

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

---

**Financial Report  
with Supplemental Information  
March 31, 2010**

# Charter Township of Redford

---

## Contents

<b>Report Letter</b>	1-2
<b>Management's Discussion and Analysis</b>	3-9
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets (Deficit)	10
Statement of Activities	11-12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13-14
Reconciliation of the Balance Sheet to the Statement of Net Assets (Deficit)	15
Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	16-17
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds:	
Statement of Net Assets	19
Statement of Revenue, Expenses, and Changes in Net Assets	20
Statement of Cash Flows	21-22
Fiduciary Funds:	
Statement of Fiduciary Net Assets	23
Statement of Changes in Fiduciary Net Assets	24
Component Units:	
Statement of Net Assets (Deficit)	25
Statement of Activities	26
Notes to Financial Statements	27-57
<b>Required Supplemental Information</b>	58
Budgetary Comparison Schedule - General Fund	59-60
Budgetary Comparison Schedule - Major Special Revenue Funds	61
Pension System Schedule	62
Note to Required Supplemental Information	63-64

# Charter Township of Redford

---

## Contents (Continued)

<b>Other Supplemental Information</b>	65
Nonmajor Governmental Funds:	
Combining Balance Sheet	66-69
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	70-73
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets	74
Combining Statement of Revenue, Expenditures, and Changes in Net Assets	75
Combining Statement of Cash Flows	76
Fiduciary Funds:	
Statement of Assets and Liabilities	77
Combining Statement of Changes in Fiduciary Net Assets	78
Internal Service Funds:	
Combining Statement of Net Assets	79
Combining Statement of Revenue, Expenditures, and Changes in Net Assets	80
Combining Statement of Cash Flows	81

## Independent Auditor's Report

To the Board of Trustees  
Charter Township of Redford  
Wayne County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Township") as of and for the year ended March 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Redford's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford as of March 31, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Trustees  
Charter Township of Redford  
Wayne County, Michigan

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 accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2010 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, and grant agreements. 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 opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

September 13, 2010

# 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, 2010. Please read it in conjunction with the Township's financial statements.

### Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2010:

- State-shared revenue, our second largest revenue source, declined approximately \$500,000 for the year ended March 31, 2010 at \$4,837,000.
- Short-term interest rates remained at historic lows as a result of the actions of the Federal Reserve Board reducing the Federal Funds rate to spur the economy. Investment earnings in the General Fund decreased significantly from the previous year at \$122,000 for fiscal year 2010 compared to \$439,000 in 2009. We expect future earnings to decline, with the Federal Funds rate policy continuing at 0 percent to .25 percent and our reduced invested cash balances due to lower revenues.
- Employee and postemployment healthcare costs for fiscal year 2010 surpassed \$6,480,000, of which \$3,605,000 was paid for retiree health care and \$2,875,000 was paid for active employees. Healthcare costs have increased by \$2,900,000 from the 2001 annual amount of \$3,500,000. This increase of over 83 percent is well above the CPI inflation rate.
- The downturn in the economy especially related to the housing values in the Township caused property tax revenues to decline drastically. Operating tax revenues decreased \$1,226,000, adding to the reduction of the state-shared revenues identified earlier at \$500,000. The Township is constantly responding to the declining revenues by reducing operating costs including eliminating personnel through early retirements, layoffs, as well as reducing capital expenditure programs.
- Total net assets related to the Township's governmental activities decreased by approximately \$6,414,000. The decrease is mostly due to continuing recognition of the OPEB liability of \$3,000,000 and an increase of \$3,600,000 in long-term debt to fund capital improvements.

### Using this Annual Report

- This annual report consists of a series of financial statements. The statement of net assets (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 assets as of March 31, 2010 and 2009:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current assets	\$ 30,235,000	\$ 28,785,000	\$ 13,901,000	\$ 12,084,000	\$ 44,136,000	\$ 40,869,000
Noncurrent assets	19,800,000	17,653,000	44,284,000	46,312,000	64,084,000	63,965,000
Total assets	50,035,000	46,438,000	58,185,000	58,396,000	108,220,000	104,834,000
<b>Liabilities</b>						
Current liabilities	7,430,000	4,793,000	2,885,000	2,435,000	10,315,000	7,228,000
Long-term liabilities	28,782,000	21,409,000	11,306,000	12,258,000	40,088,000	33,667,000
Total liabilities	36,212,000	26,202,000	14,191,000	14,693,000	50,403,000	40,895,000
<b>Net Assets</b>						
Invested in capital assets -						
Net of related debt	9,048,000	9,262,000	32,023,000	32,109,000	41,071,000	41,371,000
Restricted	12,454,000	9,530,000	636,000	1,254,000	13,090,000	10,784,000
Unrestricted	(7,679,000)	1,444,000	11,335,000	10,340,000	3,656,000	11,784,000
Total net assets	<u>\$ 13,823,000</u>	<u>\$ 20,236,000</u>	<u>\$ 43,994,000</u>	<u>\$ 43,703,000</u>	<u>\$ 57,817,000</u>	<u>\$ 63,939,000</u>

The current level of unrestricted net assets for our governmental activities stands at (\$7,679,000) resulting from the increasing OPEB liability and long-term debt issued.

# Charter Township of Redford

## Management's Discussion and Analysis (Continued)

The following table shows the approximate changes in net assets for the years ended March 31, 2010 and 2009:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 8,360,000	\$ 8,949,000	\$ 14,570,000	\$ 14,835,000	\$ 22,930,000	\$ 23,784,000
Operating grants and contributions	5,456,000	1,418,000	-	-	5,456,000	1,418,000
Capital grants and contributions	363,000	906,000	-	-	363,000	906,000
General revenue:						
Property taxes	19,484,000	20,304,000	-	-	19,484,000	20,304,000
State-shared revenue	4,837,000	5,505,000	-	-	4,837,000	5,505,000
Unrestricted investment earnings	271,000	606,000	80,000	194,000	351,000	800,000
Miscellaneous - Refunds	-	800,000	-	-	-	800,000
Gain (loss) on sale of assets	(45,000)	(43,000)	19,000	23,000	(26,000)	(20,000)
Transfers and other revenue	1,073,000	191,000	-	(191,000)	1,073,000	-
Total revenue	39,799,000	38,636,000	14,669,000	14,861,000	54,468,000	53,497,000
<b>Program Expenses</b>						
General government	8,962,000	7,032,000	-	-	8,962,000	7,032,000
Public safety	21,934,000	23,665,000	-	-	21,934,000	23,665,000
Public works	11,344,000	7,766,000	-	-	11,344,000	7,766,000
Health and welfare	548,000	522,000	-	-	548,000	522,000
Community and economic development	1,613,000	3,852,000	-	-	1,613,000	3,852,000
Recreation and culture	1,007,000	1,218,000	-	-	1,007,000	1,218,000
Interest on long-term debt	805,000	485,000	-	-	805,000	485,000
Water and sewer	-	-	11,912,000	12,151,000	11,912,000	12,151,000
Golf course	-	-	1,257,000	1,439,000	1,257,000	1,439,000
Senior housing	-	-	630,000	452,000	630,000	452,000
Protective inspection	-	-	771,000	765,000	771,000	765,000
Total program expenses	46,213,000	44,540,000	14,570,000	14,807,000	60,783,000	59,347,000
<b>Change in Net Assets</b>	<b>\$ (6,414,000)</b>	<b>\$ (5,904,000)</b>	<b>\$ 99,000</b>	<b>\$ 54,000</b>	<b>\$ (6,315,000)</b>	<b>\$ (5,850,000)</b>

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 directed at redevelopment, especially of commercial, industrial, and public lands.

### Governmental Activities

Local property taxes and state-shared revenues make up approximately 61 percent, or \$24,321,000 of the Township's total governmental revenues of \$39,800,000. The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$21,934,000, or 47 percent of the total governmental expenses. The public works activities, including solid waste disposal, cost approximately \$11,344,000, or 25 percent of expenses. The remaining \$12,935,000 of expenses, or 28 percent of expenses, pays for recreation, community development, health and welfare, general government activities, and interest on debt.



# Charter Township of Redford

## Management's Discussion and Analysis (Continued)

### Business-type Activities

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

- The Township provides water and sewer services to residents and businesses connected to the system. The system generates revenues 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 non-revenue 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. As a result, the Water and Sewer Fund had an operating surplus for the sixth consecutive year in 2010. 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 fund realized an operating surplus of approximately \$387,000 and an increase in net assets of approximately \$72,000.
- The Township owns and operates Glenhurst municipal golf course as a business-type activity. The operations of the golf course have continually generated sufficient surpluses to provide resources for major reinvestment in the golf course infrastructure. Six 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. This year the final debt service payment was made on the bonds issued to purchase the course in 1989. The golf course incurred an operating deficit of \$13,000 after depreciation and before debt service and an increase in net assets of \$6,000. The golf course experienced a modest sales decline of \$21,000 with operating expenses decreasing by \$160,000 from the previous year.
- 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 \$237,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$2,500,000 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 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 2010, the fund operated at a surplus of \$84,000, not requiring a General Fund supplement for the first time in several years. The turnaround is a result of increased revenues from registrations and inspections along with decreased operating costs.

### 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 funds for fiscal year 2010 were the General Fund, Sidewalk Improvement Fund, Road Paving Fund, Road Improvement Fund, and Community Development Block Grant 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 \$18,974,000 in fiscal year 2010. These two activities are partially funded by three police and fire millages. During the current year, this amounted to approximately \$3,798,000 for operations and \$5,095,000 for the retirement system. The remaining \$10,081,000 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 \$9,167,000.
- 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 in 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 2010 fiscal year, nearly \$765,000 in sidewalks were replaced and \$835,000 in revenues received. The current accounts receivable balance at year end was \$1,624,000.
- The Road Paving Fund is a capital projects fund that accounts for the cost of paving gravel roads. The Township entered into a cooperative agreement with Wayne County to share the construction costs of the projects. In fiscal year 2010, \$3,362,982 was spent on the Township's share of the project costs. The projects were funded by issuing public improvement bonds.

# **Charter Township of Redford**

## **Management's Discussion and Analysis (Continued)**

- The Road Improvement Fund is a capital projects fund that accounts for the revenues received from special assessments and State of Michigan Right of Way distributions. These revenues are further used for right-of-way improvements and transferred to the Debt Service Funds to pay off the Public Improvement Road Bonds. In 2010, \$375,000 was transferred to the Debt Service Funds.
- The Community Development Block Grant Fund accounts for program expenses and revenues received from the Federal Department of Housing and Urban Development's Block Grant program, and related program revenues. The Township received approximately \$1,200,000 in federal entitlements and program income during the 2010 fiscal year.

### **General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to take into account events during the year. An amendment was passed, decreasing estimated revenues by \$1,668,000, appropriating fund balance in the amount of \$1,350,000. State revenue sharing, court fines, and property tax revenues were categories with the most significant decreases.

The decreased revenues resulted in reduced appropriations in the amount of \$315,000, with the above-mentioned fund balance appropriation covering the difference. Most notable were decreases in appropriations for police and criminal justice departments.

### **Capital Asset and Debt Administration**

At the end of the fiscal year, the Township had over \$57,400,000 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 assets made up 54 percent of the Township's total assets amount of \$107,280,000. Capital expenditures programs remained at a reduced level for the 2010 fiscal year.

The long-term debt amount of \$36,468,000 is related to the investment in capital assets and a Brownfield Redevelopment project. At the end of the fiscal year, the Township had \$17.7 million in debt in the governmental-type activities while business-type activities had \$11.3 million outstanding, with 79 percent of that amount in the Water and Sewer Fund and \$7.4 million in component unit debt.

# **Charter Township of Redford**

---

## **Management's Discussion and Analysis (Continued)**

### **Economic Factors and Next Year's Budgets and Rates**

The Township's budget for the 2010-2011 fiscal year anticipates significantly reduced operating property tax revenues of \$1,850,000. The Township is experiencing a decline in housing values reflective of the national housing and mortgage crisis. Unfortunately, the Township is experiencing a large number of tax appeals by commercial and industrial property owners. Our expectation for the following year is another measurable 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 2011 fiscal year by approximately 14.0 percent. The major cause for the rate increase is a large capital renovation project administered by Wayne County on the Rouge Valley Interceptor.

### **Contacting the Township's Management**

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

# Charter Township of Redford

## Statement of Net Assets (Deficit) March 31, 2010

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets</b>				
Cash and investments (Note 2)	\$ 21,837,764	\$ 10,394,095	\$ 32,231,859	\$ 4,975,455
Receivables - Net (Note 3)	5,880,053	3,646,542	9,526,595	-
Due from component units	777,225	13,718	790,943	-
Internal balances	1,045,045	(1,045,045)	-	-
Deposits	485,747	-	485,747	-
Prepaid expenses and other assets	-	904,971	904,971	-
Restricted assets (Notes 2 and 7)	2,822,921	635,592	3,458,513	-
Assets held for resale	986,339	-	986,339	-
Inventories and other assets	-	80,235	80,235	-
Due from other governmental units	2,005,183	-	2,005,183	-
Capital assets:				
Assets not subject to depreciation (Note 4)	1,343,404	2,524,409	3,867,813	165,506
Assets subject to depreciation (Note 4)	12,723,039	40,810,427	53,533,466	3,610
Unamortized bond issuance costs	174,998	219,634	394,632	202,082
<b>Total assets</b>	<b>50,081,718</b>	<b>58,184,578</b>	<b>108,266,296</b>	<b>5,346,653</b>
<b>Liabilities</b>				
Accounts payable	938,380	929,446	1,867,826	2,363,297
Due to other governmental units	60,243	-	60,243	-
Due to primary government	-	-	-	790,943
Accrued liabilities and other	4,127,137	258,107	4,385,244	514,034
Deferred revenue	5,000	-	5,000	-
Other current liabilities	194,821	366,567	561,388	-
Noncurrent liabilities:				
Due within one year:				
Provision for compensated absences	370,533	104,896	475,429	-
Current portion of long-term debt (Note 6)	1,734,054	1,225,946	2,960,000	100,000
Due in more than one year:				
Provision for compensated absences	3,325,018	636,698	3,961,716	-
Estimated insurance and other liabilities	2,730,016	-	2,730,016	-
Net OPEB or pension obligation	6,734,450	583,023	7,317,473	-
Long-term debt (Note 6)	15,992,015	10,086,253	26,078,268	7,330,000
<b>Total liabilities</b>	<b>36,211,667</b>	<b>14,190,936</b>	<b>50,402,603</b>	<b>11,098,274</b>
<b>Net Assets (Deficit)</b>				
Invested in capital assets - Net of related debt	9,048,307	32,022,637	41,070,944	169,116
Restricted for:				
Debt service	1,698,685	635,592	2,334,277	-
Rubbish	2,187,621	-	2,187,621	-
Community Development Block Grant	579,278	-	579,278	-
Drain	862,301	-	862,301	-
Drug law enforcement	916,556	-	916,556	-
Other purposes (Note 9)	7,196,818	-	7,196,818	-
Unrestricted	(8,619,515)	11,335,413	2,715,898	(5,920,737)
<b>Total net assets (deficit)</b>	<b>\$ 13,870,051</b>	<b>\$ 43,993,642</b>	<b>\$ 57,863,693</b>	<b>\$ (5,751,621)</b>

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

# Charter Township of Redford

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 8,962,581	\$ 5,242,372	\$ 128,052	\$ -
Public safety	21,933,886	1,105,412	660,407	363,623
Public works	11,343,862	1,562,535	2,242,081	-
Health and welfare	548,318	10,988	142,520	-
Community and economic development	1,566,540	123,914	2,282,958	-
Recreation and culture	1,007,278	315,167	-	-
Interest on long-term debt	805,198	-	-	-
Total governmental activities	46,167,663	8,360,388	5,456,018	363,623
Business-type activities:				
Water and Sewer Fund	11,916,643	11,911,895	-	-
Golf Course	1,270,490	1,256,888	-	-
Senior Housing Fund	504,191	630,207	-	-
Protective Inspection	686,944	771,376	-	-
Total business-type activities	14,378,268	14,570,366	-	-
Total primary government	<u>\$ 60,545,931</u>	<u>\$ 22,930,754</u>	<u>\$ 5,456,018</u>	<u>\$ 363,623</u>
Component units:				
Downtown Development Authority	\$ 134,459	\$ -	\$ -	\$ -
Brownfield Redevelopment Financing Authority	2,087,810	-	-	-
Total component units	<u>\$ 2,222,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
State sources				
Investment income				
Other miscellaneous income				
(Loss) gain from sale of capital assets				
Total general revenues				
<b>Change in Net Assets</b>				
<b>Net Assets (Deficit) - Beginning of year</b>				
<b>Net Assets (Deficit) - End of year</b>				

**Statement of Activities**  
**Year Ended March 31, 2010**

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,592,157)	\$ -	\$ (3,592,157)	\$ -
(19,804,444)	-	(19,804,444)	-
(7,539,246)	-	(7,539,246)	-
(394,810)	-	(394,810)	-
840,332	-	840,332	-
(692,111)	-	(692,111)	-
(805,198)	-	(805,198)	-
(31,987,634)	-	(31,987,634)	-
-	(4,748)	(4,748)	-
-	(13,602)	(13,602)	-
-	126,016	126,016	-
-	84,432	84,432	-
-	192,098	192,098	-
(31,987,634)	192,098	(31,795,536)	-
-	-	-	(134,459)
-	-	-	(2,087,810)
-	-	-	(2,222,269)
19,484,372	-	19,484,372	1,980,154
4,837,497	-	4,837,497	-
271,251	80,152	351,403	20,254
1,072,811	-	1,072,811	3,225
(44,932)	18,720	(26,212)	-
25,620,999	98,872	25,719,871	2,003,633
(6,366,635)	290,970	(6,075,665)	(218,636)
20,236,686	43,702,672	63,939,358	(5,532,985)
<b>\$ 13,870,051</b>	<b>\$ 43,993,642</b>	<b>\$ 57,863,693</b>	<b>\$ (5,751,621)</b>

# Charter Township of Redford

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Road Improvement	Road Paving
<b>Assets</b>					
Cash and investments	\$ 8,650,862	\$ 391,630	\$ -	\$ 323,599	\$ -
Receivables (Note 3)	1,974,345	1,624,143	579,278	1,212,648	-
Due from component units	204,372	-	-	-	-
Due from other funds (Note 5)	1,380,937	-	-	-	185
Assets held for resale	-	-	-	-	-
Restricted assets	-	-	165,224	-	2,403,853
Due from other governmental units (Note 3)	1,123,316	-	141,099	-	-
<b>Total assets</b>	<b>\$13,333,832</b>	<b>\$ 2,015,773</b>	<b>\$ 885,601</b>	<b>\$ 1,536,247</b>	<b>\$ 2,404,038</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 367,654	\$ -	\$ 30,156	\$ 90,649	\$ 1,285
Due to other governmental units	60,243	-	-	-	-
Due to other funds	-	-	124,310	-	119,969
Accrued liabilities and other	1,432,882	-	151,857	-	2,255,448
Deferred revenue (Note 3)	1,879,478	1,571,476	579,278	1,199,088	-
Deposits and other liabilities	194,821	-	-	-	-
<b>Total liabilities</b>	<b>3,935,078</b>	<b>1,571,476</b>	<b>885,601</b>	<b>1,289,737</b>	<b>2,376,702</b>
<b>Fund Balances</b>					
Reserved for:					
Other purposes (Note 9)	220,963	-	-	-	-
Unspent bond proceeds	-	-	-	-	-
911 dispatch	-	-	-	-	-
Dispatch	-	-	-	-	-
Unreserved, reported in:					
General Fund -					
Designated	9,177,791	-	-	-	-
Special Revenue Funds:					
Designated	-	-	-	-	-
Undesignated	-	-	-	-	-
Debt Service Funds -					
Undesignated	-	-	-	-	-
Capital Projects Funds -					
Designated	-	444,297	-	246,510	27,336
<b>Total fund balances</b>	<b>9,398,754</b>	<b>444,297</b>	<b>-</b>	<b>246,510</b>	<b>27,336</b>
<b>Total liabilities and fund balances</b>	<b>\$13,333,832</b>	<b>\$ 2,015,773</b>	<b>\$ 885,601</b>	<b>\$ 1,536,247</b>	<b>\$ 2,404,038</b>

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



**Governmental Funds  
Balance Sheet  
March 31, 2010**

Nonmajor Governmental Funds	Total
\$ 8,853,582	\$ 18,219,673
489,639	5,880,053
572,853	777,225
10,500	1,391,622
986,339	986,339
253,844	2,822,921
<u>740,768</u>	<u>2,005,183</u>
<b><u>\$11,907,525</u></b>	<b><u>\$32,083,016</u></b>
\$ 444,085	\$ 933,829
-	60,243
115,101	359,380
265,874	4,106,061
513,089	5,742,409
<u>-</u>	<u>194,821</u>
1,338,149	11,396,743
-	220,963
109,783	109,783
185,427	185,427
32,596	32,596
-	9,177,791
655,515	655,515
3,515,280	3,515,280
1,650,368	1,650,368
<u>4,420,407</u>	<u>5,138,550</u>
<u>10,569,376</u>	<u>20,686,273</u>
<b><u>\$11,907,525</u></b>	<b><u>\$32,083,016</u></b>

# Charter Township of Redford

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets (Deficit) March 31, 2010

<b>Fund Balance Reported in Governmental Funds</b>	\$ 20,686,273
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	14,066,443
Bond issuance costs used in governmental activities are not financial resources and are not reported in the funds	174,998
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	2,770,564
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures	2,335,693
Deferred revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures	631,152
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(17,726,069)
Accrued interest is not due and payable in the current period and is not reported in the funds	(752)
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	(3,695,551)
Net other postemployment benefits obligation is not recorded as a liability in the funds	(6,734,450)
Internal Service Funds are included as part of governmental activities	<u>1,361,750</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 13,870,051</u></b>

# Charter Township of Redford

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Road Improvement	Road Paving
<b>Revenue</b>					
Property taxes	\$ 15,543,952	\$ -	\$ -	\$ -	\$ -
Licenses and permits	725,376	-	-	-	-
Federal grants	-	-	1,196,771	-	-
State sources	5,000,788	-	-	16,720	-
Charges for services	1,188,353	753,878	-	-	-
Fines and forfeitures	2,999,932	-	-	-	-
Investment income	122,239	81,314	-	2,126	1,199
Other revenue	1,473,848	-	-	408,087	-
<b>Total revenue</b>	<b>27,054,488</b>	<b>835,192</b>	<b>1,196,771</b>	<b>426,933</b>	<b>1,199</b>
<b>Expenditures - Current</b>					
General government	6,885,468	-	-	-	-
Public safety	18,973,670	-	-	-	-
Public works	1,194,333	-	-	5,687	-
Health and welfare	160,929	-	-	-	-
Community and economic development	171,535	-	1,146,771	-	-
Recreation and culture	740,031	-	-	-	-
Prior years MTT adjustments	-	-	-	-	-
Capital outlay	-	764,951	-	-	3,362,982
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>28,125,966</b>	<b>764,951</b>	<b>1,146,771</b>	<b>5,687</b>	<b>3,362,982</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(1,071,478)</b>	<b>70,241</b>	<b>50,000</b>	<b>421,246</b>	<b>(3,361,783)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from issuance of debt	-	-	-	-	3,880,000
Proceeds from sale of capital assets	14,428	-	-	-	-
Transfers in	175,111	-	-	-	-
Transfers out	(15,588)	-	(50,000)	(374,932)	-
<b>Total other financing sources (uses)</b>	<b>173,951</b>	<b>-</b>	<b>(50,000)</b>	<b>(374,932)</b>	<b>3,880,000</b>
<b>Net Change in Fund Balances</b>	<b>(897,527)</b>	<b>70,241</b>	<b>-</b>	<b>46,314</b>	<b>518,217</b>
<b>Fund Balances (Deficit) - Beginning of year</b>	<b>10,296,281</b>	<b>374,056</b>	<b>-</b>	<b>200,196</b>	<b>(490,881)</b>
<b>Fund Balances - End of year</b>	<b>\$ 9,398,754</b>	<b>\$ 444,297</b>	<b>\$ -</b>	<b>\$ 246,510</b>	<b>\$ 27,336</b>

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

**Governmental Funds  
Statement of Revenue, Expenditures, and  
Changes in Fund Balances (Deficit)  
Year Ended March 31, 2010**

Nonmajor Funds	Total
\$ 3,881,441	\$ 19,425,393
-	725,376
2,118,595	3,315,366
1,437,888	6,455,396
166,621	2,108,852
449,315	3,449,247
64,373	271,251
<u>1,797,459</u>	<u>3,679,394</u>
9,915,692	39,430,275
615,221	7,500,689
1,128,515	20,102,185
4,673,143	5,873,163
300,176	461,105
226,053	1,544,359
-	740,031
178,922	178,922
706,056	4,833,989
<u>1,653,959</u>	<u>1,653,959</u>
<u>9,482,045</u>	<u>42,888,402</u>
433,647	(3,458,127)
1,120,000	5,000,000
-	14,428
440,520	615,631
<u>(175,111)</u>	<u>(615,631)</u>
<u>1,385,409</u>	<u>5,014,428</u>
1,819,056	1,556,301
<u>8,750,320</u>	<u>19,129,972</u>
<u><b>\$10,569,376</b></u>	<u><b>\$20,686,273</b></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, 2010

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,556,301

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	981,373
Depreciation expense	(970,730)
Net book value of asset disposals and adjustments	(76,683)

Revenue reported in the statement of activities does not provide current financial resources and is not reported as revenue in the governmental funds	55,502
---	--------

Governmental funds report bond issuance costs as expenditures in the statement of activities; these costs are allocated over their estimated useful lives as amortization	103,144
---	---------

Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	585,256
--	---------

Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets (deficit)	(5,000,000)
--	-------------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,409,140
---	-----------

Increase in accumulated employee sick and vacation pay, as well as estimated general liability claims, is recorded when earned in the statement of activities	339,059
---	---------

Net pension asset is recorded as an expenditure in the governmental funds, and as an asset and amortized in the statement of activities	(24,035)
---	----------

Net OPEB or pension obligation	(3,432,058)
--------------------------------	-------------

Internal Service Funds are included as part of governmental activities	<u>(1,892,904)</u>
--	--------------------

**Change in Net Assets of Governmental Activities** \$ (6,366,635)

# Charter Township of Redford

## Proprietary Funds Statement of Net Assets March 31, 2010

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Assets</b>					
Current assets:					
Cash and investments (Note 2)	\$ 9,591,123	\$ 490,739	\$ 312,233	\$ 10,394,095	\$ 3,618,091
Receivables	3,620,064	-	26,478	3,646,542	-
Due from component units	-	-	13,718	13,718	-
Due from other funds (Note 5)	-	-	-	-	316,220
Deposits	-	-	-	-	485,747
Prepaid expenses and other assets	904,971	-	-	904,971	-
Inventories and other assets	65,758	-	14,477	80,235	-
Total current assets	14,181,916	490,739	366,906	15,039,561	4,420,058
Noncurrent assets:					
Restricted assets (Note 7)	635,592	-	-	635,592	-
Capital assets (Note 4)	37,350,910	3,146,558	2,837,368	43,334,836	-
Unamortized bond issuance costs	206,554	13,080	-	219,634	-
Total noncurrent assets	38,193,056	3,159,638	2,837,368	44,190,062	-
Total assets	52,374,972	3,650,377	3,204,274	59,229,623	4,420,058
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	906,110	6,029	17,307	929,446	4,551
Due to other funds	886,168	32,436	126,441	1,045,045	303,417
Accrued liabilities	197,585	56,711	3,811	258,107	20,324
Other current liabilities	315,867	50,700	-	366,567	-
Provision for compensated absences	104,896	-	-	104,896	-
Current portion of long-term debt	1,028,176	197,770	-	1,225,946	-
Total current liabilities	3,438,802	343,646	147,559	3,930,007	328,292
Noncurrent liabilities:					
Provision for compensated absences	433,632	35,724	167,342	636,698	-
Estimated insurance and other liabilities	-	-	-	-	2,730,016
Net OPEB or pension obligation (Notes 13 and 14)	561,712	21,311	-	583,023	-
Long-term debt - Net of current portion	7,878,644	2,207,609	-	10,086,253	-
Total noncurrent liabilities	8,873,988	2,264,644	167,342	11,305,974	2,730,016
Total liabilities	12,312,790	2,608,290	314,901	15,235,981	3,058,308
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	28,444,090	741,179	2,837,368	32,022,637	-
Restricted	635,592	-	-	635,592	-
Unrestricted	10,982,500	300,908	52,005	11,335,413	1,361,750
Total net assets	<u>\$ 40,062,182</u>	<u>\$ 1,042,087</u>	<u>\$ 2,889,373</u>	<u>\$ 43,993,642</u>	<u>\$ 1,361,750</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 Assets Year Ended March 31, 2010

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Operating Revenue</b>					
Charges for services	\$ 11,911,895	\$ 630,207	\$ 1,256,888	\$ 13,798,990	\$ 1,069,030
Permits	-	-	771,376	771,376	-
Township contributions	-	-	-	-	5,782,270
Total operating revenue	11,911,895	630,207	2,028,264	14,570,366	6,851,300
<b>Operating Expenses</b>					
Cost of water	7,919,659	-	-	7,919,659	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	7,675,174
General and administrative costs	2,266,597	290,204	-	2,556,801	1,069,030
Cost of services	-	-	1,692,686	1,692,686	-
Depreciation and amortization	1,338,707	102,778	264,748	1,706,233	-
Total operating expenses	11,524,963	392,982	1,957,434	13,875,379	8,744,204
<b>Operating Income (Loss)</b>	386,932	237,225	70,830	694,987	(1,892,904)
<b>Nonoperating Revenue (Expenses)</b>					
Investment income	71,810	2,351	5,991	80,152	-
Interest expense	(391,680)	(111,209)	-	(502,889)	-
Gain on sale of assets	5,320	-	13,400	18,720	-
<b>Change in Net Assets</b>	72,382	128,367	90,221	290,970	(1,892,904)
<b>Net Assets - Beginning of year</b>	39,989,800	913,720	2,799,152	43,702,672	3,254,654
<b>Net Assets - End of year</b>	<b>\$ 40,062,182</b>	<b>\$ 1,042,087</b>	<b>\$ 2,889,373</b>	<b>\$ 43,993,642</b>	<b>\$ 1,361,750</b>

# Charter Township of Redford

## Proprietary Funds Statement of Cash Flows Year Ended March 31, 2010

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Cash Flow from Operating Activities</b>					
Receipts from customers	\$ 12,164,403	\$ 630,207	\$ 2,025,451	\$ 14,820,061	\$ -
Receipts from interfund services and reimbursements	-	-	-	-	6,979,349
Payments to suppliers	(7,149,430)	(155,620)	(1,088,837)	(8,393,887)	(26,780)
Payments to employees	(2,196,297)	(99,700)	(603,095)	(2,899,092)	(1,028,227)
Internal activity - Payments to other funds	671,813	(1,038)	(419)	670,356	-
Claims paid	-	-	-	-	(6,685,270)
Net cash provided by (used in) operating activities	3,490,489	373,849	333,100	4,197,438	(760,928)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from sales of capital assets	5,320	-	13,400	18,720	-
Purchase of capital assets	(185,472)	(16,400)	(36,350)	(238,222)	-
Principal and interest paid on capital debt	(1,382,540)	(328,594)	(212,039)	(1,923,173)	-
Net cash used in capital and related financing activities	(1,562,692)	(344,994)	(234,989)	(2,142,675)	-
<b>Cash Flows from Investing Activities</b>					
- Interest received on investments	71,810	2,351	1,220	75,381	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,999,607	31,206	99,331	2,130,144	(760,928)
<b>Cash and Cash Equivalents - Beginning of year</b>	8,227,108	459,533	212,902	8,899,543	4,379,019
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 10,226,715</b>	<b>\$ 490,739</b>	<b>\$ 312,233</b>	<b>\$ 11,029,687</b>	<b>\$ 3,618,091</b>



# Charter Township of Redford

## Proprietary Funds Statement of Cash Flows (Continued) Year Ended March 31, 2010

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise	Total	Proprietary Internal Service Fund
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$ 9,591,123	\$ 490,739	\$ 312,233	\$ 10,394,095	\$ 3,618,091
Restricted cash	635,592	-	-	635,592	-
Total cash and cash equivalents	<u>\$ 10,226,715</u>	<u>\$ 490,739</u>	<u>\$ 312,233</u>	<u>\$ 11,029,687</u>	<u>\$ 3,618,091</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ 386,932	\$ 237,225	\$ 70,830	\$ 694,987	\$ (1,892,904)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,338,707	102,778	264,748	1,706,233	-
Changes in assets and liabilities:					
Receivables	252,508	-	(2,813)	249,695	-
Due from others	42,830	-	-	42,830	(34,220)
Inventories	24,110	-	1,378	25,488	-
Deposits	-	-	-	-	125,904
Accounts payable	402,560	(1,327)	(22,631)	378,602	161
Due to others	628,983	(1,038)	(419)	627,526	162,269
Accrued and other liabilities	413,859	36,211	22,007	472,077	877,862
Net cash provided by (used in) operating activities	<u>\$ 3,490,489</u>	<u>\$ 373,849</u>	<u>\$ 333,100</u>	<u>\$ 4,197,438</u>	<u>\$ (760,928)</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2010.

# Charter Township of Redford

---

## Fiduciary Funds Statement of Fiduciary Net Assets March 31, 2010

	Pension and Other Employee Benefit Trust Funds
<b>Assets</b>	
Cash and investments:	\$ 6,716,020
U.S. government securities	8,332,041
Stocks	28,073,096
Bonds	12,360,773
Foreign securities	7,710,476
Mutual funds	418,045
Receivables - Accrued interest	281,155
Due from primary government	606,732
Total assets	64,498,338
<b>Liabilities - Accounts payable</b>	12,855
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>	<b>\$ 64,485,483</b>

# Charter Township of Redford

## Fiduciary Funds Statement of Changes in Fiduciary Net Assets Year Ended March 31, 2010

	Pension and Other Employee Benefit Trust Funds
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 1,980,487
Net appreciation in fair value of investments	12,045,827
Investment-related expenses	<u>(323,538)</u>
Net investment income	13,702,776
Contributions:	
Employer contributions	7,200,545
Refunds and rebates	<u>169,794</u>
Total contributions	<u>7,370,339</u>
Total additions - Net	21,073,115
<b>Deductions</b>	
Benefit payments	9,073,409
Refunds and withdrawals	763,574
Administrative expenses	<u>76,020</u>
Total deductions	<u>9,913,003</u>
<b>Net Increase in Net Assets Held in Trust</b>	11,160,112
<b>Net Assets Held in Trust for Pension and Other Employee Benefits -     Beginning of year</b>	<u>53,325,371</u>
<b>Net Assets Held in Trust for Pension and Other Employee Benefits -     End of year</b>	<u><b>\$64,485,483</b></u>

# Charter Township of Redford

## Component Units Statement of Net Assets (Deficit) March 31, 2010

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
<b>Assets</b>			
Cash and investments (Note 2)	\$ 266,310	\$ 4,709,145	\$ 4,975,455
Noncurrent assets:			
Capital assets (Note 4)	169,116	-	169,116
Unamortized bond issuance costs	-	202,082	202,082
Total assets	435,426	4,911,227	5,346,653
<b>Liabilities</b>			
Accounts payable	8,186	2,355,111	2,363,297
Due to primary government	-	790,943	790,943
Accrued expenses	-	514,034	514,034
Long-term debt	-	7,430,000	7,430,000
Total liabilities	8,186	11,090,088	11,098,274
<b>Net Assets</b>			
Invested in capital assets - Net of related debt	169,116	-	169,116
Unrestricted	258,124	(6,178,861)	(5,920,737)
Total net assets	\$ 427,240	\$ (6,178,861)	\$ (5,751,621)

# Charter Township of Redford

## Component Units Statement of Activities Year Ended March 31, 2010

	Expenses	Net (Expense) Revenue and Changes in Net Assets		
		Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Downtown Development Authority - Public Works	\$ 134,459	\$ (134,459)	\$ -	\$ (134,459)
Brownfield Redevelopment Financing Authority:				
Community and economic development	1,727,305	-	(1,727,305)	(1,727,305)
Debt service	360,505	-	(360,505)	(360,505)
Total Brownfield Redevelopment Authority	<u>2,087,810</u>	<u>-</u>	<u>(2,087,810)</u>	<u>(2,087,810)</u>
Total component units	<u>\$ 2,222,269</u>	(134,459)	(2,087,810)	(2,222,269)
General revenues:				
Property taxes		175,156	1,804,998	1,980,154
Investment income		1,617	18,637	20,254
Other miscellaneous income		3,225	-	3,225
Total general revenues		<u>179,998</u>	<u>1,823,635</u>	<u>2,003,633</u>
<b>Change in Net Assets</b>		45,539	(264,175)	(218,636)
<b>Net Assets (Deficit) - Beginning of year</b>		<u>381,701</u>	<u>(5,914,686)</u>	<u>(5,532,985)</u>
<b>Net Assets (Deficit) - End of year</b>		<u>\$ 427,240</u>	<u>\$ (6,178,861)</u>	<u>\$ (5,751,621)</u>

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Redford (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. 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**

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 district. The DDA's governing body is appointed 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 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, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

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.

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, 2010.

#### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets (deficit) and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, fiduciary fund, and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Township reports the following major governmental funds:

**General Fund** - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Sidewalk Improvement 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.

**Community Development Block Grant Fund** - The Community Development Block Grant Fund accounts for program expenses and revenues received from the Federal Department of Housing and Urban Development's Block Grant program, and related program revenues.



# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note 1 - Summary of Significant Accounting Policies (Continued)

**Road Improvement Fund** - The Road Improvement Fund accounts for the revenues received from special assessments and State of Michigan Right of Way distributions. These revenues are further used for right-of-way improvements and transferred to the Debt Service Funds to pay off the Public Improvement Road Bonds.

**Road Paving Fund** - The Road Paving Fund accounts for the cost of paving gravel roads within the Township.

The Township reports the following major proprietary funds:

**Water and Sewer Fund** - 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 revenues are generated through user charges from those requesting water and sewer services.

**Senior Housing Fund** - 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.

Additionally, the Township reports the following internal service and fiduciary activities:

**Internal Service Funds** - The Internal Service Funds account for the general liability insurance, health insurance, centralized maintenance, and maintenance on vehicles provided to other funds of the Township, primarily on a cost-reimbursement basis.

**Police and Fire Pension Trust Fund** - 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.

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

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

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

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's 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.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

#### Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time they are added to the county tax rolls.

The Township's 2009 tax is levied and collectible on December 1, 2009 and is recognized as revenue in the year ended March 31, 2010, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2009 taxable valuation of the Township totaled \$1.31 billion (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, 3.84 mills for police and fire pension, 2.5984 mills for solid waste management, 0.648 mills for street lighting, 0.3050 mills for police station debt service, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$5.4 million for general operating purposes, \$3.8 million for police and fire operating purposes, \$5.1 million for police and fire pension, \$3.3 million for solid waste management, \$0.8 million for street lighting, \$0.4 million for police station debt service, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General, Special Revenue, and Debt Service Funds financial statements as tax revenue.

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

#### Assets, Liabilities, and Net Assets or Equity

**Bank Deposits 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.

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

**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.

**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's water and sewer lines. In addition, unspent bond proceeds have been classified as restricted assets in both the governmental and business-type activities.

When an expense has been incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted resources.

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads usage rights 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, although assets purchased under that threshold may be capitalized at the Township's discretion. 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.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful 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
Office equipment	5 to 7 years
Furniture and fixtures	7 years

**Goodwill** - The Township purchased a golf course and is recording the activity in the Golf Course Fund (business-type activity). The excess of the purchase price over the fair market value of tangible assets was recorded as goodwill.

**Amortization** - Bond issuance costs and discounts recorded in the governmental-type and business-type activities are being amortized over the life of the bonds. In addition, a portion of the purchase price of the golf course has been recorded as goodwill in the Golf Course Fund and is being amortized over 20 years. For the year ended March 31, 2010, amortization of \$13,765 and \$145,732 has been included in the operating expenses of the governmental and business-type activities, respectively, and accumulated amortization totaled \$28,595 and \$2,396,781 for governmental and business-type activities, respectively.

In addition, bond issuance costs in the component units are also being amortized over the life of the bonds. For the year ended March 31, 2010, amortization of \$13,200 has been included in the community development expenses, and accumulated amortization totaled \$61,926.

**Compensated Absences (Vacation and Sick Leave)** - It is the Township's policy to permit employees to accumulate earned but unused sick 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.

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note I - Summary of Significant Accounting Policies (Continued)

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**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.

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

**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.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 1 - Summary of Significant Accounting Policies (Continued)

**Upcoming Accounting Pronouncements** - The Governmental Accounting Standards Board recently issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. As a result, the Township will be reviewing its right-of-way easements, water rights, land or property use rights, and computer software for capitalization of costs that had previously been expensed against operations. This new accounting pronouncement will be effective for the year beginning after June 15, 2009 (which would be the Township's fiscal year ending March 31, 2011).

The Governmental Accounting Standards Board recently issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. GASB No. 54 eliminates the current use of the terms "reserved" and "designated" in the reporting of fund balance and replaces those terms with five new categories for segregating fund balance. The standard is effective for periods beginning after June 15, 2010 (which would be the Township's fiscal year ending March 31, 2012).

### Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds and investment pools 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 314 of 1965, as amended, 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 10 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. The 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, 2010

### 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 have a deposit policy for custodial credit risk. At year end, the Township had \$33,795,636 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 no 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 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 average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity (in Years)
U.S. agency securities (pension)	\$ 8,332,041	25.82
Corporate bonds (pension)	12,360,773	7.32

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### 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
National City Municipal Investment Fund	\$ 819,000	Not Rated	-
Ambassador Investments	539,335	Not Rated	-
Comerica J-Fund	6,125,192	AI, PI	S&P, Moody's
MBIA Pooled Accounts	1,691,662	Not Rated	-
Allegiant Money Market Fund (pension)	4,266,161	AAA	S&P
Government securities (pension)	7,927,092	AAA	S&P
Corporate bonds (pension)	5,558,074	A	S&P
Corporate bonds (pension)	425,288	A+	S&P
Corporate bonds (pension)	649,690	A-	S&P
Corporate bonds (pension)	446,202	AA	S&P
Corporate bonds (pension)	526,465	AAA	S&P
Corporate bonds (pension)	1,833,392	BBB	S&P
Corporate bonds (pension)	1,738,061	BBB+	S&P
Corporate bonds (pension)	1,183,601	BBB-	S&P
Component Unit - Comerica J-Fund	819,032	AI, PI	S&P, Moody's

**Concentration of Credit Risk** - The Township limits the amount the Township 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 and Deferred Revenue

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

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Road Improvement	Nonmajor Funds	Total	Water and Sewer Fund	Nonmajor Enterprise	Total	Total
Receivables:										
Property taxes receivable	\$ 2,101,648	\$ -	\$ -	\$ -	\$ 506,997	\$ 2,608,645	\$ -	\$ -	\$ -	\$ 2,608,645
Receivables from sales to customers on account	-	1,624,143	579,278	1,212,648	10,233	3,426,302	3,620,064	26,478	3,646,542	7,072,844
Accrued interest receivable	-	-	-	-	8,391	8,391	-	-	-	8,391
Other receivables	-	-	-	-	9,818	9,818	-	-	-	9,818
Due from other governmental units	1,123,316	-	141,099	-	740,768	2,005,183	-	-	-	2,005,183
Less allowance for uncollectibles	(127,303)	-	-	-	(45,800)	(173,103)	-	-	-	(173,103)
Net receivables	<u>\$ 3,097,661</u>	<u>\$ 1,624,143</u>	<u>\$ 720,377</u>	<u>\$ 1,212,648</u>	<u>\$ 1,230,407</u>	<u>\$ 7,885,236</u>	<u>\$ 3,620,064</u>	<u>\$ 26,478</u>	<u>\$ 3,646,542</u>	<u>\$ 11,531,778</u>



# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 3 - Receivables and Deferred Revenue (Continued)

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

	Governmental Funds	
	Unavailable	Unearned
Delinquent property taxes	\$ 2,335,693	\$ -
Special assessments	2,770,564	-
Community Development Block Grant	579,278	-
Home Grant	51,874	-
Parks and Recreation	-	5,000
Total	<u>\$ 5,737,409</u>	<u>\$ 5,000</u>

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 4 - Capital Assets

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

<b>Governmental Activities</b>	Balance April 1, 2009	Additions	Disposals and Adjustments	Balance March 31, 2010
Capital assets not being depreciated -				
Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Capital assets being depreciated:				
Road usage rights *	169,464	-	-	169,464
Buildings and improvements	16,811,100	106,295	(84,896)	16,832,499
Equipment	379,583	52,435	(92,000)	340,018
Vehicles	3,090,379	226,734	(206,952)	3,110,161
Office equipment	2,411,319	583,186	46,560	3,041,065
Land improvements	2,024,484	-	-	2,024,484
Furniture and fixtures	45,592	12,723	-	58,315
Subtotal	24,931,921	981,373	(337,288)	25,576,006
Accumulated depreciation:				
Road usage rights *	50,821	10,164	-	60,985
Buildings and improvements	6,824,366	387,731	-	7,212,097
Equipment	556,329	33,273	(271,615)	317,987
Vehicles	2,336,533	321,676	(224,900)	2,433,309
Office equipment	1,578,656	146,999	235,910	1,961,565
Land improvements	750,546	69,827	-	820,373
Furniture and fixtures	45,591	1,060	-	46,651
Subtotal	12,142,842	970,730	(260,605)	12,852,967
Net capital assets being depreciated	12,789,079	10,643	(76,683)	12,723,039
Net capital assets	<u>\$ 14,132,483</u>	<u>\$ 10,643</u>	<u>\$ (76,683)</u>	<u>\$ 14,066,443</u>

\* Road usage rights represent the Township's contribution to roads owned and operated by the County, the use of which will be amortized over 15 years.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 4 - Capital Assets (Continued)

<b>Business-type Activities</b>	Balance April 1, 2009	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2010
Capital assets not being depreciated:					
Land	\$ 868,128	\$ -	\$ -	\$ -	\$ 868,128
Construction in progress	1,641,610	-	14,671	-	1,656,281
Subtotal	2,509,738	-	14,671	-	2,524,409
Capital assets being depreciated:					
Water and sewer facilities	32,165,629	-	134,356	-	32,299,985
Water meters	1,972,103	-	17,059	-	1,989,162
Buildings and improvements	8,989,765	-	-	-	8,989,765
Equipment	1,701,319	1,841	84,773	(78,430)	1,709,503
Vehicles	1,400,126	25,737	35,042	(160,986)	1,299,919
CSO basin	18,950,477	-	-	-	18,950,477
Subtotal	65,179,419	27,578	271,230	(239,416)	65,238,811
Accumulated depreciation:					
Water and sewer facilities	8,171,179	-	488,315	-	8,659,494
Water meters	1,775,186	-	25,684	-	1,800,870
Buildings and improvements	3,710,310	-	221,992	-	3,932,302
Equipment	1,163,972	1,841	168,792	(80,470)	1,254,135
Vehicles	951,452	25,737	24,037	(110,824)	890,402
CSO basin	7,259,500	-	631,681	-	7,891,181
Subtotal	23,031,599	27,578	1,560,501	(191,294)	24,428,384
Net capital assets being depreciated	42,147,820	-	(1,289,271)	(48,122)	40,810,427
Net capital assets	\$ 44,657,558	\$ -	\$ (1,274,600)	\$ (48,122)	\$ 43,334,836
<b>Component Units</b>	Balance April 1, 2009	Additions	Disposals	Balance March 31, 2010	
Capital assets not being depreciated -					
Land	\$ 165,506	\$ -	\$ -	\$ 165,506	
Capital assets being depreciated -					
Machinery and equipment	5,700	-	-	5,700	
Accumulated depreciation -					
Machinery and equipment	950	1,140	-	2,090	
Net capital assets	\$ 170,256	\$ (1,140)	\$ -	\$ 169,116	

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 4 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 175,536
Public safety	498,603
Public works	130,744
Community and economic development	18,158
Recreation and culture	<u>147,689</u>
Total governmental activities	<u>\$ 970,730</u>

Business-type activities:

Water and sewer	\$ 1,263,362
Senior housing	81,741
Golf course	<u>215,398</u>
Total business-type activities	<u>\$ 1,560,501</u>

Depreciation expense of \$1,140 was charged to public works in the Downtown Development Authority.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
General Fund	Nonmajor governmental funds	\$ 113,601
	Senior Housing Fund	32,436
	Nonmajor enterprise funds	101,441
	Internal Service Funds	303,417
	Community Development Block Grant	115,310
	Road Paving Fund	119,969
	Water and Sewer Fund	594,763
	Total General Fund	<u>1,380,937</u>
Road Paving Fund	Water and Sewer Fund	185
Nonmajor governmental funds	Nonmajor governmental funds	1,500
	Community Development Block Grant	9,000
	Total nonmajor governmental funds	<u>10,500</u>
Internal Service Funds	Nonmajor enterprise funds	25,000
	Water and Sewer Fund	291,220
	Total Internal Service Funds	<u>316,220</u>
	Total	<u>\$ 1,707,842</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.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Public Improvement 2009 Debt Service Fund (2)	\$ 15,588
Road Improvement Fund	Public Improvement 2009 Debt Service Fund (2)	268,703
	Public Improvement Debt Service Fund (2)	42,750
	Road Paving Debt Service Fund (2)	<u>63,479</u>
	Total Road Improvement Fund	374,932
Community Development Block Grant Fund	Section 108 Loan Debt Service (2)	50,000
Nonmajor governmental funds	General Fund (1)	<u>175,111</u>
	Total	<u>\$ 615,631</u>

(1) Transfer for capital improvements

(2) Transfer for debt service

### 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.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 6 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
General obligation bonds:							
1991 Refunded Bonds - Unlimited Tax Bonds (Police Station):							
Amount of issue - \$4,180,000							
Maturing through 2011	5.00%	\$585,000	\$ 1,175,000	\$ -	\$ 590,000	\$ 585,000	\$ 585,000
2006 Capital Improvement Bonds:							
Amount of issue - \$2,695,000							
Maturing through 2021	3.75% - 4.00%	\$150,000 - \$200,000	2,295,000	-	200,000	2,095,000	200,000
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% -	\$250,000 -					
Maturing through 2024	4.50%	\$500,000	-	5,000,000	-	5,000,000	250,000
Building Authority Bonds:							
1998A Fire Station:							
Amount of issue - \$3,000,000							
Maturing through 2018	4.50%	\$175,000 - \$250,000	1,800,000	-	150,000	1,650,000	175,000
1998B Service Building:							
Amount of issue - \$1,500,000							
Maturing through 2018	4.50%	\$100,000 - \$125,000	975,000	-	75,000	900,000	100,000
1999 Service Building:							
Amount of issue - \$1,500,000							
Maturing through 2017	4.50% - 5.00%	\$30,000 - \$55,000	320,000	-	30,000	290,000	30,000
Installment purchase agreements:							
2007 Nursing Home Property							
Amount of issue - \$600,000							
Maturing through 2012	6.21%	\$600,000	600,000	-	-	600,000	-
2007 Capital Improvement Bonds:							
Lyndon:							
Amount of issue - \$507,461 (part of \$4.5M original issue)							
Maturing through 2022	4.00% - 5.00%	\$30,671 - \$47,400	479,579	-	27,883	451,696	30,671
Glendale:							
Amount of issue - \$304,486 (part of \$4.5M original issue)							
Maturing through 2022	4.00% - 5.00%	\$18,403 - \$28,441	287,756	-	16,730	271,026	18,403
2007 Capital Improvement Bond - Roads							
Amount of issue - \$2,812,401 (part of \$4.5M original issue)							
Maturing through 2022	4.00% - 5.00%	\$169,980 - \$262,697	2,657,874	-	154,527	2,503,347	169,980
2007 CDBG Bond:							
Amount of issue - \$1,600,000							
Maturing through 2022	4.55% - 5.13%	\$175,000 - \$365,000	3,545,000	-	165,000	3,380,000	175,000
Total bonds payable			<u>\$ 14,135,209</u>	<u>\$ 5,000,000</u>	<u>\$ 1,409,140</u>	<u>\$ 17,726,069</u>	<u>\$ 1,734,054</u>

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>							
General obligation bonds:							
2004 Combined Sewer Overflow Refunding Bonds:							
Amount of issue - \$5,495,000							
Maturing through 2016	2.60% - 3.625%	\$500,000 - \$575,000	\$ 3,760,000	\$ -	\$ 525,000	\$ 3,235,000	\$ 510,000
Building Authority bonds::							
1997 (Refunded Bonds) Golf Course Purchase:							
Amount of issue - \$1,297,857							
Maturing through 2010	4.60% - 5.10%		1,825	-	1,825	-	-
1997 (Refunded Bonds) Senior Housing Project:							
Amount of issue - \$2,257,143							
Maturing through 2013	4.60% - 5.10%	\$205,000 - \$245,000	1,078,175	-	203,175	875,000	205,000
2004 Refunding Bonds Senior Housing Project:							
Amount of issue - \$1,695,000							
Maturing through 2018	2.50% - 4.00%	\$10,000 - \$350,000	1,635,000	-	10,000	1,625,000	10,000
Revenue bonds:							
Water Bond Series 1998-1990 (Refunded Bonds) Revenue and Phase 7:							
Amount of issue - \$4,490,000							
Maturing through 2018	4.40% - 5.005%	\$145,000 - \$205,000	1,525,000	-	140,000	1,385,000	145,000
2001 Water Supply and Sewage Disposal System Bonds:							
Amount of issue - \$4,200,000							
Maturing through 2020	4.00% - 6.00%	\$225,000 - \$400,000	3,175,000	-	200,000	2,975,000	225,000
1994 Combined Sewer Overflow (I) State Revolving Fund Debt - Maturing through 2014							
	2.00%	\$17,897 - \$140,000	562,897	-	75,000	487,897	75,000
2007 Capital Improvement Bonds:							
Water Mains:							
Amount of issue - \$925,642 (part of \$54.5M original issue)							
Maturing through 2022	4.00% - 5.00%	\$50,860 - \$86,462	874,782	-	50,860	823,922	55,946
Deferred charge on refunding			(166,272)	-	(71,652)	(94,620)	(17,620)
Total bonds payable			\$ 12,651,407	\$ -	\$ 1,339,208	\$ 11,312,199	\$ 1,208,326



# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component Unit Activities</b>							
Limited Tax General Obligation Bonds, Series 2007:							
Amount of issue - \$3,805,000							
Maturing through 2007							
	4.00% - 5.00%	\$0 - \$320,000	\$ 3,805,000	\$ -	\$ -	\$ 3,805,000	\$ -
Limited Tax General Obligation Bonds, Series 2006A:							
Amount of issue - \$3,670,000							
Maturing through 2026							
	5.15% - 5.70%	\$45,000 - \$400,000	3,670,000	-	45,000	3,625,000	100,000
Total bonds payable			<u>\$ 7,475,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 7,430,000</u>	<u>\$ 100,000</u>

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

Year Ending March 31	Governmental Activities			Business-type Activities			Component Unit Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,734,054	\$ 731,730	\$ 2,465,784	\$ 1,225,946	\$ 461,588	\$ 1,687,534	\$ 100,000	\$ 355,612	\$ 455,612
2012	1,764,054	695,328	2,459,382	1,220,946	412,988	1,633,934	270,000	347,013	617,013
2013	1,249,054	609,484	1,858,538	1,320,946	363,211	1,684,157	300,000	334,175	634,175
2014	1,288,968	558,344	1,847,312	1,411,032	310,565	1,721,597	305,000	320,419	625,419
2015	1,333,968	502,078	1,836,046	1,416,032	252,498	1,668,530	350,000	305,463	655,463
2016 - 2020	6,743,894	1,627,234	8,371,128	4,639,003	529,290	5,168,293	2,090,000	1,248,211	3,338,211
2021 - 2025	3,612,077	375,780	3,987,857	172,924	10,375	183,299	2,990,000	625,912	3,615,912
2026 - 2027	-	-	-	-	-	-	1,025,000	36,700	1,061,700
Total	<u>\$ 17,726,069</u>	<u>\$ 5,099,978</u>	<u>\$ 22,826,047</u>	<u>\$ 11,406,829</u>	<u>\$ 2,340,515</u>	<u>\$ 13,747,344</u>	<u>\$ 7,430,000</u>	<u>\$ 3,573,505</u>	<u>\$ 11,003,505</u>

**Interest** - Total interest incurred by the Township for the year was approximately \$1,537,000.

**Future Revenues 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 revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$5,924,154.

The Township has pledged a portion of future property tax revenues to repay \$7,430,000 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 \$11,003,505 payable through 2028. For the current year, principal and interest paid and total property tax captures were \$405,505 and \$1,804,498, respectively.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 6 - Long-term Debt (Continued)

**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, 2010 was \$8,350,000.

### Note 7 - Restricted Net Assets

Net assets of the governmental activities have been restricted for the following purposes:

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 2,822,921	\$ 610,250
Assets held at Wayne County for sewer line construction	-	25,342
Total restricted net assets	<u>\$ 2,822,921</u>	<u>\$ 635,592</u>

The assets are restricted for the following purposes:

	Governmental Activities	Business-type Activities
1998 Revenue Bonds debt	\$ -	\$ 215,250
2001 Revenue Bonds debt	-	395,000
Sewage transmission line construction	-	25,342
Unspent bond proceeds	2,822,921	-
Total	<u>\$ 2,822,921</u>	<u>\$ 635,592</u>

Net assets have been restricted in the amount of \$2,822,921 in the governmental activities. Net assets in the amount of \$635,592 have been restricted in the business-type activities.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### 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	
	2010	2009	2010	2009
Unpaid claims - Beginning	\$ 866,016	\$ 1,149,579	\$ 1,000,000	\$ 1,000,000
Incurred claims (including claims incurred but not reported)	1,949,859	765,709	5,196,411	4,796,645
Claim payments	(1,085,859)	(1,049,272)	(5,196,411)	(4,796,645)
Unpaid claims - End	\$ 1,730,016	\$ 866,016	\$ 1,000,000	\$ 1,000,000

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 9 - Fund Balance and Net Asset Reservations and Restrictions

The General Fund has reserved fund balance in the following amounts:

	Governmental Activities
Reserved for vehicle forfeiture	\$ 22,791
Reserved for police resource program	33,308
Reserved for court building fund	23,950
Reserved for probation work release program	33,728
Reserve for youth program	8,430
Other reserves	98,756
	<hr/>
Total	\$ 220,963

The General Fund has designated fund balance for working capital needs of \$9,177,191. The working capital designation represents amounts needed to finance Township operations from April 1 until property taxes are collected again in December. Approximately two-thirds or \$10.4 million of the annual property tax levy and, in addition, a percentage of the annual budgeted expenditures are needed for this purpose.

Net assets restricted for other purposes are composed of the following:

	Governmental Activities
Probation work release program	\$ 33,728
NSP - Assets held for resale	986,339
Other General Fund restrictions	187,235
Dial-A-Ride	104,016
911 dispatch	193,682
Police station	242,563
Home grant	51,874
Road paving projects	177,984
Court building improvement	2,403,339
Unspent bond proceeds	2,816,058
	<hr/>
Total restricted assets	\$ 7,196,818

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 10 - 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, 2009, the date of the most recent actuarial valuation, membership consisted of 141 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.

**Annual Pension Cost** - For the year ended March 31, 2010, the Township's annual pension cost of \$2,964,791 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 24 years.

Three-year information is as follows:

	Fiscal Year Ended March 31		
	2010	2009	2008
Annual pension cost (APC)	\$ 2,964,791	\$ 2,873,014	\$ 4,742,358
Percentage of APC contributed	100.0 %	99.6 %	99.8 %
Net pension obligation	\$ -	\$ (24,035)	\$ (34,887)

# Charter Township of Redford

---

## Notes to Financial Statements March 31, 2010

### Note 10 - Single-employer Defined Benefit Pension Plan (Continued)

**Funding Status and Funding Progress** - As of March 31, 2009, the most recent actuarial valuation date, the plan was 67 percent funded. The actuarial accrued liability for benefits was \$92 million, and the actuarial value of assets was \$61 million, resulting in an unfunded actuarial accrued liability of \$31 million. The covered payroll (annual payroll to active employees covered by the plan) was \$7 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 443 percent.

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear 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, 2009, 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 24 years.

### Note 11 - 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 supplementary 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, 2010

### Note 11 - Multi-employer Defined Benefit Pension Plan (Continued)

**Annual Pension Cost** - For the year ended March 31, 2010, the Township's annual pension cost of \$1,142,477 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, 2007, 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 8.4 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 five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 28 years.

#### Three-year Trend Information

	Fiscal Year Ended March 31		
	2010	2009	2008
Annual pension cost (APC)	\$ 1,142,477	\$ 1,187,425	\$ 1,145,312
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	-	-	-

  

	Fiscal Year Ended March 31		
	2009	2008	2007
Actuarial value of assets	\$ 34,103,281	\$ 33,994,185	\$ 33,543,730
Actuarial accrued liability (AAL) (entry age)	42,768,340	42,634,099	40,572,189
Unfunded AAL (UAAL)	8,665,059	8,639,914	7,028,459
Funded ratio	80.0 %	80.0 %	83.0 %
Covered payroll	5,488,420	5,750,510	5,894,049
UAAL as a percentage of covered payroll	158.0 %	150.0 %	119.0 %

### Note 12 - 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 \$650,000 between April 1, 2010 and March 31, 2011 for services rendered during calendar year 2010. 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, 2010

### Note 13 - 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 accounted for separately. Currently, the plans have 454 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).

**Funding Progress** - For the year ended March 31, 2010, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2006. 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)	\$ 3,407,837
Interest on the prior year's net OPEB obligation	77,491
Less adjustment to the annual required contribution	<u>(93,827)</u>
Annual OPEB cost	3,391,501
Amounts contributed - Advanced funding	<u>(1,945,555)</u>
Increase in net OPEB obligation	1,445,946
OPEB obligation - Beginning of year	<u>1,291,517</u>
OPEB obligation - End of year	<u>\$ 2,737,463</u>



# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 13 - 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

**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, 2006, actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 6.0 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 16 percent initially, reduced by decrements to an ultimate rate of 9 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

### Note 14 - 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 454 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 14 - Other Postemployment Benefits - Police and Fire (Continued)

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, 2010, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2006. 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)	\$ 4,575,896
Interest on the prior year's net OPEB obligation	137,049
Less adjustment to the annual required contribution	<u>(165,941)</u>
Annual OPEB cost	4,547,004
Amounts contributed - Advanced funding	<u>(2,251,149)</u>
Increase in net OPEB obligation	2,295,855
OPEB obligation - Beginning of year	<u>2,284,155</u>
OPEB obligation - End of year	<u><u>\$ 4,580,010</u></u>

# Charter Township of Redford

## Notes to Financial Statements March 31, 2010

### Note 14 - Other Postemployment Benefits - Police and Fire (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	\$ -	\$ 59,892,022	\$ 59,892,022	\$ -	\$ 7,779,088	769.9

**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, 2006 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 6.0 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 16 percent initially, reduced by decrements to an ultimate rate of 9 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. 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, 2010

### Note 15 - 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 13 and 14). The plans do not issue separate financial statements:

	Pension Trust	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
<b><u>Statement of Net Assets</u></b>				
Investments	\$ 61,172,440	\$ 1,693,085	\$ 744,926	\$ 63,610,451
Other assets	281,155	604,666	2,066	887,887
Liabilities	(12,855)	-	-	(12,855)
Net assets	<u>\$ 61,440,740</u>	<u>\$ 2,297,751</u>	<u>\$ 746,992</u>	<u>\$ 64,485,483</u>
<b><u>Statement of Changes in Net Assets</u></b>				
Investment income	14,024,188	1,431	695	14,026,314
Contributions	3,003,841	2,344,536	2,021,962	7,370,339
Benefit payments	(5,380,458)	(2,147,396)	(1,545,555)	(9,073,409)
Other deductions	(1,163,132)	-	-	(1,163,132)
Net change in net assets	<u>\$ 10,484,439</u>	<u>\$ 198,571</u>	<u>\$ 477,102</u>	<u>\$ 11,160,112</u>

## **Required Supplemental Information**

---

# Charter Township of Redford

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 15,897,422	\$ 15,517,422	\$ 15,543,952	\$ 26,530
Licenses and permits	570,200	699,200	725,376	26,176
State sources	5,744,600	4,872,600	5,000,788	128,188
Charges for services	1,093,650	1,165,650	1,188,353	22,703
Fines and forfeitures	3,558,765	3,001,765	2,999,932	(1,833)
Investment income	205,000	135,000	122,239	(12,761)
Other revenue	1,928,596	1,904,596	1,663,387	(241,209)
Total revenue	28,998,233	27,296,233	27,244,027	(52,206)
<b>Expenditures - Current</b>				
General government:				
Legislative	118,312	118,312	114,602	3,710
Executive	210,057	165,057	157,306	7,751
Accounting	440,318	440,318	457,257	(16,939)
Information systems department	420,004	420,004	383,025	36,979
Treasurer	444,017	444,017	430,126	13,891
Assessing	297,660	307,660	323,148	(15,488)
Board of Review	7,650	7,650	4,318	3,332
Clerk	387,085	387,085	396,123	(9,038)
Elections	121,696	77,081	75,374	1,707
Buildings and grounds	424,238	384,988	308,316	76,672
Attorney	157,000	185,000	183,248	1,752
Civil service	204,833	204,833	206,825	(1,992)
Police and fire civil service	8,350	13,350	11,765	1,585
Public service building maintenance	224,390	224,390	213,287	11,103
General government	1,143,000	1,031,000	1,118,587	(87,587)
Marquee maintenance	12,100	11,300	23,181	(11,881)
Total general government	4,620,710	4,422,045	4,406,488	15,557
District court:				
District court costs	1,742,163	1,742,163	1,709,972	32,191
Criminal justice	687,500	478,500	484,249	(5,749)
Probation	253,227	253,227	259,814	(6,587)
Work program	45,310	45,310	38,863	6,447
Total district court	2,728,200	2,519,200	2,492,898	26,302

# Charter Township of Redford

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Expenditures - Current (Continued)</b>				
Public safety:				
Police	\$ 11,227,667	\$ 11,127,667	\$ 10,824,465	\$ 303,202
Dispatch	383,166	383,166	353,343	29,823
Fire	7,414,287	7,348,287	7,353,566	(5,279)
School crossing guard	76,826	76,826	66,588	10,238
School resource officer	260,649	268,291	292,900	(24,609)
Transportation	40,000	42,000	48,348	(6,348)
Building inspections and related	-	33,000	34,460	(1,460)
Total public safety	19,402,595	19,279,237	18,973,670	305,567
Public works:				
Highways and streets	823,947	898,947	900,711	(1,764)
Department of Public Works	183,291	273,291	293,622	(20,331)
Total public works	1,007,238	1,172,238	1,194,333	(22,095)
Health and welfare - Animal control	190,622	170,622	160,929	9,693
Community and economic development:				
Redford redevelopment	66,120	66,120	42,801	23,319
Community promotion	50,600	45,500	42,951	2,549
Board of Appeals	21,724	21,724	21,906	(182)
Other community and economic development	97,992	85,092	65,547	19,545
Total community and economic development	236,436	218,436	173,205	45,231
Recreation and culture:				
Parks and recreation	318,131	288,131	269,936	18,195
Parks facilities	379,626	454,600	354,541	100,059
Senior citizens	96,914	96,914	86,214	10,700
Cultural	14,000	31,026	29,340	1,686
Total recreation and culture	808,671	870,671	740,031	130,640
Total expenditures	28,994,472	28,652,449	28,141,554	510,895
<b>Net Change in Fund Balance</b>	3,761	(1,356,216)	(897,527)	458,689
<b>Fund Balance - Beginning of year</b>	10,296,281	10,296,281	10,296,281	-
<b>Fund Balance - End of year</b>	<b>\$ 10,300,042</b>	<b>\$ 8,940,065</b>	<b>\$ 9,398,754</b>	<b>\$ 458,689</b>

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

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Community Development Block Grant Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Program income	\$ 104,023	\$ 104,023	\$ 125,609	\$ 21,586
Federal revenue	1,812,443	1,812,443	1,071,162	(741,281)
Total revenue	1,916,466	1,916,466	1,196,771	(719,695)
<b>Expenditures - Current</b>				
Program year 2008 - B-08-MC-26-0029	38,744	38,744	38,744	-
Program year 2009 - B-09-MC-26-0029	1,877,722	1,877,722	1,158,027	719,695
Total expenditures	1,916,466	1,916,466	1,196,771	719,695
<b>Fund Balance - Beginning of year</b>	-	-	-	-
<b>Fund Balance - End of year</b>	\$ -	\$ -	\$ -	\$ -

The Township's budget was adopted on a fund basis. The budget comparison shown above for the Community Development Block Grant 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

## Required Supplemental Information Pension System Schedule Year Ended March 31, 2010

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
3/31/04	\$ 62,100,000	\$ 73,700,000	\$ 11,600,000	84.3	\$ 6,500,000	178.5
3/31/05	62,700,000	77,200,000	14,500,000	81.2	6,700,000	216.4
3/31/06	64,400,000	80,900,000	16,500,000	79.6	6,800,000	242.6
3/31/07	68,600,000	83,800,000	15,200,000	81.9	6,700,000	226.9
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

The schedule of employer contributions is as follows:

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed
3/31/05	\$ 3,270,092	99.8
3/31/06	3,808,649	99.8
3/31/07	4,229,974	99.8
3/31/08	4,742,358	99.8
3/31/09	2,862,162	99.6
3/31/10	2,964,791	100.0

\* The required contribution is expressed to the City 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, 2009, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	24 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5
Projected salary increases	4.5% - 8.9%
*Includes inflation at	4.5%
Cost of living adjustments	None

# Charter Township of Redford

---

## Note to Required Supplemental Information Year Ended March 31, 2010

**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. The Community Development Block Grant Fund's budget is adopted on a project basis, and does not lapse at year end. 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. As of March 31, 2010, the General Fund expenditures were within the budgeted amounts. 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.

# Charter Township of Redford

---

## **Note to Required Supplemental Information (Continued)** **Year Ended March 31, 2010**

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.

The budget statements are presented on the same basis of accounting used in preparing the adopted budget.

**Fund Deficit** - The Township has an unrestricted net deficit in the Golf Course Fund in the amount of \$34,197. The Township paid off the loan in the current year and no longer has debt service payments. Revenues are projected to be greater than expenses in 2011.

## **Other Supplemental Information**

---

# Charter Township of Redford

	Special Revenue Funds					Accrued
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	General Employee Fund
<b>Assets</b>						
Cash and investments	\$ 83,771	\$ 51,874	\$ 571,584	\$ 2,025,462	\$ 203,557	\$ 574,231
Receivables	26,456	-	-	406,475	-	-
Due from component units	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	10,500
Assets held for resale	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Due from other governmental units	-	-	372,218	-	-	-
<b>Total assets</b>	<b>\$ 110,227</b>	<b>\$ 51,874</b>	<b>\$ 943,802</b>	<b>\$2,431,937</b>	<b>\$ 203,557</b>	<b>\$ 584,731</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,794	\$ -	\$ 27,246	\$ 241,717	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Accrued liabilities and other	4,417	-	-	2,599	9,875	178,092
Deferred revenue	16,226	51,874	-	396,672	-	-
<b>Total liabilities</b>	<b>22,437</b>	<b>51,874</b>	<b>27,246</b>	<b>640,988</b>	<b>9,875</b>	<b>178,092</b>
<b>Fund Balances</b>						
Reserved	-	-	178,564	-	32,596	-
Unreserved, reported in:						
Special Revenue Funds	87,790	-	737,992	1,790,949	161,086	406,639
Debt Service Funds	-	-	-	-	-	-
Capital Projects Funds - Designated	-	-	-	-	-	-
<b>Total fund balances</b>	<b>87,790</b>	<b>-</b>	<b>916,556</b>	<b>1,790,949</b>	<b>193,682</b>	<b>406,639</b>
<b>Total liabilities and fund balances</b>	<b>\$ 110,227</b>	<b>\$ 51,874</b>	<b>\$ 943,802</b>	<b>\$2,431,937</b>	<b>\$ 203,557</b>	<b>\$ 584,731</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2010**

Special Revenue Funds			Debt Service Funds				
Neighborhood Stabilization Grant	Energy Efficiency Community Block Grant	Bell Creek Pedestrian Bridge	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009
\$ 55,622	\$ -	\$ -	\$ 186,507	\$ 112,022	\$ 139,767	\$ 358,423	\$ 280,796
-	-	-	48,317	-	-	-	-
-	-	-	-	179,726	235,085	75,475	82,567
-	-	-	-	-	-	-	-
986,339	-	-	-	-	-	-	-
-	-	109,783	-	-	-	-	-
215,649	8,955	-	-	-	-	-	-
<b>\$ 1,257,610</b>	<b>\$ 8,955</b>	<b>\$ 109,783</b>	<b>\$ 234,824</b>	<b>\$ 291,748</b>	<b>\$ 374,852</b>	<b>\$ 433,898</b>	<b>\$ 363,363</b>
\$ 164,767	\$ 101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102,503	8,854	-	-	-	-	-	-
4,001	-	-	-	-	-	-	-
-	-	-	48,317	-	-	-	-
271,271	8,955	-	48,317	-	-	-	-
-	-	109,783	-	-	-	-	-
986,339	-	-	-	-	-	-	-
-	-	-	186,507	291,748	374,852	433,898	363,363
-	-	-	-	-	-	-	-
986,339	-	109,783	186,507	291,748	374,852	433,898	363,363
<b>\$ 1,257,610</b>	<b>\$ 8,955</b>	<b>\$ 109,783</b>	<b>\$ 234,824</b>	<b>\$ 291,748</b>	<b>\$ 374,852</b>	<b>\$ 433,898</b>	<b>\$ 363,363</b>

# Charter Township of Redford

	Capital Projects Funds				
	Capital Improvement	Police Station	Smith Drain	Public Improvement - Storm Water	Glendale Paving - Pinnacle
<b>Assets</b>					
Cash and investments	\$ 737,099	\$ 242,563	\$ 853,910	\$ -	\$ -
Receivables	-	-	8,391	-	-
Due from component units	-	-	-	-	-
Due from other funds	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Restricted assets	-	-	-	-	30,512
Due from other governmental units	-	-	-	9,325	107,676
<b>Total assets</b>	<b>\$ 737,099</b>	<b>\$ 242,563</b>	<b>\$ 862,301</b>	<b>\$ 9,325</b>	<b>\$ 138,188</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 8,220	\$ -	\$ -	\$ 240	\$ -
Due to other funds	-	-	-	3,744	-
Accrued liabilities and other	-	-	-	-	66,890
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>8,220</b>	<b>-</b>	<b>-</b>	<b>3,984</b>	<b>66,890</b>
<b>Fund Balances</b>					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital Projects Funds - Designated	728,879	242,563	862,301	5,341	71,298
<b>Total fund balances</b>	<b>728,879</b>	<b>242,563</b>	<b>862,301</b>	<b>5,341</b>	<b>71,298</b>
<b>Total liabilities and fund balances</b>	<b>\$ 737,099</b>	<b>\$ 242,563</b>	<b>\$ 862,301</b>	<b>\$ 9,325</b>	<b>\$ 138,188</b>

**Other Supplemental Information  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
March 31, 2010**

Capital Projects Funds			Total
Lyndon 2 Paving - Shamrock	Marquee Renovation	Court Building Improvement	Nonmajor Governmental Funds
\$ -	\$ -	\$ 2,376,394	\$ 8,853,582
-	-	-	489,639
-	-	-	572,853
-	-	-	10,500
-	-	-	986,339
106,686	6,863	-	253,844
-	-	26,945	740,768
<b><u>\$ 106,686</u></b>	<b><u>\$ 6,863</u></b>	<b><u>\$ 2,403,339</u></b>	<b><u>\$11,907,525</u></b>
\$ -	\$ -	\$ -	\$ 444,085
-	-	-	115,101
-	-	-	265,874
-	-	-	513,089
-	-	-	1,338,149
-	6,863	-	327,806
-	-	-	4,170,795
-	-	-	1,650,368
106,686	-	2,403,339	4,420,407
<b><u>106,686</u></b>	<b><u>6,863</u></b>	<b><u>2,403,339</u></b>	<b><u>10,569,376</u></b>
<b><u>\$ 106,686</u></b>	<b><u>\$ 6,863</u></b>	<b><u>\$ 2,403,339</u></b>	<b><u>\$11,907,525</u></b>



# Charter Township of Redford

	Special Revenue Funds					Accrued General Employee Fund
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	
<b>Revenue</b>						
Property taxes	\$ 138,525	\$ -	\$ -	\$ 3,335,663	\$ -	\$ -
Federal grants	-	29,106	554,283	-	351,920	-
State sources	142,520	-	-	-	7,919	-
Charges for services	3,957	-	-	2,275	160,389	-
Fines and forfeitures	-	-	122,691	-	-	-
Investment income	146	-	16,195	-	2,644	-
Other revenue	45,339	-	-	8,415	-	922,700
<b>Total revenue</b>	<b>330,487</b>	<b>29,106</b>	<b>693,169</b>	<b>3,346,353</b>	<b>522,872</b>	<b>922,700</b>
<b>Expenditures - Current</b>						
General government	-	-	-	-	-	615,221
Public safety	-	-	846,636	-	276,909	-
Public works	-	-	-	3,364,557	-	-
Health and welfare	300,176	-	-	-	-	-
Community and economic development	-	29,106	-	-	-	-
Prior years' MTT adjustments	-	-	-	-	-	-
Capital outlay	-	-	-	-	351,920	-
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	<b>300,176</b>	<b>29,106</b>	<b>846,636</b>	<b>3,364,557</b>	<b>628,829</b>	<b>615,221</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>30,311</b>	<b>-</b>	<b>(153,467)</b>	<b>(18,204)</b>	<b>(105,957)</b>	<b>307,479</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>30,311</b>	<b>-</b>	<b>(153,467)</b>	<b>(18,204)</b>	<b>(105,957)</b>	<b>307,479</b>
<b>Fund Balances (Deficit) - Beginning of year</b>	<b>57,479</b>	<b>-</b>	<b>1,070,023</b>	<b>1,809,153</b>	<b>299,639</b>	<b>99,160</b>
<b>Fund Balances - End of year</b>	<b>\$ 87,790</b>	<b>\$ -</b>	<b>\$ 916,556</b>	<b>\$ 1,790,949</b>	<b>\$ 193,682</b>	<b>\$ 406,639</b>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and  
Changes in Fund Balances (Deficit)  
Nonmajor Governmental Funds  
Year Ended March 31, 2010**

Special Revenue Funds			Debt Service Funds				
Neighborhood Stabilization Grant	Bell Creek Pedestrian Bridge	Energy Efficiency Community Block Grant	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009
\$ -	\$ -	\$ -	\$ 407,253	\$ -	\$ -	\$ -	\$ -
1,174,331	-	8,955	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	158	-	4,651	1,503	662	144	3
-	-	-	-	179,726	429,741	75,475	136,063
<u>1,174,331</u>	<u>158</u>	<u>8,955</u>	<u>411,904</u>	<u>181,229</u>	<u>430,403</u>	<u>75,619</u>	<u>136,066</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	10,375	-	-	-	-	-	-
-	-	-	-	-	-	-	-
187,992	-	8,955	-	-	-	-	-
-	-	-	-	-	178,922	-	-
-	-	-	-	-	-	-	-
-	-	-	648,750	290,057	339,610	318,548	56,994
<u>187,992</u>	<u>10,375</u>	<u>8,955</u>	<u>648,750</u>	<u>290,057</u>	<u>518,532</u>	<u>318,548</u>	<u>56,994</u>
986,339	(10,217)	-	(236,846)	(108,828)	(88,129)	(242,929)	79,072
-	120,000	-	-	-	-	-	-
-	-	-	-	63,479	42,750	50,000	284,291
-	-	-	-	-	-	-	-
-	120,000	-	-	63,479	42,750	50,000	284,291
986,339	109,783	-	(236,846)	(45,349)	(45,379)	(192,929)	363,363
-	-	-	423,353	337,097	420,231	626,827	-
<u>\$ 986,339</u>	<u>\$ 109,783</u>	<u>\$ -</u>	<u>\$ 186,507</u>	<u>\$ 291,748</u>	<u>\$ 374,852</u>	<u>\$ 433,898</u>	<u>\$ 363,363</u>

# Charter Township of Redford

	Capital Projects Fund					
	Capital Improvement	Police Station	Smith Drain	Public Improvement - Storm Water	Glendale Paving - Pinnacle	Lyndon 2 Paving - Shamrock
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	-	-	-	-	-
State sources	-	-	-	18,613	1,268,836	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	2,611	9,783	-	206	155
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	-	2,611	9,783	18,613	1,269,042	155
<b>Expenditures - Current</b>						
General government	-	-	-	-	-	-
Public safety	-	4,970	-	-	-	-
Public works	-	-	-	13,272	1,284,939	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Prior years' MTT adjustments	-	-	-	-	-	-
Capital outlay	284,476	-	-	-	-	-
Debt service	-	-	-	-	-	-
<b>Total expenditures</b>	284,476	4,970	-	13,272	1,284,939	-
<b>Excess of Revenue Over (Under) Expenditures</b>	(284,476)	(2,359)	9,783	5,341	(15,897)	155
<b>Other Financing Sources (Uses)</b>						
Proceeds from issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(110,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	(110,000)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(394,476)	(2,359)	9,783	5,341	(15,897)	155
<b>Fund Balances (Deficit) - Beginning of year</b>	1,123,355	244,922	852,518	-	87,195	106,531
<b>Fund Balances - End of year</b>	<b>\$ 728,879</b>	<b>\$ 242,563</b>	<b>\$ 862,301</b>	<b>\$ 5,341</b>	<b>\$ 71,298</b>	<b>\$ 106,686</b>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and  
Changes in Fund Balances (Deficit) (Continued)  
Nonmajor Governmental Funds  
Year Ended March 31, 2010**

Capital Projects Fund		Total Nonmajor Governmental Funds
Marquee Renovation	Court Building Improvement	
\$ -	\$ -	\$ 3,881,441
-	-	2,118,595
-	-	1,437,888
-	-	166,621
-	326,624	449,315
1,027	24,485	64,373
-	-	1,797,459
<u>1,027</u>	<u>351,109</u>	<u>9,915,692</u>
-	-	615,221
-	-	1,128,515
-	-	4,673,143
-	-	300,176
-	-	226,053
-	-	178,922
-	69,660	706,056
-	-	1,653,959
<u>-</u>	<u>69,660</u>	<u>9,482,045</u>
1,027	281,449	433,647
1,000,000	-	1,120,000
-	-	440,520
<u>(65,111)</u>	<u>-</u>	<u>(175,111)</u>
<u>934,889</u>	<u>-</u>	<u>1,385,409</u>
935,916	281,449	1,819,056
<u>(929,053)</u>	<u>2,121,890</u>	<u>8,750,320</u>
<u>\$ 6,863</u>	<u>\$ 2,403,339</u>	<u>\$10,569,376</u>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Net Assets Nonmajor Enterprise Funds March 31, 2010

	Golf Course	Protective Inspection	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 80,620	\$ 231,613	\$ 312,233
Receivables	-	26,478	26,478
Due from component units	13,718	-	13,718
Inventories and other assets	14,477	-	14,477
Total current assets	108,815	258,091	366,906
Noncurrent assets - Capital assets	2,837,368	-	2,837,368
Total assets	2,946,183	258,091	3,204,274
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	16,272	1,035	17,307
Due to other funds	126,441	-	126,441
Accrued liabilities and other	299	3,512	3,811
Total current liabilities	143,012	4,547	147,559
Noncurrent liabilities - Provision for compensated absences	-	167,342	167,342
Total liabilities	143,012	171,889	314,901
<b>Net Assets</b>			
Invested in capital assets	2,837,368	-	2,837,368
Unrestricted	(34,197)	86,202	52,005
Total net assets	\$ 2,803,171	\$ 86,202	\$ 2,889,373

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Nonmajor Enterprise Funds Year Ended March 31, 2010

	Golf Course	Protective Inspection	Total
<b>Operating Revenue</b>			
Charges for services	\$ 1,256,888	\$ -	\$ 1,256,888
Permits	-	771,376	771,376
Total operating revenue	1,256,888	771,376	2,028,264
<b>Operating Expenses</b>			
Cost of services	1,005,742	686,944	1,692,686
Depreciation and amortization	264,748	-	264,748
Total operating expenses	1,270,490	686,944	1,957,434
<b>Operating (Loss) Income</b>	(13,602)	84,432	70,830
<b>Nonoperating Revenue</b>			
Investment income	5,913	78	5,991
Gain on sale of assets	13,400	-	13,400
<b>Change in Net Assets</b>	5,711	84,510	90,221
<b>Net Assets - Beginning of year</b>	2,797,460	1,692	2,799,152
<b>Net Assets - End of year</b>	<u>\$ 2,803,171</u>	<u>\$ 86,202</u>	<u>\$ 2,889,373</u>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2010

	Golf Course	Protective Inspection	Total
<b>Cash Flow from Operating Activities</b>			
Receipts from customers	\$ 1,256,888	\$ 768,563	\$ 2,025,451
Payments to suppliers	(1,027,457)	(61,380)	(1,088,837)
Payments to employees	-	(603,095)	(603,095)
Internal activity - Payments to other funds	(419)	-	(419)
Net cash provided by operating activities	229,012	104,088	333,100
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from sales of capital assets	13,400	-	13,400
Purchase of capital assets	(36,350)	-	(36,350)
Principal and interest paid on capital debt	(212,039)	-	(212,039)
Net cash used in capital and related financing activities	(234,989)	-	(234,989)
<b>Cash Flows from Investing Activities</b> - Interest received on investments	1,142	78	1,220
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(4,835)	104,166	99,331
<b>Cash and Cash Equivalents</b> - Beginning of year	85,455	127,447	212,902
<b>Cash and Cash Equivalents</b> - End of year	<b>\$ 80,620</b>	<b>\$ 231,613</b>	<b>\$ 312,233</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>			
Operating (loss) income	\$ (13,602)	\$ 84,432	\$ 70,830
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	264,748	-	264,748
Changes in assets and liabilities:			
Receivables	-	(2,813)	(2,813)
Prepaid and other assets	1,378	-	1,378
Accounts payable	(22,939)	308	(22,631)
Due to others	(419)	-	(419)
Accrued and other liabilities	(154)	22,161	22,007
Net cash provided by operating activities	<b>\$ 229,012</b>	<b>\$ 104,088</b>	<b>\$ 333,100</b>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2010.

# Charter Township of Redford

## Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds March 31, 2010

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
<b>Assets</b>				
Cash and investments	\$ 4,278,009	\$ 1,693,085	\$ 744,926	\$ 6,716,020
Investments:				
U.S. government securities	8,332,041	-	-	8,332,041
Stocks	28,073,096	-	-	28,073,096
Bonds	12,360,773	-	-	12,360,773
Foreign securities	7,710,476	-	-	7,710,476
Mutual funds	418,045	-	-	418,045
Accrued interest	281,155	-	-	281,155
Due from primary government	-	604,666	2,066	606,732
Total assets	61,453,595	2,297,751	746,992	64,498,338
<b>Liabilities - Accounts payable</b>	12,855	-	-	12,855
<b>Net Assets Held in Trust for Pension and Other Employee Benefits</b>	<b>\$ 61,440,740</b>	<b>\$ 2,297,751</b>	<b>\$ 746,992</b>	<b>\$ 64,485,483</b>



# Charter Township of Redford

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Assets Fiduciary Funds Year Ended March 31, 2010

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
<b>Additions</b>				
Investment income:				
Interest and dividends	\$ 1,978,361	\$ 1,431	\$ 695	\$ 1,980,487
Net increase in fair value of investments	12,045,827	-	-	12,045,827
Investment-related expenses	(323,538)	-	-	(323,538)
Net investment income	13,700,650	1,431	695	13,702,776
Contributions:				
Employer contributions	3,003,841	2,251,149	1,945,555	7,200,545
Refunds and rebates	-	93,387	76,407	169,794
Net contributions	3,003,841	2,344,536	2,021,962	7,370,339
Total additions	16,704,491	2,345,967	2,022,657	21,073,115
<b>Deductions</b>				
Benefit payments	5,380,458	2,147,396	1,545,555	9,073,409
Refunds and withdrawals	763,574	-	-	763,574
Administrative expenses	76,020	-	-	76,020
Total deductions	6,220,052	2,147,396	1,545,555	9,913,003
<b>Net Increase</b>	10,484,439	198,571	477,102	11,160,112
<b>Net Assets Held in Trust - Beginning of year</b>	50,956,301	2,099,180	269,890	53,325,371
<b>Net Assets Held in Trust - End of year</b>	<b>\$ 61,440,740</b>	<b>\$ 2,297,751</b>	<b>\$ 746,992</b>	<b>\$ 64,485,483</b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Net Assets Internal Service Funds March 31, 2010

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
<b>Assets - Current assets</b>				
Cash and investments	\$ 3,606,019	\$ -	\$ 12,072	\$ 3,618,091
Due from other funds	175,000	141,220	-	316,220
Deposits	485,747	-	-	485,747
	<u>4,266,766</u>	<u>141,220</u>	<u>12,072</u>	<u>4,420,058</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	4,392	159	4,551
Due to other funds	175,000	128,417	-	303,417
Accrued liabilities and other	-	8,411	11,913	20,324
	<u>175,000</u>	<u>141,220</u>	<u>12,072</u>	<u>328,292</u>
Noncurrent liabilities - Estimated insurance and other liabilities				
	<u>2,730,016</u>	<u>-</u>	<u>-</u>	<u>2,730,016</u>
	<u>2,905,016</u>	<u>141,220</u>	<u>12,072</u>	<u>3,058,308</u>
<b>Net Assets - Unrestricted</b>	<b><u>\$ 1,361,750</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,361,750</u></b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Internal Service Funds Year Ended March 31, 2010

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
<b>Operating Revenue</b>				
Charges for services	\$ -	\$ 333,930	\$ 735,100	\$ 1,069,030
Township contributions	5,782,270	-	-	5,782,270
Total operating revenue	5,782,270	333,930	735,100	6,851,300
<b>Operating Expenses</b>				
Benefit payments, reinsurance charges, and claim administration	7,675,174	-	-	7,675,174
General and administrative costs	-	333,930	735,100	1,069,030
Total operating expenses	7,675,174	333,930	735,100	8,744,204
<b>Change in Net Assets</b>	(1,892,904)	-	-	(1,892,904)
<b>Net Assets - Beginning of year</b>	3,254,654	-	-	3,254,654
<b>Net Assets - End of year</b>	<u>\$ 1,361,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,750</u>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2010

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
<b>Cash Flow from Operating Activities</b>				
Receipts from interfund services and reimbursements	\$ 5,912,270	\$ 331,979	\$ 735,100	\$ 6,979,349
Payments to suppliers	-	(26,780)	-	(26,780)
Payments to employees	-	(305,199)	(723,028)	(1,028,227)
Claims paid	(6,685,270)	-	-	(6,685,270)
Net cash (used in) provided by operating activities	(773,000)	-	12,072	(760,928)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(773,000)	-	12,072	(760,928)
<b>Cash and Cash Equivalents - Beginning of year</b>	4,379,019	-	-	4,379,019
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 3,606,019</u>	<u>\$ -</u>	<u>\$ 12,072</u>	<u>\$ 3,618,091</u>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>				
Operating loss	\$ (1,892,904)	\$ -	\$ -	\$ (1,892,904)
Changes in assets and liabilities:				
Due from others	(45,000)	10,780	-	(34,220)
Inventories	125,904	-	-	125,904
Accounts payable	-	2	159	161
Due to others	175,000	(12,731)	-	162,269
Accrued and other liabilities	864,000	1,949	11,913	877,862
Net cash (used in) provided by operating activities	<u>\$ (773,000)</u>	<u>\$ -</u>	<u>\$ 12,072</u>	<u>\$ (760,928)</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2010.