,956
UAAL as a percentage of covered payroll	342.6 %	296.3 %	244.3 %

Note 11 - Commitments

The Township has entered into a contract with a corporation that will manage the operations of the Glenhurst Golf Course. Under the terms of this contract, the Township has agreed to pay the corporation from its Golf Course (Enterprise) Fund a minimum fee of \$711,682 between April 1, 2014 and March 31, 2015 for services rendered during calendar year 2014. The Township has agreed to pay additional fees if certain golf course revenue is attained.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 12 - Other Postemployment Benefits - General Employees

Plan Description - The Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and are accounted for separately. Currently, the plans have 451 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the employer.

Funding Policy - The collective bargaining agreements require a premium sharing payment for their health care of up to \$1,040 a year. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

Funding Progress - For the year ended March 31, 2014, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2012. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 3,372,489
Interest on the prior year's net OPEB obligation	178,949
Less adjustment to the annual required contribution	<u>(258,717)</u>
Annual OPEB cost	3,292,721
Amounts contributed	<u>(2,433,758)</u>
Increase in net OPEB obligation	858,963
OPEB obligation - Beginning of year	<u>4,473,738</u>
OPEB obligation - End of year	<u><u>\$ 5,332,701</u></u>

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/10	3/31/06	\$ 3,407,837	\$ 3,391,501	57.0 %	57.0 %	\$ 2,737,463
3/31/11	3/31/10	2,474,269	2,437,096	84.0	84.0	3,107,166
3/31/12	3/31/10	2,537,298	2,497,996	87.0	88.0	3,453,702
3/31/13	3/31/12	3,311,555	3,195,581	66.0	68.0	4,473,738
3/31/14	3/31/12	3,372,489	3,292,721	72.0	74.0	5,332,701

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 12 - Other Postemployment Benefits - General Employees (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 43,388,361	\$ 43,388,361	- %	\$ 6,074,730	714.2 %
3/31/08	412,368	42,630,000	42,217,632	1.0	5,750,510	734.2
3/31/10	824,735	41,871,717	41,046,982	2.0	4,268,956	961.5
3/31/12	1,052,884	64,178,229	63,125,345	1.6	4,315,561	1,462.7

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 13 percent initially, reduced by decrements to an ultimate rate of 8 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was decreased from the prior valuation rate of 6 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 13 - Other Postemployment Benefits - Police and Fire

Plan Description - The Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and accounted for separately. Currently, the plans have 451 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the employer.

Funding Policy - The collective bargaining agreements require a premium sharing payment for their healthcare of up to \$1,040 a year. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Township has made contributions to advance-fund these benefits for police and fire, as determined by the Township board through annual budget resolutions.

Funding Progress - For the year ended March 31, 2014, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2012. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 5,423,626
Interest on the prior year's net OPEB obligation	390,677
Less adjustment to the annual required contribution	<u>(564,821)</u>
Annual OPEB cost	5,249,482
Amounts contributed	<u>(3,302,024)</u>
Increase in net OPEB obligation	1,947,458
OPEB obligation - Beginning of year	<u>9,766,923</u>
OPEB obligation - End of year	<u>\$ 11,714,381</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 13 - Other Postemployment Benefits - Police and Fire (Continued)

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/10	3/31/06	\$ 4,575,896	\$ 4,547,004	49.0 %	50.0 %	\$ 4,580,010
3/31/11	3/31/10	3,934,609	3,872,415	66.0	67.0	5,874,506
3/31/12	3/31/10	4,041,285	3,966,979	64.0	66.0	7,241,485
3/31/13	3/31/12	5,319,946	5,076,788	48.0	50.0	9,766,923
3/31/14	3/31/12	5,423,626	5,249,481	61.0	63.0	11,714,381

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 59,892,022	\$ 59,892,022	- %	\$ 7,779,088	769.9 %
3/31/08	1,229,359	61,070,000	59,840,641	2.0	6,743,929	887.3
3/31/10	2,458,718	62,256,519	59,797,801	3.9	6,547,439	913.3
3/31/12	2,707,436	99,006,507	96,299,071	2.7	5,871,250	1,640.2

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 13 - Other Postemployment Benefits - Police and Fire (Continued)

In the March 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 13 percent initially, reduced by decrements to an ultimate rate of 8 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was decreased from the prior valuation rate of 6 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

Note 14 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the Township's defined benefit pension plan (see Note 10) and the postemployment healthcare plans (see Notes 12 and 13). The plans do not issue separate financial statements:

	Pension Trust	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund
Statement of Net Position			
Investments	\$ 67,633,597	\$ 4,224,443	\$ 1,459,769
Other assets	286,053	6,214	-
Liabilities	(4,313,414)	(203,051)	-
Net position	<u>\$ 63,606,236</u>	<u>\$ 4,027,606</u>	<u>\$ 1,459,769</u>
Statement of Changes in Net Position			
Investment income	\$ 7,783,446	\$ 925	\$ 487
Contributions	4,302,650	3,302,023	2,433,758
Benefit payments	(6,656,904)	(2,194,984)	(2,233,757)
Other deductions	(2,410,710)	(8,750)	(8,250)
Net change in net position	<u>\$ 3,018,482</u>	<u>\$ 1,099,214</u>	<u>\$ 192,238</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 15 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Fund Balances				
Nonspendable - Prepaids	\$ 309,080	\$ -	\$ 22,910	\$ 331,990
Restricted:				
Road improvements	-	-	905,270	905,270
Drug law enforcement	-	-	665,580	665,580
Debt service	-	-	1,035,982	1,035,982
Storm water improvements	-	-	68,214	68,214
Dial-A-Ride services	-	-	160,037	160,037
Solid waste activities	-	-	1,395,948	1,395,948
911 services	-	-	57,858	57,858
Drain improvements	-	-	886,315	886,315
Future NSP expenditures	-	-	653,452	653,452
Police and Fire SAD	898,679	-	224,711	1,123,390
PEG purposes	81,329	-	11	81,340
Other purposes	12,762	-	-	12,762
Total restricted	992,770	-	6,053,378	7,046,148
Committed - Court building improvements	-	-	3,290,969	3,290,969
Parks and recreation	178,079	-	-	178,079
Assigned - Capital projects	1,569	983,882	701,284	1,686,735
Unassigned	9,225,753	-	(223,901)	9,001,852
Total fund balance	<u>\$ 10,707,251</u>	<u>\$ 983,882</u>	<u>\$ 9,844,640</u>	<u>\$ 21,535,773</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 16 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued two new pension standards, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. These new standards significantly revise the current accounting and reporting for pensions both from an employer perspective as well as from a plan perspective. Employers providing defined benefit pensions to its employees must now, under these new standards, recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised and expanded note disclosures and required supplemental information (RSI). Statement No. 67 is required to be adopted for the year ending March 31, 2015 and Statement No. 68 one year later.

Charter Township of Redford

Notes to Financial Statements March 31, 2014

Note 17 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or outflows of resources.

As a result of implementing this statement, the following assets and liabilities have been reclassified, as indicated:

Item	Amount	Prior Reporting Classification/Treatment	New Classification After Adoption of GASB Statement No. 65
Deferred amounts on debt refundings	\$ 25,781	Adjustment to the bonds payable liability	Deferred outflow of resources
Bond issuance costs in the governmental and business type activities	277,491	Asset	Outflow of resources (an expense)
Bond issuance costs in the component unit	162,482	Asset	Outflow of resources (restatement of prior year net position)
Property taxes not collected within 60 days of year end	2,497,526	Liability	Deferred inflow of resources
Grant resources earned but not received within 60 days of year end	707,840	Liability	Deferred inflow of resources
Special assessment revenue in governmental funds not collected within 60 days of year end	1,849,903	Liability	Deferred inflow of resources

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 17,263,030	\$ 17,291,934	\$ 17,125,973	\$ (165,961)
Licenses and permits	829,700	897,007	895,953	(1,054)
Federal grants	544,279	628,620	622,704	(5,916)
State-shared revenue and grants	4,788,000	4,916,813	4,837,488	(79,325)
Charges for services	1,417,500	1,397,503	1,381,492	(16,011)
Fines and forfeitures	2,102,095	2,320,579	2,352,151	31,572
Investment income	30,000	17,500	10,165	(7,335)
Other revenue	1,288,900	1,494,043	1,516,127	22,084
Total revenue	28,263,504	28,963,999	28,742,053	(221,946)
Expenditures				
Current:				
General government:				
Legislative	159,815	164,620	165,934	(1,314)
Executive	172,839	158,026	156,504	1,522
Accounting	514,276	526,084	521,982	4,102
Information systems	484,500	497,877	496,571	1,306
Treasurer	362,800	320,724	311,887	8,837
Assessor	352,750	361,450	364,498	(3,048)
Clerk	338,658	294,651	274,912	19,739
Elections	77,355	42,584	39,336	3,248
Buildings and grounds	261,198	221,560	188,564	32,996
Attorney	157,000	145,773	114,118	31,655
Civil service	159,959	152,176	143,555	8,621
Police and fire civil service	17,900	22,600	19,273	3,327
Public service building maintenance	222,338	180,928	20,167	160,761
Insurance and other functions	582,200	913,631	717,066	196,565
Public education government	95,663	81,474	83,589	(2,115)
Marquee maintenance	113,556	99,956	4,441	95,515
Total general government	4,072,807	4,184,114	3,622,397	561,717
District Court:				
District court costs	1,810,622	1,787,300	1,721,264	66,036
Criminal justice	515,500	484,537	474,978	9,559
Probation	210,738	213,914	218,587	(4,673)
Work program	40,491	27,610	22,818	4,792
Total District Court	2,577,351	2,513,361	2,437,647	75,714
Public safety:				
Police	11,148,741	11,257,790	10,743,834	513,956
Dispatch	550,109	507,055	473,115	33,940
Fire	7,399,158	7,642,040	7,341,064	300,976
School crossing	42,436	45,662	46,287	(625)
School resource officer	325,232	320,594	329,684	(9,090)
ALS transport collection fee	62,000	69,224	70,965	(1,741)
COPS grant	409,018	400,363	376,426	23,937
Fire SAFER grant	131,734	154,258	129,529	24,729
Total public safety	20,068,428	20,396,986	19,510,904	886,082
Public works:				
Street construction	886,000	890,000	870,354	19,646
DPW	187,987	157,500	135,591	21,909
Total public works	1,073,987	1,047,500	1,005,945	41,555

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures				
Current (Continued):				
Community and economic development:				
Redevelopment	\$ 11,760	\$ 15,061	\$ 3,571	\$ 11,490
Community promotion	27,000	26,000	7,228	18,772
Zoning board of appeals	13,621	13,148	13,395	(247)
Other community and economic development	48,805	39,864	36,352	3,512
Total community and economic development	101,186	94,073	60,546	33,527
Recreation and culture:				
Parks and recreation	211,242	193,693	184,399	9,294
Parks facilities	279,065	281,204	243,509	37,695
Senior citizens	34,572	33,329	32,614	715
Cultural	18,000	3,344	2,946	398
Total recreation and culture	542,879	511,570	463,468	48,102
Total expenditures	28,436,638	28,747,604	27,100,907	1,646,697
Excess of Revenue (Under) Over Expenditures	(173,134)	216,395	1,641,146	1,424,751
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	25,000	64,595	64,595	-
Transfers out	150,000	(153,912)	(763,447)	(609,535)
Total other financing sources (uses)	175,000	(89,317)	(698,852)	(609,535)
Net Change in Fund Balance	1,866	127,078	942,294	815,216
Fund Balance - Beginning of year	9,028,461	9,028,461	9,028,461	-
Fund Balance - End of year	<u>\$ 9,030,327</u>	<u>\$ 9,155,539</u>	<u>\$ 9,970,755</u>	<u>\$ 815,216</u>

The Township's budget was adopted on a fund basis. The budget comparison shown above for the General Fund is more detailed than the General Appropriations Act. Information in this schedule is presented for the purpose of additional analysis.

Charter Township of Redford

Notes to Required Supplemental Information Year Ended March 31, 2014

Budgetary Information - The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's *Bulletin for Audits of Local Units of Government in Michigan* dated April 1982:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. Budgeted expenditures cannot exceed budgeted revenues and fund balance.
3. The budgets must be amended when necessary.
4. Public hearings must be held before budget adoptions.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures must be authorized by a budget before being incurred.

The Township adopts its budget on a fund-total basis for all funds, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations. A comparison of actual results of operations to the General Fund budget adopted by the Township board is included as required supplemental information. This comparison includes expenditure budget overruns. A comparison of actual results of operations, including budget overruns, to the nonmajor fund budgets as adopted by the Township board is available at the clerk's office for inspection.

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

1. The Township supervisor on or before 75 days prior to the commencement of the fiscal and budgetary year (April 1) shall prepare and submit to the board a complete itemized proposed budget for the next fiscal year.
2. A public hearing on the budget shall be held before its final adoption, at such time and place as the board shall direct, and notice of such public hearing shall be published at least 10 days in advance thereof by the clerk.
3. The board shall, on or before 15 days prior to the commencement of the next fiscal year, adopt a budget for the ensuing fiscal year.

The annual budget is prepared by the Township management and adopted by the Township board; subsequent amendments are approved by the Township board. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that transfers to/from other funds have been included in revenue and expenditures, rather than as other financing sources (uses), grant revenue to reimburse capital expenditures has been included in expenditures rather than revenue, and reimbursements from other funds for wage expense have been included as other revenue rather than as an offset to expenditures.

Charter Township of Redford

Notes to Required Supplemental Information (Continued) Year Ended March 31, 2014

The budget statements are presented on the same basis of accounting used in preparing the adopted budget. The following is a reconciliation of the budget statement of the General Fund to the operating statement.

	<u>Total Revenue</u>	<u>Total Expenditures</u>
Amounts per operating statement	\$ 29,692,449	\$ 28,474,375
Accrued Employee Benefits Fund	(122,625)	(280,443)
Accrued police and fire SAD	-	(420,252)
Ordinance enforcement fund	<u>(827,771)</u>	<u>(672,773)</u>
Total	<u>\$ 28,742,053</u>	<u>\$ 27,100,907</u>

Fund Deficit - The Township has a fund deficit in the modified-based statement of the Brownfield Redevelopment Financing Authority Fund in the amount of \$508,021.

The Township has a fund deficit in the modified-based statement of the Brownfield Construction Fund in the amount of \$932,126.

Charter Township of Redford

Required Supplemental Information Police and Fire Pension System Year Ended March 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/08	\$ 71,200,000	\$ 87,400,000	\$ 16,200,000	81.5 %	\$ 6,700,000	241.8 %
3/31/09	61,100,000	91,900,000	30,800,000	66.5	6,900,000	446.4
3/31/10	61,400,000	99,600,000	38,200,000	61.6	6,500,000	587.7
3/31/11	62,100,000	102,800,000	40,700,000	60.4	5,800,000	701.7
3/31/12	62,800,000	104,500,000	41,700,000	60.1	5,900,000	706.8
3/31/13	65,800,000	109,700,000	43,900,000	60.0	6,000,000	731.7

The schedule of employer contributions is as follows:

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed
3/31/09	\$ 2,862,162	99.6 %
3/31/10	2,964,791	100.0
3/31/11	3,914,550	100.0
3/31/12	4,407,240	100.0
3/31/13	4,070,562	100.0
3/31/14	4,257,948	100.0

* The required contribution is expressed to the Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2013, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	0% - 4.5%
* Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information General Employees Pension System Year Ended March 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/10	\$ 34,512,997	\$ 44,941,630	\$ 10,428,633	76.8	\$ 4,268,956	244.3
3/31/11	33,840,742	46,629,138	12,788,396	72.6	4,315,561	296.3
3/31/12	33,032,514	46,439,237	13,406,723	71.1	3,912,707	342.6

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/12	3/31/09	\$ 962,999	100.0
3/31/13	3/31/10	922,879	100.0
3/31/14	3/31/11	893,945	100.0

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2012, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	25 years
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	0% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information OPEB System Schedule - General Employees Year Ended March 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 43,388,361	\$ 43,388,361	-	\$ 6,074,730	714.2
3/31/08	412,368	42,630,000	42,217,632	1.0	5,750,510	734.2
3/31/10	824,735	41,871,717	41,046,982	2.0	4,268,956	961.5
3/31/12	1,052,884	64,178,229	63,125,345	1.6	4,315,561	1,462.7

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/10	3/31/06	\$ 3,407,837	57.0
3/31/11	3/31/10	2,474,269	84.0
3/31/12	3/31/10	2,537,298	87.0
3/31/13	3/31/12	3,311,555	66.0
3/31/14	3/31/12	3,372,489	72.0

* The required contribution is expressed to the Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2012, the latest actuarial valuation, follows:

Amortization method	Entry age actuarial cost method
Amortization period (perpetual)	30 years
Asset valuation method	Reported market value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	8% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information OPEB System Schedule - Police and Fire Employees Year Ended March 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 59,892,022	\$ 59,892,022	-	\$ 7,779,088	769.9
3/31/08	1,229,359	61,070,000	59,840,641	2.0	6,743,929	887.3
3/31/10	2,458,718	62,256,519	59,797,801	3.9	6,547,439	913.3
3/31/12	2,707,436	99,006,507	96,299,071	2.7	5,871,250	1,640.2

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/10	3/31/06	\$ 4,575,896	49.0
3/31/11	3/31/10	3,872,415	66.0
3/31/12	3/31/10	3,966,979	64.0
3/31/13	3/31/12	5,076,788	48.0
3/31/14	3/31/12	5,249,481	61.0

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2012, the latest actuarial valuation, follows:

Amortization method	Entry age actuarial cost method
Amortization period (perpetual)	30 years
Asset valuation method	Reported market value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	8% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Other Supplemental Information

Charter Township of Redford

Special Revenue Funds

	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Community Development Block Grant
Assets							
Cash and investments	\$ 154,051	\$ 13,249	\$ 647,500	\$ 1,767,032	\$ 68,469	\$ 55,372	\$ 32,154
Receivables	25,201	-	-	305,209	-	-	467,283
Due from other funds	93	-	-	2,947	-	-	61,865
Prepaid expenses	5,306	-	-	-	8,366	-	9,238
Assets held for resale	-	-	-	-	-	344,513	263,527
Restricted assets	-	-	-	-	-	-	-
Due from other governmental units	-	-	48,299	-	-	-	225,307
Total assets	\$ 184,651	\$ 13,249	\$ 695,799	\$ 2,075,188	\$ 76,835	\$ 399,885	\$ 1,059,374
Liabilities							
Accounts payable	\$ 2,839	\$ -	\$ 29,957	\$ 365,737	\$ 1,426	\$ 2,996	\$ 122,664
Due to other governmental units	150	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	6,733	188,438
Accrued liabilities and other	4,961	-	262	-	9,185	231	6,817
Provision for property tax refunds	554	-	-	13,356	-	-	-
Total liabilities	8,504	-	30,219	379,093	10,611	9,960	317,919
Deferred Inflows of Resources -							
Unavailable revenue	10,804	13,249	-	300,147	-	-	692,591
Fund Balances							
Nonspendable - Prepaids	5,306	-	-	-	8,366	-	9,238
Restricted:							
Road improvements	-	-	-	-	-	-	-
Drug law enforcement	-	-	665,580	-	-	-	-
Debt service	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	-
Dial-A-Ride services	160,037	-	-	-	-	-	-
Solid waste activities	-	-	-	1,395,948	-	-	-
911 services	-	-	-	-	57,858	-	-
Drain improvements	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	389,925	263,527
Public safety capital projects	-	-	-	-	-	-	-
Unspent bond proceeds	-	-	-	-	-	-	-
Committed - Court Building Improvements	-	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(223,901)
Total fund balances	165,343	-	665,580	1,395,948	66,224	389,925	48,864
Total liabilities, deferred inflows of resources, and fund balances	\$ 184,651	\$ 13,249	\$ 695,799	\$ 2,075,188	\$ 76,835	\$ 399,885	\$ 1,059,374

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2014**

Special Revenue Funds		Debt Service Funds						Capital Projects Funds	
Public Improvement - Storm Water	Brownfield EPA Grant Fund	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement	Police Station
\$ 68,214	\$ -	\$ -	\$ 228,462	\$ 107,711	\$ 455,765	\$ 302,643	\$ -	\$ 865,883	\$ 74,251
-	-	4,713	-	-	-	-	-	484	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,120	-	-
-	-	-	-	-	-	-	-	-	-
\$ 68,214	\$ -	\$ 4,713	\$ 228,462	\$ 107,711	\$ 455,765	\$ 302,643	\$ 1,120	\$ 866,367	\$ 74,251
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,623	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	1,669	-	-	-	-	-	-	-
-	-	-	-	-	61,865	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	1,669	-	-	61,865	-	-	14,623	-
-	-	898	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
68,214	-	2,146	228,462	107,711	393,900	302,643	1,120	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	224,711	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	627,033	74,251
-	-	-	-	-	-	-	-	-	-
68,214	-	2,146	228,462	107,711	393,900	302,643	1,120	851,744	74,251
\$ 68,214	\$ -	\$ 4,713	\$ 228,462	\$ 107,711	\$ 455,765	\$ 302,643	\$ 1,120	\$ 866,367	\$ 74,251

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2014

Capital Projects Funds							
	Smith Drain	Marquee Renovation	Court Building Improvement	Road Improvement	Road Paving	Bell Creek Pedestrian Bridge	Total Nonmajor Governmental Funds
Assets							
Cash and investments	\$ 886,315	\$ 11	\$ 3,271,078	\$ 562,170	\$ -	\$ -	\$ 9,560,330
Receivables	-	-	-	514,612	-	-	1,317,502
Due from other funds	-	-	-	86	-	-	64,991
Prepaid expenses	-	-	-	-	-	-	22,910
Assets held for resale	-	-	-	-	-	-	608,040
Restricted assets	-	-	-	-	312,397	-	313,517
Due from other governmental units	-	-	19,891	-	-	-	293,497
Total assets	\$ 886,315	\$ 11	\$ 3,290,969	\$ 1,076,868	\$ 312,397	\$ -	\$ 12,180,787
Liabilities							
Accounts payable	-	-	-	-	-	-	540,242
Due to other governmental units	-	-	-	-	-	-	150
Due to component units	-	-	-	-	-	-	1,669
Due to other funds	-	-	-	-	-	-	257,036
Accrued liabilities and other	-	-	-	-	-	-	21,456
Provision for property tax refunds	-	-	-	-	-	-	13,910
Total liabilities	-	-	-	-	-	-	834,463
Deferred Inflows of Resources -							
Unavailable revenue	-	-	-	483,995	-	-	1,501,684
Fund Balances							
Nonspendable - Prepaids	-	-	-	-	-	-	22,910
Restricted:							
Road improvements	-	-	-	592,873	312,397	-	905,270
Drug law enforcement	-	-	-	-	-	-	665,580
Debt service	-	-	-	-	-	-	1,035,982
Storm water improvements	-	-	-	-	-	-	68,214
Dial-A-Ride services	-	-	-	-	-	-	160,037
Solid waste activities	-	-	-	-	-	-	1,395,948
911 services	-	-	-	-	-	-	57,858
Drain improvements	886,315	-	-	-	-	-	886,315
Grant expenditures	-	-	-	-	-	-	653,452
Public safety capital projects	-	-	-	-	-	-	224,711
Unspent bond proceeds	-	11	-	-	-	-	11
Committed - Court Building Improvements	-	-	3,290,969	-	-	-	3,290,969
Assigned - Capital projects	-	-	-	-	-	-	701,284
Unassigned	-	-	-	-	-	-	(223,901)
Total fund balances	886,315	11	3,290,969	592,873	312,397	-	9,844,640
Total liabilities, deferred inflows of resources, and fund balances	\$ 886,315	\$ 11	\$ 3,290,969	\$ 1,076,868	\$ 312,397	\$ -	\$ 12,180,787

Charter Township of Redford

	Special Revenue Funds					
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant
Revenue						
Property taxes	\$ 81,477	\$ -	\$ -	\$ 1,954,101	\$ -	\$ -
Federal grants	-	11,102	58,911	-	-	286,508
State sources	109,774	-	-	-	7,366	-
Charges for services	26,969	-	-	264,274	282,293	-
Fines and forfeitures	-	-	13,779	-	-	-
Investment income	-	-	2,033	2,330	45	-
Other revenue:						
Special assessments	-	-	-	-	-	-
Other miscellaneous income	56,651	-	-	4,163	-	-
Total revenue	274,871	11,102	74,723	2,224,868	289,704	286,508
Expenditures						
Current:						
Public safety	-	-	63,893	-	425,670	-
Public works	-	-	-	2,232,350	-	-
Health and welfare	266,407	-	-	-	-	-
Community and economic development	-	11,102	-	-	-	467,569
Capital outlay	-	-	321,414	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	266,407	11,102	385,307	2,232,350	425,670	467,569
Excess of Revenue Over (Under) Expenditures	8,464	-	(310,584)	(7,482)	(135,966)	(181,061)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	135,974	-
Transfers out	-	-	-	-	-	-
Total other financing (uses) sources	-	-	-	-	135,974	-
Net Change in Fund Balances	8,464	-	(310,584)	(7,482)	8	(181,061)
Fund Balances (Deficit) - Beginning of year	156,879	-	976,164	1,403,430	66,216	570,986
Fund Balances (Deficit) - End of year	\$ 165,343	\$ -	\$ 665,580	\$ 1,395,948	\$ 66,224	\$ 389,925

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended March 31, 2014

Special Revenue Funds			Debt Service Funds						Capital Projects Funds
Community Development Block Grant	Public Improvement - Storm Water	Brownfield EPA Grant Fund	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,277,106	-	36,024	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	172	-	-	291	242	243	373	1	3,310
-	-	-	-	-	-	-	-	-	-
-	-	-	-	214,169	233,388	280,458	305,429	-	-
1,277,106	172	36,024	-	214,460	233,630	280,701	305,802	1	3,310
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,038,898	-	36,024	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	849,389
-	-	-	-	258,057	344,114	337,930	475,250	401,912	-
1,038,898	-	36,024	-	258,057	344,114	337,930	475,250	401,912	849,389
238,208	172	-	-	(43,597)	(110,484)	(57,229)	(169,448)	(401,911)	(846,079)
-	-	-	-	49,329	39,301	50,000	173,282	401,913	112,482
(50,000)	-	-	-	-	(13,427)	-	-	-	-
(50,000)	-	-	-	49,329	25,874	50,000	173,282	401,913	112,482
188,208	172	-	-	5,732	(84,610)	(7,229)	3,834	2	(733,597)
(139,344)	68,042	-	2,146	222,730	192,321	401,129	298,809	1,118	1,585,341
\$ 48,864	\$ 68,214	\$ -	\$ 2,146	\$ 228,462	\$ 107,711	\$ 393,900	\$ 302,643	\$ 1,120	\$ 851,744

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) (Continued) Nonmajor Governmental Funds Year Ended March 31, 2014

	Capital Projects Funds							Total Nonmajor Governmental Funds
	Police Station	Smith Drain	Marquee Renovation	Court Building Improvement	Road Improvement	Road Paving	Bell Creek Pedestrian Bridge	
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,035,578
Federal grants	-	-	-	-	-	-	-	1,669,651
State sources	-	-	-	-	23,680	-	-	140,820
Charges for services	-	-	-	-	-	-	-	573,536
Fines and forfeitures	-	-	-	221,298	-	-	-	235,077
Investment income	197	4,980	11	6,583	1,662	380	-	22,853
Other revenue:								
Special assessments	-	-	-	-	173,212	-	-	173,212
Other miscellaneous income	-	-	-	-	13,040	-	-	1,107,298
Total revenue	197	4,980	11	227,881	211,594	380	-	5,958,025
Expenditures								
Current:								
Public safety	18,932	-	-	-	-	-	-	508,495
Public works	-	-	-	-	1,500	-	-	2,233,850
Health and welfare	-	-	-	-	-	-	-	266,407
Community and economic development	-	-	-	-	-	-	-	1,553,593
Capital outlay	-	-	6,940	16,522	-	-	5,845	1,200,110
Debt service	-	-	-	-	-	-	-	1,817,263
Total expenditures	18,932	-	6,940	16,522	1,500	-	5,845	7,579,718
Excess of Revenue Over (Under) Expenditures	(18,735)	4,980	(6,929)	211,359	210,094	380	(5,845)	(1,621,693)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	5,845	968,126
Transfers out	-	-	-	-	(141,252)	-	-	(204,679)
Total other financing (uses) sources	-	-	-	-	(141,252)	-	5,845	763,447
Net Change in Fund Balances	(18,735)	4,980	(6,929)	211,359	68,842	380	-	(858,246)
Fund Balances (Deficit) - Beginning of year	92,986	881,335	6,940	3,079,610	524,031	312,017	-	10,702,886
Fund Balances (Deficit) - End of year	\$ 74,251	\$ 886,315	\$ 11	\$ 3,290,969	\$ 592,873	\$ 312,397	\$ -	\$ 9,844,640

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds March 31, 2014

	Golf Course	Protective Inspection	Total
Assets			
Current assets:			
Cash and investments	\$ 379,872	\$ 1,120,985	\$ 1,500,857
Receivables	53	14,400	14,453
Due from other funds	-	57	57
Deposits	12,276	-	12,276
Prepaid expenses and other assets	-	8,998	8,998
Total current assets	392,201	1,144,440	1,536,641
Noncurrent assets - Capital assets	2,511,149	27,412	2,538,561
Total assets	2,903,350	1,171,852	4,075,202
Liabilities			
Current liabilities:			
Accounts payable	22,288	1,368	23,656
Due to other funds	162,012	-	162,012
Accrued liabilities and other	-	2,941	2,941
Total current liabilities	184,300	4,309	188,609
Noncurrent liabilities:			
Compensated absences	-	77,673	77,673
Net OPEB obligation	-	192,711	192,711
Total noncurrent liabilities	-	270,384	270,384
Total liabilities	184,300	274,693	458,993
Net Position			
Net investment in capital assets	2,511,149	27,412	2,538,561
Unrestricted	207,901	869,747	1,077,648
Total net position	\$ 2,719,050	\$ 897,159	\$ 3,616,209

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended March 31, 2014

	Golf Course	Protective Inspection	Total
Operating Revenue			
Charges for services	\$ 1,138,510	\$ -	\$ 1,138,510
Permits	-	694,914	694,914
Total operating revenue	1,138,510	694,914	1,833,424
Operating Expenses			
General and administrative costs	-	49,854	49,854
Cost of services	1,030,653	483,890	1,514,543
Depreciation and amortization	178,299	4,956	183,255
Total operating expenses	1,208,952	538,700	1,747,652
Operating (Loss) Income	(70,442)	156,214	85,772
Nonoperating Revenue			
Investment income	-	2,610	2,610
Gain on sale of assets	4,501	-	4,501
Total nonoperating revenue	4,501	2,610	7,111
Change in Net Position	(65,941)	158,824	92,883
Net Position - Beginning of year	2,784,991	738,335	3,523,326
Net Position - End of year	\$ 2,719,050	\$ 897,159	\$ 3,616,209

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2014

	Golf Course	Protective Inspection	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,137,515	\$ 762,596	\$ 1,900,111
Payments to suppliers	(1,011,816)	(123,013)	(1,134,829)
Payments to employees	-	(455,784)	(455,784)
Internal activity - Payments to other funds	(4,297)	(57)	(4,354)
Net cash provided by operating activities	121,402	183,742	305,144
Cash Flows from Capital and Related Financing Activities			
Proceeds from sales of capital assets	4,501	-	4,501
Purchase of capital assets	(142,952)	-	(142,952)
Net cash used in capital and related financing activities	(138,451)	-	(138,451)
Cash Flows from Investing Activities - Interest received on investments			
	-	2,610	2,610
Net (Decrease) Increase in Cash and Cash Equivalents	(17,049)	186,352	169,303
Cash and Cash Equivalents - Beginning of year	396,921	934,633	1,331,554
Cash and Cash Equivalents - End of year	<u>\$ 379,872</u>	<u>\$ 1,120,985</u>	<u>\$ 1,500,857</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (70,442)	\$ 156,214	\$ 85,772
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	178,299	4,956	183,255
Changes in assets and liabilities:			
Receivables	-	65,600	65,600
Inventories	5,399	-	5,399
Prepaid and other assets	-	(2,203)	(2,203)
Accounts payable	12,443	(16,896)	(4,453)
Due to others	(4,297)	(57)	(4,354)
Accrued and other liabilities	-	(23,872)	(23,872)
Net cash provided by operating activities	<u>\$ 121,402</u>	<u>\$ 183,742</u>	<u>\$ 305,144</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2014.

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Internal Service Funds March 31, 2014

	<u>Internal Service</u>	Vehicle Maintenance <u>Internal Service</u>	Central Maintenance <u>Internal Service</u>	<u>Total</u>
Assets - Current assets				
Cash and investments	\$ 1,568,529	\$ 16,525	\$ 13,020	\$ 1,598,074
Due from other funds	40,000	-	-	40,000
Deposits	<u>1,310,002</u>	<u>-</u>	<u>-</u>	<u>1,310,002</u>
Total assets	2,918,531	16,525	13,020	2,948,076
Liabilities				
Current liabilities:				
Accounts payable	-	11,292	988	12,280
Due to other funds	40,000	-	6,331	46,331
Accrued liabilities and other	-	5,233	5,701	10,934
Provision for claims	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total current liabilities	340,000	16,525	13,020	369,545
Noncurrent liabilities -				
Estimated insurance and other liabilities	<u>943,593</u>	<u>-</u>	<u>-</u>	<u>943,593</u>
Total liabilities	<u>1,283,593</u>	<u>16,525</u>	<u>13,020</u>	<u>1,313,138</u>
Total net position	<u>\$ 1,634,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,634,938</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended March 31, 2014

	<u>Internal Service</u>	Vehicle Maintenance <u>Internal Service</u>	Central Maintenance <u>Internal Service</u>	<u>Total</u>
Operating Revenue				
Charges for services	\$ -	\$ 189,952	\$ 236,181	\$ 426,133
Township contributions	4,128,955	-	-	4,128,955
Total operating revenue	4,128,955	189,952	236,181	4,555,088
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	3,948,658	-	-	3,948,658
General and administrative costs	-	189,952	236,181	426,133
Total operating expenses	3,948,658	189,952	236,181	4,374,791
Operating Income	180,297	-	-	180,297
Nonoperating Revenue -				
Investment income	31,640	-	-	31,640
Change in Net Position	211,937	-	-	211,937
Net Position - Beginning of year	1,423,001	-	-	1,423,001
Net Position - End of year	<u>\$ 1,634,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,634,938</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2014

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 4,243,955	\$ 326,793	\$ 236,181	\$ 4,806,929
Refunds from (payments to) suppliers	9,892	(26,238)	7,109	(9,237)
Payments to employees	-	(163,215)	(237,499)	(400,714)
Internal activity - Payments to other funds	(115,000)	(120,815)	-	(235,815)
Claims paid	(4,170,447)	-	-	(4,170,447)
Net cash (used in) provided by operating activities	(31,600)	16,525	5,791	(9,284)
Cash Flows from Investing Activities - Interest received on investments				
	31,640	-	-	31,640
Net Increase in Cash and Cash Equivalents				
	40	16,525	5,791	22,356
Cash and Cash Equivalents - Beginning of year				
	1,568,489	-	7,229	1,575,718
Cash and Cash Equivalents - End of year				
	<u>\$ 1,568,529</u>	<u>\$ 16,525</u>	<u>\$ 13,020</u>	<u>\$ 1,598,074</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 180,297	\$ -	\$ -	\$ 180,297
Changes in assets and liabilities:				
Due from other funds	115,000	136,841	-	251,841
Deposits	9,892	-	-	9,892
Prepaid and other assets	-	-	6,331	6,331
Accounts payable	-	4,340	778	5,118
Due to other funds	(115,000)	(120,815)	-	(235,815)
Estimated claims liability	(221,789)	-	-	(221,789)
Accrued and other liabilities	-	(3,841)	(1,318)	(5,159)
Net cash (used in) provided by operating activities	<u>\$ (31,600)</u>	<u>\$ 16,525</u>	<u>\$ 5,791</u>	<u>\$ (9,284)</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2014.

Charter Township of Redford

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds March 31, 2014

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Assets				
Cash and cash equivalents	\$ 7,269,326	\$ -	\$ -	\$ 7,269,326
Investments:				
Agency securities	4,903,210	-	-	4,903,210
Stocks	40,809,685	-	-	40,809,685
Corporate bonds	13,576,793	-	-	13,576,793
Real estate investment trust	1,074,583	-	-	1,074,583
Other	-	4,224,443	1,459,769	5,684,212
Accrued interest	286,053	-	-	286,053
Total assets	67,919,650	4,224,443	1,459,769	73,603,862
Liabilities				
Accounts payable	21,416	44,897	-	66,313
Due to primary government	164,678	151,940	-	316,618
Deferred Retirement Option Plan liability	4,127,320	-	-	4,127,320
Total liabilities	4,313,414	196,837	-	4,510,251
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 63,606,236	\$ 4,027,606	\$ 1,459,769	\$ 69,093,611

Charter Township of Redford

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended March 31, 2014

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Additions				
Investment income:				
Interest and dividends	\$ 1,795,787	\$ 925	\$ 487	\$ 1,797,199
Net increase in fair value of investments	6,389,044	-	-	6,389,044
Investment-related expenses	(401,385)	-	-	(401,385)
Net investment income	7,783,446	925	487	7,784,858
Contributions - Employer contributions	4,302,650	3,302,023	2,433,758	10,038,431
Total additions	12,086,096	3,302,948	2,434,245	17,823,289
Deductions				
Benefit payments	6,656,904	2,194,984	2,233,757	11,085,645
Refunds and withdrawals	626,847	-	-	626,847
Deferred Retirement Option Plan expenses	1,727,929	-	-	1,727,929
Administrative expenses	55,934	8,750	8,250	72,934
Total deductions	9,067,614	2,203,734	2,242,007	13,513,355
Net Increase in Net Position Held in Trust	3,018,482	1,099,214	192,238	4,309,934
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	60,587,754	2,928,392	1,267,531	64,783,677
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 63,606,236	\$ 4,027,606	\$ 1,459,769	\$ 69,093,611