

Charter Township of Redford Wayne County, Michigan

**Financial Report
with Supplemental Information
March 31, 2012**

Charter Township of Redford

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Redford

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, 2012, 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, 2012 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.

To the Board of Trustees
Charter Township of Redford

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2012 on our consideration of the Charter Township of Redford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide 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.

To the Board of Trustees
Charter Township of Redford

During the year, the Township implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, as discussed in Note 15. As a result of this required implementation, the Bell Creek Pedestrian Bridge Fund was reclassified from a special revenue fund to a capital projects fund and the Public Improvement Storm Water Fund was reclassified from a capital projects fund to a special revenue fund. Also, the Accrued General Employee Fund was required to be consolidated with the General Fund. In addition, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB No. 54.

Plante & Moran, PLLC

September 7, 2012

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, 2012. Please read it in conjunction with the Township's financial statements.

Financial Highlights

- State-shared revenue, our second largest revenue source, declined approximately \$172,000 for the year ended March 31, 2012 to \$4,615,000.
- 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 increased slightly from the previous year at \$41,000 for fiscal year 2012 compared to \$35,000 in 2011. We expect future earnings to continue at the same level, with the Federal Funds rate policy continuing at 0 percent to .25 percent and our reduced invested cash balances due to lower revenue.
- Employee and postemployment healthcare costs for fiscal year 2012 remained level with FY 2011 at \$7,100,000, of which \$4,300,000 was paid for retiree healthcare, a \$200,000 decrease from last year, and \$2,800,000 was paid for active employees. Healthcare costs have increased by \$3,600,000 from the 2001 annual amount of \$3,500,000. This increase of over 100 percent is well above the CPI inflation rate. The stability in the cost of our health care programs is largely attributed to changes in our benefit administrators.
- The downturn in the economy, especially related to the housing values in the Township, caused property tax revenue to decline drastically. Operating tax revenue decreased by \$906,000. The Township is constantly responding to the declining revenue by reducing operating costs, eliminating personnel through early retirements and layoffs, and negotiating employee concessions, as well as reducing capital expenditure programs.
- Total net assets related to the Township's governmental activities decreased by approximately \$2,637,000. The decrease is mostly attributable to the current year retiree healthcare (OPEB) expense.

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, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Cash and investments	\$ 18,218,000	\$ 20,446,000	\$ 11,194,000	\$ 11,645,000	\$ 29,412,000	\$ 32,091,000
Other current assets	11,232,000	10,545,000	3,888,000	3,745,000	15,120,000	14,290,000
Capital assets	22,150,000	23,049,000	42,660,000	42,174,000	64,810,000	65,223,000
Other noncurrent assets	147,000	161,000	158,000	189,000	305,000	350,000
Total assets	51,747,000	54,201,000	57,900,000	57,753,000	109,647,000	111,954,000
Liabilities						
Current liabilities	3,183,000	1,833,000	1,530,000	1,235,000	4,713,000	3,068,000
Long-term liabilities	28,410,000	29,847,000	10,291,000	11,378,000	38,701,000	41,225,000
Total liabilities	31,593,000	31,680,000	11,821,000	12,613,000	43,414,000	44,293,000
Net Assets						
Invested in capital assets -						
Net of related debt	8,490,000	7,818,000	33,802,000	32,071,000	42,292,000	39,889,000
Restricted	6,772,000	8,063,000	610,000	610,000	7,382,000	8,673,000
Unrestricted	4,892,000	6,640,000	11,667,000	12,459,000	16,559,000	19,099,000
Total net assets	\$ 20,154,000	\$ 22,521,000	\$ 46,079,000	\$ 45,140,000	\$ 66,233,000	\$ 67,661,000

The current level of unrestricted net assets for our governmental activities stands at \$4,892,000. The change is related to changes in the net asset classifications of the new GASB statement.

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, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue						
Program revenue:						
Charges for services	\$ 6,290,000	\$ 5,634,000	\$ 16,865,000	\$ 15,829,000	\$ 23,155,000	\$ 21,463,000
Operating grants	4,116,000	3,809,000	-	-	4,116,000	3,809,000
Capital grants	840,000	918,000	-	-	840,000	918,000
General revenue:						
Property taxes	17,688,000	18,594,000	-	-	17,688,000	18,594,000
State-shared revenue	4,615,000	4,787,000	-	-	4,615,000	4,787,000
Investment income (loss)	82,000	71,000	157,000	(16,000)	239,000	55,000
Gain on sale of assets	5,000	14,000	36,000	1,000	41,000	15,000
Transfers and other revenue	2,951,000	1,987,000	-	(75,000)	2,951,000	1,912,000
Total revenue	36,587,000	35,814,000	17,058,000	15,739,000	53,645,000	51,553,000
Program Expenses						
General government	4,152,000	4,733,000	-	-	4,152,000	4,733,000
District Court	2,197,000	2,176,000	-	-	2,197,000	2,176,000
Public safety	21,450,000	21,474,000	-	-	21,450,000	21,474,000
Public works	6,288,000	5,123,000	-	-	6,288,000	5,123,000
Health and welfare	430,000	318,000	-	-	430,000	318,000
Community and economic development	3,464,000	2,883,000	-	-	3,464,000	2,883,000
Recreation and cultural	617,000	747,000	-	-	617,000	747,000
Interest on long-term debt	356,000	294,000	-	-	356,000	294,000
Water and sewer	-	-	13,744,000	12,273,000	13,744,000	12,273,000
Golf course	-	-	1,171,000	1,173,000	1,171,000	1,173,000
Senior housing	-	-	454,000	488,000	454,000	488,000
Protective inspection	-	-	750,000	659,000	750,000	659,000
Total expenses	38,954,000	37,748,000	16,119,000	14,593,000	55,073,000	52,341,000
Change in Net Assets	\$ (2,367,000)	\$ (1,934,000)	\$ 939,000	\$ 1,146,000	\$ (1,428,000)	\$ (788,000)

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

Governmental Activities

Local property taxes and state-shared revenue make up approximately 61 percent, or \$22,303,000, of the Township's total governmental revenue of \$36,587,000. The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$21,450,000, or 55 percent of the total governmental expenses. The public works activities, including solid waste disposal, cost approximately \$6,288,000, or 16 percent of expenses. The remaining \$11,216,000 of expenses, or 29 percent, 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, the Golf Course Fund, the 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 eighth consecutive year in 2012. 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 \$508,000 and an increase in net assets of approximately \$363,000.
- 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. Several years ago, an \$800,000 renovation project was completed on the course. The improvements have been well received by our regular patrons. The capital improvements and renovations were paid from retained earnings. The golf course operations produced a surplus of \$68,000 in FY 2012 after depreciation. The golf course experienced a sales increase of \$46,000 while operating expenses decreased by \$2,000 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 \$231,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$1,855,000 of principal remains outstanding.
- 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 2012, the fund operated at a surplus, not requiring a General Fund supplement for the third year in a row. The turnaround is a result of increased revenues from registrations, inspections, and other ordinance enforcement activities along with decreased operating costs.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

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 2012 were the General Fund and the Sidewalk Improvement Fund.

- The General Fund pays for most of the Township's governmental services. The most costly services are police and fire, which incurred expenses of approximately \$18,467,000 in fiscal year 2012. These two activities are partially funded by two police and fire millages. During the current year, this amounted to approximately \$2,890,000 for operations and \$6,902,000 for the retirement system. The remaining \$8,675,000 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 \$8,529,000.
- 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 2012 fiscal year, nearly \$502,000 in sidewalks were replaced and \$667,000 in revenues received. The current accounts receivable balance at year end was \$1,210,000.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account changing events. An amendment was passed, increasing estimated revenues by \$1,180,000. The increase is primarily a result of federal grants and successful litigation.

The increased revenue was appropriated substantially for police and fire personnel and to pay off a \$600,000 loan.

Capital Asset and Debt Administration

At the end of the fiscal year, the Township had nearly \$65,000,000 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines, net of related accumulated depreciation. The capital made up 59 percent of the Township's total assets amount of \$109,701,000 (including component units). Capital expenditures programs remained at a reduced level for the 2012 fiscal year.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The long-term debt amount (including component units) of \$29,843,000 is related to the investment in capital assets and a Brownfield Redevelopment project. At the end of the fiscal year, the Township had \$14.1 million in debt in the governmental-type activities while business-type activities had \$8.9 million outstanding, with 79 percent of that amount in the Water and Sewer Fund and \$6.9 million in component unit debt.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for the 2012-2013 fiscal year anticipates significantly reduced operating property tax revenue of \$1,000,000. The Township is experiencing a decline in housing values reflective of the national housing and mortgage crisis. Unfortunately, the Township is also experiencing a large number of tax appeals by commercial and industrial property owners. 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. The voters have approved a ballot initiative for a new police and fire operating millage to be levied on the 2012 winter tax bill.

Water and sewer rates will increase in the 2013 fiscal year by approximately 9.0 percent. The major cause for the rate increase is supplier costs from the Detroit Water and Sewer Department and Wayne County - Rouge Valley Interceptor System.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have 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, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 17,778,707	\$ 10,583,448	\$ 28,362,155	\$ 2,866,831
Receivables - Net (Note 3)	4,868,245	4,426,126	9,294,371	1,030,190
Due from component units	1,227,118	-	1,227,118	-
Internal balances	1,282,758	(1,282,758)	-	-
Deposits	825,053	10,107	835,160	-
Prepaid expenses and other assets	445,708	647,667	1,093,375	-
Restricted assets (Notes 2 and 7)	439,576	610,250	1,049,826	-
Assets held for resale	474,886	-	474,886	-
Inventories and other assets	-	87,108	87,108	-
Due from other governmental units (Note 3)	2,107,512	-	2,107,512	-
Capital assets:				
Assets not subject to depreciation (Note 4)	1,730,855	4,000,623	5,731,478	75,690
Assets subject to depreciation (Note 4)	20,419,435	38,658,963	59,078,398	79,030
Unamortized bond issuance costs	147,468	158,341	305,809	175,682
Total assets	51,747,321	57,899,875	109,647,196	4,227,423
Liabilities				
Accounts payable	1,362,429	915,586	2,278,015	1,804,769
Due to other governmental units	495,488	1,156	496,644	-
Due to primary government	-	-	-	1,227,118
Accrued liabilities and other	746,225	539,261	1,285,486	1,419
Deferred revenue (Note 3)	104,155	559	104,714	-
Other current liabilities	474,893	72,919	547,812	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	120,432	-	120,432	-
Estimated insurance and other liabilities	700,000	-	700,000	-
Property tax refunds	389,411	-	389,411	-
Current portion of long-term debt (Note 6)	1,279,054	1,328,716	2,607,770	305,000
Due in more than one year:				
Compensated absences (Note 6)	2,336,992	617,135	2,954,127	-
Estimated insurance and other liabilities (Note 8)	884,132	-	884,132	-
Net other postemployment benefits obligation (Notes 12 and 13)	9,879,065	816,122	10,695,187	-
Long-term debt - Net of current portion (Note 6)	12,820,639	7,529,278	20,349,917	6,580,000
Total liabilities	31,592,915	11,820,732	43,413,647	9,918,306
Net Assets (Deficit)				
Invested in capital assets - Net of related debt	8,490,173	33,801,592	42,291,765	154,720
Restricted for:				
Road improvements	1,203,986	-	1,203,986	-
Debt service	1,074,127	610,250	1,684,377	-
Solid waste activities	1,933,183	-	1,933,183	-
CDBG/NSP/EPA/Home Grant programs	1,102,554	-	1,102,554	-
Drain improvements	873,167	-	873,167	-
Drug law enforcement	257,650	-	257,650	-
911	130,027	-	130,027	-
Other purposes	197,443	-	197,443	-
Unrestricted	4,892,096	11,667,301	16,559,397	(5,845,603)
Total net assets (deficit)	\$ 20,154,406	\$ 46,079,143	\$ 66,233,549	\$ (5,690,883)

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

Charter Township of Redford

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,151,704	\$ 1,354,259	\$ 25,510	\$ 103,644
District Court	2,197,133	1,951,276	-	-
Public safety	21,450,691	1,406,405	1,120,230	129,327
Public works	6,287,973	1,262,143	907,991	254,301
Health and welfare	430,466	30,673	-	114,595
Community and economic development	3,463,935	2,210	2,062,753	237,809
Recreation and culture	616,500	283,354	-	-
Interest on long-term debt	356,374	-	-	-
Total governmental activities	38,954,776	6,290,320	4,116,484	839,676
Business-type activities:				
Water and Sewer Fund	13,743,847	13,933,786	-	-
Golf Course	1,171,064	1,238,936	-	-
Senior Housing Fund	453,636	608,675	-	-
Protective inspection	749,857	1,083,415	-	-
Total business-type activities	16,118,404	16,864,812	-	-
Total primary government	<u>\$ 55,073,180</u>	<u>\$ 23,155,132</u>	<u>\$ 4,116,484</u>	<u>\$ 839,676</u>
Component units:				
Downtown Development Authority	\$ 191,545	\$ 5,234	\$ -	\$ -
Brownfield Redevelopment Financing Authority	2,677,814	-	-	-
Total component units	<u>\$ 2,869,359</u>	<u>\$ 5,234</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Other revenue				
State sources				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of fixed assets				
Total general revenue				
Change in Net Assets				
Net Assets (Deficit) - Beginning of year				
Net Assets (Deficit) - End of year				

Statement of Activities Year Ended March 31, 2012

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,668,291)	\$ -	\$ (2,668,291)	\$ -
(245,857)	-	(245,857)	-
(18,794,729)	-	(18,794,729)	-
(3,863,538)	-	(3,863,538)	-
(285,198)	-	(285,198)	-
(1,161,163)	-	(1,161,163)	-
(333,146)	-	(333,146)	-
(356,374)	-	(356,374)	-
(27,708,296)	-	(27,708,296)	-
-	189,939	189,939	-
-	67,872	67,872	-
-	155,039	155,039	-
-	333,558	333,558	-
-	746,408	746,408	-
(27,708,296)	746,408	(26,961,888)	-
-	-	-	(186,311)
-	-	-	(2,677,814)
-	-	-	(2,864,125)
17,688,242	-	17,688,242	1,977,379
-	-	-	1,013,747
4,614,847	-	4,614,847	-
81,663	157,038	238,701	8,365
781,883	-	781,883	-
2,168,878	-	2,168,878	-
5,495	35,850	41,345	-
25,341,008	192,888	25,533,896	2,999,491
(2,367,288)	939,296	(1,427,992)	135,366
22,521,694	45,139,847	67,661,541	(5,826,249)
\$ 20,154,406	\$ 46,079,143	\$ 66,233,549	\$ (5,690,883)

Charter Township of Redford

Governmental Funds Balance Sheet March 31, 2012

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Assets				
Cash and investments	\$ 6,207,319	\$ 945,511	\$ 8,977,142	\$ 16,129,972
Receivables (Note 3):				
Property taxes receivable	1,826,438	-	388,017	2,214,455
Receivables from sales to customers on account	-	1,209,676	1,407,472	2,617,148
Accrued interest receivable	24,922	-	10,667	35,589
Other receivables	-	-	1,053	1,053
Due from component units	1,227,118	-	-	1,227,118
Due from other funds (Note 5)	1,964,402	-	297,575	2,261,977
Prepaid expenses and other assets	445,708	-	-	445,708
Assets held for resale	-	-	474,886	474,886
Restricted assets	-	-	439,576	439,576
Due from other governmental units (Note 3)	1,362,328	-	745,184	2,107,512
Total assets	\$ 13,058,235	\$ 2,155,187	\$ 12,741,572	\$ 27,954,994
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 325,091	\$ -	\$ 1,030,479	\$ 1,355,570
Due to other governmental units	470,595	-	24,893	495,488
Due to other funds	-	-	867,924	867,924
Accrued liabilities and other	689,364	-	44,640	734,004
Deferred revenue (Note 3)	1,897,786	1,148,670	2,140,213	5,186,669
Deposits and other liabilities	474,893	-	-	474,893
Provision for property tax refunds	370,353	-	19,058	389,411
Total liabilities	4,228,082	1,148,670	4,127,207	9,503,959
Fund Balances				
Nonspendable (Note 16)	445,708	-	-	445,708
Restricted (Note 16)	-	-	5,354,169	5,354,169
Committed (Note 16)	-	-	2,903,982	2,903,982
Assigned (Note 16)	-	1,006,517	777,153	1,783,670
Unassigned (Note 16)	8,384,445	-	(420,939)	7,963,506
Total fund balances	8,830,153	1,006,517	8,614,365	18,451,035
Total liabilities and fund balances	\$ 13,058,235	\$ 2,155,187	\$ 12,741,572	\$ 27,954,994

Charter Township of Redford

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets (Deficit) March 31, 2012

Fund Balance Reported in Governmental Funds	\$ 18,451,035
Amounts reported for governmental activities in the statement of net assets (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	22,150,290
Bond issuance costs used in governmental activities are not financial resources and are not reported in the funds	147,468
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	2,273,182
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures	2,168,644
Deferred revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures	640,688
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(14,099,693)
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	(2,457,424)
Net other postemployment benefits obligation is not recorded as a liability in the funds	(9,879,065)
Internal Service Funds are included as part of governmental activities	760,033
Net Assets of Governmental Activities	<u>\$ 20,154,406</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2012

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Revenue				
Property taxes (Note 1)	\$ 15,059,651	\$ -	\$ 2,661,234	\$ 17,720,885
Licenses and permits	879,995	-	-	879,995
Federal grants	821,168	-	2,712,491	3,533,659
State sources	4,753,269	-	177,054	4,930,323
Charges for services	1,421,569	595,953	960,962	2,978,484
Fines and forfeitures	2,223,859	66,545	281,958	2,572,362
Investment income	40,942	4,255	36,466	81,663
Other revenue	2,460,678	-	1,414,202	3,874,880
Total revenue	27,661,131	666,753	8,244,367	36,572,251
Expenditures - Current				
General government	4,659,525	-	-	4,659,525
District Court	2,197,133	-	-	2,197,133
Public safety	18,467,436	-	1,356,294	19,823,730
Public works	1,006,722	-	3,161,808	4,168,530
Health and welfare	129,631	-	287,435	417,066
Community and economic development	78,026	-	2,647,632	2,725,658
Recreation and culture:				
Parks and recreation	276,720	-	-	276,720
Parks facilities	197,189	-	-	197,189
Senior citizens	29,573	-	-	29,573
Cultural	27,758	-	-	27,758
Capital outlay	-	501,859	710,553	1,212,412
Debt service	637,882	-	2,012,846	2,650,728
Total expenditures	27,707,595	501,859	10,176,568	38,386,022
Excess of Revenue (Under) Over Expenditures	(46,464)	164,894	(1,932,201)	(1,813,771)
Other Financing Sources (Uses)				
Face value of debt issue	2,620,000	-	-	2,620,000
Transfer of bond proceeds	-	-	(178,268)	(178,268)
Gain from sale of capital assets	2,545	-	2,950	5,495
Transfers in	41,834	-	867,915	909,749
Transfers out	(481,736)	-	(428,013)	(909,749)
Payment to bond refunding escrow agent	(2,677,582)	-	-	(2,677,582)
Total other financing (uses) sources	(494,939)	-	264,584	(230,355)
Net Change in Fund Balances	(541,403)	164,894	(1,667,617)	(2,044,126)
Fund Balances - Beginning of year - As restated (Note 15)	9,371,556	841,623	10,281,982	20,495,161
Fund Balances - End of year	<u>\$ 8,830,153</u>	<u>\$ 1,006,517</u>	<u>\$ 8,614,365</u>	<u>\$ 18,451,035</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, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ (2,044,126)
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	938,807
Depreciation expense	(1,837,333)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	
	9,743
Governmental funds report bond issuance costs as expenditures in the statement of activities; these costs are allocated over their estimated useful lives as amortization	
	(13,765)
Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets	
	(2,441,732)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	
	4,334,054
Change in postemployment benefit liability	
	(1,586,878)
Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	
	205,098
Internal Service Funds are included as part of governmental activities	
	68,844
Change in Net Assets of Governmental Activities	\$ (2,367,288)

Charter Township of Redford

Proprietary Funds Statement of Net Assets March 31, 2012

	Enterprise Funds				Governmental Activities
	Water and Sewer	Senior Housing	Nonmajor	Total	Proprietary Internal Service
	Fund	Fund	Enterprise Funds		Fund
Assets					
Current assets:					
Cash and investments	\$ 9,280,566	\$ 254,653	\$ 1,048,229	\$ 10,583,448	\$ 1,648,735
Receivables	4,363,954	2,718	59,454	4,426,126	-
Due from other funds	-	-	-	-	290,539
Deposits	-	-	10,107	10,107	825,053
Prepaid expenses and other assets	647,667	-	-	647,667	-
Inventories and other assets	87,108	-	-	87,108	-
Total current assets	14,379,295	257,371	1,117,790	15,754,456	2,764,327
Noncurrent assets:					
Restricted assets (Note 7)	610,250	-	-	610,250	-
Capital assets (Note 4)	37,079,480	2,999,241	2,580,865	42,659,586	-
Unamortized bond issuance costs	152,915	5,426	-	158,341	-
Total noncurrent assets	37,842,645	3,004,667	2,580,865	43,428,177	-
Total assets	52,221,940	3,262,038	3,698,655	59,182,633	2,764,327
Liabilities					
Current liabilities:					
Accounts payable	878,234	9,715	27,637	915,586	6,859
Due to other governmental units	41	-	1,115	1,156	-
Due to other funds	1,150,716	-	132,042	1,282,758	401,834
Accrued liabilities	534,089	1,165	4,007	539,261	11,469
Deferred revenue	-	559	-	559	-
Other current liabilities	23,319	49,600	-	72,919	-
Provision for claims - < 1 yr	-	-	-	-	700,000
Current portion of long-term debt	1,085,946	242,770	-	1,328,716	-
Total current liabilities	3,672,345	303,809	164,801	4,140,955	1,120,162
Noncurrent liabilities:					
Compensated absences	433,571	35,750	147,814	617,135	-
Estimated insurance and other liabilities	-	-	-	-	884,132
Net other postemployment benefits obligation (Notes 12 and 13)	737,856	28,260	50,006	816,122	-
Long-term debt - Net of current portion	5,977,249	1,552,029	-	7,529,278	-
Total noncurrent liabilities	7,148,676	1,616,039	197,820	8,962,535	884,132
Total liabilities	10,821,021	1,919,848	362,621	13,103,490	2,004,294
Net Assets					
Invested in capital assets - Net of related debt	30,016,285	1,204,442	2,580,865	33,801,592	-
Restricted - Debt service	610,250	-	-	610,250	-
Unrestricted	10,774,384	137,748	755,169	11,667,301	760,033
Total net assets	<u>\$ 41,400,919</u>	<u>\$ 1,342,190</u>	<u>\$ 3,336,034</u>	<u>\$ 46,079,143</u>	<u>\$ 760,033</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, 2012

	Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds		Proprietary Internal Service Fund
Operating Revenue					
Charges for services	\$ 13,933,786	\$ 608,675	\$ 1,238,936	\$ 15,781,397	\$ 411,284
Permits	-	-	1,083,415	1,083,415	-
Township contributions	-	-	-	-	3,780,912
Total operating revenue	13,933,786	608,675	2,322,351	16,864,812	4,192,196
Operating Expenses					
Cost of water and sewer	10,061,331	-	-	10,061,331	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	3,728,871
Billing and administrative costs	325,000	-	-	325,000	-
General and administrative costs	1,710,325	269,856	27,152	2,007,333	411,284
Cost of services	-	-	1,724,924	1,724,924	-
Depreciation and amortization	1,329,031	107,770	168,845	1,605,646	-
Total operating expenses	13,425,687	377,626	1,920,921	15,724,234	4,140,155
Operating Income	508,099	231,049	401,430	1,140,578	52,041
Nonoperating (Expenses) Revenue					
Investment income	153,978	1,466	1,594	157,038	16,803
Interest expense	(318,160)	(49,072)	-	(367,232)	-
Other nonoperating expenses	-	(26,938)	-	(26,938)	-
Gain on sale of assets	19,135	-	16,715	35,850	-
Total nonoperating (expenses) revenue	(145,047)	(74,544)	18,309	(201,282)	16,803
Change in Net Assets	363,052	156,505	419,739	939,296	68,844
Net Assets - Beginning of year	41,037,867	1,185,685	2,916,295	45,139,847	691,189
Net Assets - End of year	<u>\$ 41,400,919</u>	<u>\$ 1,342,190</u>	<u>\$ 3,336,034</u>	<u>\$ 46,079,143</u>	<u>\$ 760,033</u>

Charter Township of Redford

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2012

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Proprietary Internal Service Fund
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts from customers	13,566,364	605,957	2,338,889	-
Receipts from interfund services and reimbursements	-	-	-	4,123,304
Payments to suppliers	(8,303,007)	(160,073)	(1,079,554)	(173,292)
Payments to employees	(2,805,137)	(106,081)	(617,251)	(387,238)
Internal activity - Payments to other funds	(335,988)	-	(1,962)	(384,317)
Claims paid	-	-	-	(4,645,629)
Other receipts	-	(6,708)	-	-
Net cash provided by (used in) operating activities	<u>2,122,232</u>	<u>333,095</u>	<u>640,122</u>	<u>(1,467,172)</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from sales of capital assets	19,135	-	16,715	-
Purchase of capital assets	(1,976,331)	(33,632)	(80,869)	-
Principal and interest paid on capital debt	(1,124,019)	(524,484)	-	-
Net cash used in capital and related financing activities	<u>(3,081,215)</u>	<u>(558,116)</u>	<u>(64,154)</u>	<u>-</u>
Cash Flows from Investing Activities - Interest received on investments	<u>153,978</u>	<u>1,466</u>	<u>1,594</u>	<u>16,803</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(805,005)</u>	<u>(223,555)</u>	<u>577,562</u>	<u>(1,450,369)</u>
Cash and Cash Equivalents - Beginning of year	<u>10,695,821</u>	<u>478,208</u>	<u>470,667</u>	<u>3,099,104</u>
Cash and Cash Equivalents - End of year	<u>\$ 9,890,816</u>	<u>\$ 254,653</u>	<u>\$ 1,048,229</u>	<u>\$ 1,648,735</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 9,280,566	\$ 254,653	\$ 1,048,229	\$ 1,648,735
Restricted cash	610,250	-	-	-
Total cash and cash equivalents	<u>\$ 9,890,816</u>	<u>\$ 254,653</u>	<u>\$ 1,048,229</u>	<u>\$ 1,648,735</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 508,099	\$ 231,049	\$ 401,430	\$ 52,041
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	1,329,031	107,770	168,845	-
Changes in assets and liabilities:				
Receivables	(367,422)	(9,426)	16,538	-
Due from other funds	-	-	-	(68,892)
Deposits	-	-	265	(199,682)
Prepaid and other assets	223,047	-	-	54,317
Accounts payable	292,553	(294)	22,283	(2,547)
Due to other funds	(10,988)	-	(1,962)	(384,317)
Estimated claims liability	-	-	-	(916,758)
Accrued and other liabilities	147,912	3,996	32,723	(1,334)
Net cash provided by (used in) operating activities	<u>\$ 2,122,232</u>	<u>\$ 333,095</u>	<u>\$ 640,122</u>	<u>\$ (1,467,172)</u>

The Senior Housing Fund refunded bonds in the current year. As a result, there was a \$485,000 noncash transaction during the year ended March 31, 2012.

Charter Township of Redford

Fiduciary Funds Statement of Fiduciary Net Assets March 31, 2012

	Pension and Other Employee Benefit Trust Funds	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 10,638,210	\$ 1,723,655
Investments:		
Agency securities	7,890,826	-
Stocks	34,015,147	-
Corporate bonds	12,430,190	-
Real estate investment trust	1,117,938	-
Accrued interest receivable	289,737	-
Due from primary government	54,698	-
	<u>66,436,746</u>	<u>\$ 1,723,655</u>
Total assets		
Liabilities		
Accounts payable	6,063	\$ -
Due to primary government	428,859	-
Refundable deposits, bonds, etc.	-	1,723,655
Deferred Retirement Option Plan liability	1,389,159	-
	<u>1,824,081</u>	<u>\$ 1,723,655</u>
Total liabilities		
Net Assets Held in Trust for Pension and Other Employee Benefits	<u>\$64,612,665</u>	

Charter Township of Redford

Fiduciary Funds Statement of Changes in Fiduciary Net Assets Year Ended March 31, 2012

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 1,907,971
Net decrease in fair value of investments	(1,364,126)
Investment-related expenses	(355,190)
Net investment income	188,655
Contributions:	
Employer contributions	9,174,911
Refunds and rebates	107,038
Total contributions	9,281,949
Total additions	9,470,604
Deductions	
Benefit payments	10,568,095
Refunds and withdrawals	357,741
Deferred Retirement Plan Option expenses	1,106,437
Administrative expenses	97,877
Total deductions	12,130,150
Net Decrease in Net Assets Held in Trust	(2,659,546)
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year	67,272,211
Net Assets Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 64,612,665</u>

Charter Township of Redford

Component Units Statement of Net Assets (Deficit) March 31, 2012

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 266,037	\$ 2,600,794	\$ 2,866,831
Receivables	-	1,030,190	1,030,190
Capital assets (Note 4)	154,720	-	154,720
Unamortized bond issuance costs	-	175,682	175,682
	<u>420,757</u>	<u>3,806,666</u>	<u>4,227,423</u>
Liabilities			
Accounts payable	33	1,804,736	1,804,769
Due to primary government	-	1,227,118	1,227,118
Accrued liabilities and other	1,419	-	1,419
Due within one year	-	305,000	305,000
Due in more than one year - Long-term debt	-	6,580,000	6,580,000
	<u>1,452</u>	<u>9,916,854</u>	<u>9,918,306</u>
Net Assets (Deficit)			
Invested in capital assets - Net of related debt	154,720	-	154,720
Unrestricted	264,585	(6,110,188)	(5,845,603)
	<u>\$ 419,305</u>	<u>\$ (6,110,188)</u>	<u>\$ (5,690,883)</u>

Charter Township of Redford

Component Units Statement of Activities Year Ended March 31, 2012

	Program Revenue		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Downtown Development Authority - Public Works	\$ 191,545	\$ 5,234	\$ (186,311)	\$ -	\$ (186,311)
Brownfield Redevelopment Financing Authority:					
Community and economic development	2,331,576	-	-	(2,331,576)	(2,331,576)
Debt service	346,238	-	-	(346,238)	(346,238)
Total Brownfield Redevelopment Financing Authority	2,677,814	-	-	(2,677,814)	(2,677,814)
Total component units	<u>\$ 2,869,359</u>	<u>\$ 5,234</u>	(186,311)	(2,677,814)	(2,864,125)
General revenue:					
Property taxes			156,599	1,820,780	1,977,379
Other revenue			-	1,013,747	1,013,747
Investment income			746	7,619	8,365
Total general revenue			157,345	2,842,146	2,999,491
Change in Net Assets			(28,966)	164,332	135,366
Net Assets (Deficit) - Beginning of year			448,271	(6,274,520)	(5,826,249)
Net Assets (Deficit) - End of year			<u>\$ 419,305</u>	<u>\$ (6,110,188)</u>	<u>\$ (5,690,883)</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 1 - 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, 2012

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, 2012.

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 revenue, 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 revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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 revenue 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, 2012

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 revenue to be available if it is 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.

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 revenue is generated through user charges from those requesting water and sewer services.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note I - Summary of Significant Accounting Policies (Continued)

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.

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.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note I - Summary of Significant Accounting Policies (Continued)

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.

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

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 2011 tax is levied and collectible on December 1, 2011 and is recognized as revenue in the year ended March 31, 2012, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2011 taxable valuation of the Township totaled \$983 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 4.2306 mills for general operating purposes, 2.961 mills for police and fire operating purposes, 6.9 mills for police and fire pension, 2.5984 mills for solid waste management, 0.91 mills for street lighting, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$4.0 million for general operating purposes, \$2.9 million for police and fire operating purposes, \$6.9 million for police and fire pension, \$2.6 million for solid waste management, \$0.8 million for street lighting, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General and Special Revenue Funds.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Township's policy to spend funds in this order: committed, assigned, and unassigned.

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, 2012

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

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, 2012, amortization of \$13,765 and \$53,228 has been included in the operating expenses of the governmental and business-type activities, respectively, and accumulated amortization totaled \$56,125 and \$2,503,237 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, 2012, amortization of \$13,200 has been included in the community development expenses and accumulated amortization totaled \$88,326.

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

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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 are 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 March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned. The Township implemented Statement No. 54 during the year.

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

- Committed: Amounts that have been formally set aside by the board of trustees for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of trustees.
- Assigned: Intent to spend resources on specific purposes expressed by the board of trustees
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

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

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

Note 2 - Deposits and Investments

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

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and cash equivalents	\$ 16,405,899	\$ 2,843,503	\$ 8,473,043	\$ 27,722,445	\$ 2,267,701
Investments	1,372,808	7,739,945	59,342,923	68,455,676	599,130
Restricted cash and investments	439,576	610,250	-	1,049,826	-
Total	<u>\$ 18,218,283</u>	<u>\$ 11,193,698</u>	<u>\$ 67,815,966</u>	<u>\$ 97,227,947</u>	<u>\$ 2,866,831</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 2 - Deposits and Investments (Continued)

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

	<u>Primary Government</u>	<u>Component Units</u>
Deposits with financial institutions	\$ 28,764,626	\$ 2,267,701
Investments:		
U.S. government securities	14,891,305	-
Stocks	34,015,147	-
Bonds	12,430,190	-
Real estate investment trust	1,117,938	-
Short-term funds (2a7-like)	6,001,095	599,130
Petty cash or cash on hand	7,646	-
Total	<u>\$ 97,227,947</u>	<u>\$ 2,866,831</u>

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

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 five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. 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, 2012

Note 2 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$1,107,185 of bank deposits (certificates of deposit and 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 not have a policy for custodial credit risk. At year end, the Township had no investment securities which were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

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

At year end, the Township had the following investments:

Investment	Fair Value	Weighted Average Maturity (in Years)
U.S. government agency securities (W&S fund)	\$ 7,000,479	16.3
U.S. government agency securities (pension)	7,890,826	25.6
Corporate bonds (pension)	12,430,190	7.4
Total	<u>\$ 27,321,495</u>	

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 2 - Deposits and Investments (Continued)

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

Investment	Fair Value	Rating	Rating Organization
U.S. government securities (pension)	\$ 2,548,335	AAA	S&P,
U.S. government securities (pension)	5,342,491	AA+	S&P
U.S. government securities (W&S fund)	7,000,479	AA+	S&P
Corporate bonds (pension)	4,238,511	A	S&P
Corporate bonds (pension)	494,720	A+	S&P
Corporate bonds (pension)	2,302,955	A-	S&P
Corporate bonds (pension)	461,925	AA	S&P
Corporate bonds (pension)	474,925	AA-	S&P
Corporate bonds (pension)	582,093	AA+	S&P
Corporate bonds (pension)	1,982,263	BBB	S&P
Corporate bonds (pension)	974,219	BBB+	S&P
Corporate bonds (pension)	918,579	BBB-	S&P
Ambassador Capital Management funds	9,900	Not rated	
MBIA pooled accounts	2,976	Not rated	
Comerica J-Fund	5,988,218	AI, PI	S&P, Moody's
Total	\$ 33,322,589		
Component Units - Bank Investment Pool	\$ 599,130	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.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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:

	Sidewalk		Nonmajor	Governmental	Water and	Senior	Nonmajor	Proprietary	Total	
	General Fund	Improvement Fund							Funds	Funds Total
Receivables:										
Property taxes receivable	\$ 1,867,931	\$ -	\$ 388,017	\$ 2,255,948	\$ -	\$ -	\$ -	\$ -	\$ 2,255,948	\$ 16,443
Receivables from sales to customers on account	-	1,209,676	1,407,472	2,617,148	4,363,954	2,718	59,454	4,426,126	7,043,274	-
Accrued interest receivable	24,922	-	10,667	35,589	-	-	-	-	35,589	-
Other receivables	-	-	1,053	1,053	-	-	-	-	1,053	-
Due from other governmental units	1,362,328	-	745,184	2,107,512	-	-	-	-	2,107,512	-
Less allowance for uncollectibles	(41,493)	-	-	(41,493)	-	-	-	-	(41,493)	-
Net receivables	\$ 3,213,688	\$ 1,209,676	\$ 2,552,393	\$ 6,975,757	\$ 4,363,954	\$ 2,718	\$ 59,454	\$ 4,426,126	\$ 11,401,883	\$ 16,443

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	\$ 2,168,644	\$ -
Special assessments	1,990,513	-
Community Development Block Grant	524,665	-
Bell Creek Bridge	282,669	-
Home Grant	51,874	-
JAG Grant	13,020	-
Brownfield EPA Grant	51,129	-
Neighborhood Stabilization Grant	-	5,000
CHRP Grant	-	94,885
Parks and recreation	-	4,270
Total	\$ 5,082,514	\$ 104,155

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 4 - Capital Assets

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

	Balance April 1, 2011	Additions	Disposals and Adjustments	Balance March 31, 2012
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Construction in progress	-	387,451	-	387,451
Subtotal	1,343,404	387,451	-	1,730,855
Capital assets being depreciated:				
Road usage rights *	12,755,044	-	-	12,755,044
Buildings and improvements	16,908,001	187,324	-	17,095,325
Equipment	340,018	-	(70,000)	270,018
Vehicles	3,033,590	208,424	(126,928)	3,115,086
Office equipment	3,180,759	142,197	-	3,322,956
Land improvements	2,024,484	13,411	-	2,037,895
Furniture and fixtures	58,315	-	-	58,315
Subtotal	38,300,211	551,356	(196,928)	38,654,639
Accumulated depreciation:				
Road usage rights *	2,912,727	850,336	-	3,763,063
Buildings and improvements	7,616,325	424,450	-	8,040,775
Equipment	323,195	4,484	(70,000)	257,679
Vehicles	2,552,492	197,721	(126,928)	2,623,285
Office equipment	2,251,390	286,941	-	2,538,331
Land improvements	890,201	71,583	-	961,784
Furniture and fixtures	48,469	1,818	-	50,287
Subtotal	16,594,799	1,837,333	(196,928)	18,235,204
Net capital assets being depreciated	21,705,412	(1,285,977)	-	20,419,435
Net capital assets	\$ 23,048,816	\$ (898,526)	\$ -	\$ 22,150,290

* 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, 2012

Note 4 - Capital Assets (Continued)

	Balance April 1, 2011	Additions	Disposals and Adjustments	Balance March 31, 2012
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 868,128	\$ -	\$ -	\$ 868,128
Construction in progress	1,683,539	1,448,956	-	3,132,495
Subtotal	2,551,667	1,448,956	-	4,000,623
Capital assets being depreciated:				
Water and sewer facilities	32,563,423	301,380	-	32,864,803
Water meters	1,989,162	-	-	1,989,162
Buildings and improvements	9,001,866	63,985	-	9,065,851
Equipment	1,717,023	175,632	(71,119)	1,821,536
Vehicles	1,316,982	24,792	(15,000)	1,326,774
CSO basin	18,996,047	33,515	-	19,029,562
Subtotal	65,584,503	599,304	(86,119)	66,097,688
Accumulated depreciation:				
Water and sewer facilities	9,155,003	504,223	-	9,659,226
Water meters	1,825,297	21,415	-	1,846,712
Buildings and improvements	4,130,299	200,308	-	4,330,607
Equipment	1,391,752	133,131	(65,834)	1,459,049
Vehicles	935,036	62,194	(15,000)	982,230
CSO basin	8,524,383	636,518	-	9,160,901
Subtotal	25,961,770	1,557,789	(80,834)	27,438,725
Net capital assets being depreciated	39,622,733	(958,485)	(5,285)	38,658,963
Net capital assets	\$ 42,174,400	\$ 490,471	\$ (5,285)	\$ 42,659,586
	Balance April 1, 2011	Additions	Balance March 31, 2012	
Component Units				
Capital assets not being depreciated -				
Land	\$ 75,690	\$ -	\$ 75,690	
Capital assets being depreciated:				
Machinery and equipment	5,700	8,716	14,416	
Land improvements	89,816	-	89,816	
Subtotal	95,516	8,716	104,232	
Accumulated depreciation:				
Machinery and equipment	3,230	2,012	5,242	
Land improvements	14,970	4,990	19,960	
Subtotal	18,200	7,002	25,202	
Net capital assets being depreciated	77,316	1,714	79,030	
Net capital assets	\$ 153,006	\$ 1,714	\$ 154,720	

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 4 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 109,815
Public safety	718,578
Public works	809,749
Community and economic development	53,110
Recreation and culture	<u>146,081</u>
Total governmental activities	<u>\$ 1,837,333</u>

Business-type activities:

Water and sewer	\$ 1,302,211
Senior housing	86,733
Golf course	<u>168,845</u>
Total business-type activities	<u>\$ 1,557,789</u>

Depreciation expense of \$7,002 was charged to public works in the Downtown Development Authority.

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Nonmajor governmental funds	\$ 570,534
	Nonmajor enterprise funds	102,042
	Internal service funds	401,834
	Water and Sewer Fund	<u>889,992</u>
	Total General Fund	1,964,402
Nonmajor governmental funds	Nonmajor governmental funds	297,390
	Water and Sewer Fund	<u>185</u>
	Total nonmajor governmental funds	297,575
Internal service funds	Nonmajor enterprise funds	30,000
	Water and Sewer Fund	<u>260,539</u>
	Total internal service funds	<u>290,539</u>
	Total	<u>\$ 2,552,516</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

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

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Nonmajor governmental funds (2)	\$ 481,736
Nonmajor governmental funds	General Fund (1)	41,834
	Nonmajor governmental funds (2)	386,179
	Total nonmajor governmental funds	428,013
	Total	\$ 909,749

(1) Reimbursement to General Fund for property tax chargebacks

(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.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation bonds:							
2006 Capital Improvement Bonds:							
Amount of issue - \$2,695,000	3.75% -	\$150,000 -					
Maturing through 2021	4.00%	\$200,000	\$ 1,895,000	\$ -	\$ (200,000)	\$ 1,695,000	\$ 200,000
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% -	\$300,000 -					
Maturing through 2024	4.50%	\$500,000	4,750,000	-	(250,000)	4,500,000	300,000
Building Authority Bonds:							
1998A Fire Station:							
Amount of issue - \$3,000,000							
Refunded in 2012	4.50%	-	1,475,000	-	(1,475,000)	-	-
1998B Service Building:							
Amount of issue - \$1,500,000							
Refunded in 2012	4.50%	-	800,000	-	(800,000)	-	-
1999 Service Building:							
Amount of issue - \$1,500,000	4.70% -						
Refunded in 2012	5.00%	-	260,000	-	(260,000)	-	-

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Governmental Activities (Continued)							
Building Authority Bonds (Continued):							
2011 Refunding Bonds for 1998A Fire Station:							
Amount of issue - \$1,525,000 (part of \$3,105,000 issue)*	2.00% - 3.00%	\$205,000-\$245,000	\$ -	\$ 1,525,000	\$ (195,000)	\$ 1,330,000	\$ 215,000
2011 Refunding Bonds for 1998B Service Building:							
Amount of issue - \$830,000 (part of \$3,105,000 issue)*	2.00% - 3.00%	\$105,000-\$130,000	-	830,000	(110,000)	720,000	110,000
2011 Refunding Bonds for 1999 Service Building:							
Amount of issue - \$265,000 (part of \$3,105,000 issue)*	2.00% - 3.00%	\$40,000-\$50,000	-	265,000	(40,000)	225,000	40,000
Installment purchase agreements:							
2007 Nursing Home Property:							
Amount of issue - \$600,000	6.21%	\$600,000	600,000	-	(600,000)	-	-
2007 Capital Improvement Bonds:							
Lyndon:							
Amount of issue - \$507,461 (part of \$4.5M original issue)	4.00% - 5.00%	\$30,670 - \$47,400	421,025	(24,960)	(30,671)	365,394	30,670
Glendale:							
Amount of issue - \$304,486 (part of \$4.5M original issue)	4.00% - 5.00%	\$18,403 - \$28,441	252,623	(14,977)	(18,403)	219,243	18,403
2007 Capital Improvement Bond - Roads:							
Amount of issue - \$2,812,401 (part of \$4.5M original issue)	4.00% - 5.00%	\$169,980 - \$262,697	2,333,367	(138,331)	(169,980)	2,025,056	169,981
2007 CDBG Bond:							
Amount of issue - \$3,545,000	4.55% - 5.13%	\$195,000 - \$365,000	3,205,000	-	(185,000)	3,020,000	195,000
Total bonds payable			15,992,015	2,441,732	(4,334,054)	14,099,693	1,279,054
Accumulated compensated absences			2,662,522	-	(205,098)	2,457,424	120,432
Total governmental activities			\$ 18,654,537	\$ 2,441,732	\$ (4,539,152)	\$ 16,557,117	\$ 1,399,486

* The 2011 Building Authority Refunding Bonds of \$3,105,000 are allocated to both the governmental and business-type activities.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General obligation bonds:							
2004 Combined Sewer Overflow Refunding Bonds:							
Amount of issue - \$5,495,000	2.60% - 3.625%	\$540,000 - \$575,000	\$ 2,725,000	\$ -	\$ (500,000)	\$ 2,225,000	\$ 540,000
1997 (Refunded Bonds) Senior Housing Project:							
Amount of issue - \$2,257,143	4.60% - 5.10%	-	670,000	-	(670,000)	-	-
2004 Refunding Bonds Senior Housing:							
Amount of issue - \$1,695,000	2.50% - 4.00%	\$10,000 - 350,000	1,615,000	-	(10,000)	1,605,000	10,000

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Business-type Activities (Continued)							
General obligation bonds (Continued):							
2011 Refunding Bonds for 1997 Senior Housing Project							
Amount of issue - \$485,000 (part of \$3,105,000 issue)*							
	2.00% -		\$ -	\$ 485,000	\$ (235,000)	\$ 250,000	\$ 250,000
	3.00%	\$250,000					
Maturing through 2018							
Revenue bonds:							
Water Bond Series 1998-1990 (Refunded Bonds) Revenue and Phase 7							
Amount of issue - \$4,490,000							
	4.40% -	\$160,000 -					
	5.00%	\$205,000	1,240,000	-	(155,000)	1,085,000	160,000
Maturing through 2018							
2001 Water Supply and Sewage Disposal System Bonds							
Amount of issue - \$4,200,000							
	4.00% -	\$250,000 -					
	6.00%	\$400,000	2,750,000	-	(225,000)	2,525,000	250,000
Maturing through 2020							
1994 Combined Sewer Overflow State Revolving Fund Debt - Maturing through 2014							
	2.00%	\$80,000 -	412,897	-	(75,000)	337,897	80,000
		\$92,897					
2007 Capital Improvement Bonds:							
Water Mains							
Amount of issue - \$925,642 (part of 4.5M original issue)							
	4.00% -	\$55,946 -	767,976	178,268	(55,946)	890,298	55,946
	5.00%	\$86,462	(77,411)	-	17,210	(60,201)	(17,230)
Maturing through 2022							
Deferred charge on refunding							
Total bonds payable			10,103,462	663,268	(1,908,736)	8,857,994	1,328,716
Accumulated compensated absences			584,769	32,366	-	617,135	-
Total business-type activities			\$ 10,688,231	\$ 695,634	\$ (1,908,736)	\$ 9,475,129	\$ 1,328,716

* The 2011 Building Authority Refunding Bonds of \$3,105,000 are allocated to both the governmental and business-type activities.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit Activities							
Limited Tax General Obligation Bonds, Series 2007							
Amount of issue - \$3,805,000							
	4.00% -	\$180,000 -					
	5.00%	\$320,000	\$ 3,635,000	\$ -	\$ (175,000)	\$ 3,460,000	\$ 180,000
Maturing through 2026							
Limited Tax General Obligation Bonds, Series 2006A:							
Amount of issue - \$3,670,000							
	5.15% -	\$125,000 -	3,525,000	-	(100,000)	3,425,000	125,000
	5.70%	\$400,000					
Maturing through 2026							
Total bonds payable			\$ 7,160,000	\$ -	\$ (275,000)	\$ 6,885,000	\$ 305,000

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 6 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$1,324,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending March 31	Business-type Activities			Component Unit Activities					
	Principal	Interest	Total	Principal	Interest	Total			
2013	\$ 1,279,054	\$ 553,907	\$ 1,832,961	\$ 1,345,946	\$ 341,853	\$ 1,687,799	\$ 305,000	\$ 327,075	\$ 632,075
2014	1,303,968	509,747	1,813,715	1,166,032	298,160	1,464,192	325,000	312,819	637,819
2015	1,343,968	461,591	1,805,559	1,416,032	252,498	1,668,530	350,000	297,463	647,463
2016	1,453,882	413,823	1,867,705	1,499,015	207,431	1,706,446	350,000	280,438	630,438
2017	1,463,881	360,003	1,823,884	886,118	138,541	1,024,659	395,000	261,199	656,199
2018-2022	5,939,940	1,017,382	6,957,322	2,605,052	193,693	2,798,745	2,505,000	974,661	3,479,661
2023-2027	1,315,000	74,612	1,389,612	-	-	-	2,655,000	271,125	2,926,125
Total	\$ 14,099,693	\$ 3,391,065	\$ 17,490,758	\$ 8,918,195	\$ 1,432,176	\$ 10,350,371	\$ 6,885,000	\$ 2,724,780	\$ 9,609,780

Advance and Current Refundings - During the year, the Township issued \$2,620,000 in building authority refunding bonds in the governmental activities and \$485,000 in the business-type activities with an average interest rate range of 2.0 to 3.0 percent. The proceeds of these bonds were used to advance refund \$3,205,000 of outstanding 1998A Fire Station, 1998B Service Building, and 1999 Service Building building authority bonds in the governmental activities and 1997 Senior Housing Project general obligation bonds with an average interest rate range of 4.50 to 5.10 percent. The net proceeds of \$3,074,500 (after payment of \$100,008 in underwriting fees, insurance, and other issuance costs) plus an additional \$69,509 of the Township's monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed. The advance refunding reduced total debt service payments over the next seven years by approximately \$104,000, which represents an economic gain of approximately \$89,000.

Future Revenue Pledged for Debt Payments - The Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water supply and sewage disposal systems. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$4,496,123.

The Township has pledged a portion of future property tax revenues to repay \$6,885,000 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 \$9,609,780 payable through 2026. For the current year, principal and interest paid and total property tax captures were \$621,238 and \$1,820,780, respectively.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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, 2012 was \$8,350,000.

Note 7 - Restricted Net Assets

Restricted assets consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash and cash equivalents	\$ 439,576	\$ 610,250

The assets are restricted for the following purposes:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
1998 Revenue Bonds debt	\$ -	\$ 215,250
2001 Revenue Bonds debt	-	395,000
Unspent bond proceeds	<u>439,576</u>	<u>-</u>
Total	<u>\$ 439,576</u>	<u>\$ 610,250</u>

Net assets have been restricted in the amount of \$439,576 in the governmental activities. Net assets in the amount of \$610,250 have been restricted in the business-type activities.

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.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 8 - Risk Management (Continued)

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	
	2012	2011	2012	2011
Unpaid claims - Beginning	\$ 1,500,890	\$ 1,730,016	\$ 1,000,000	\$ 1,000,000
Incurred claims (including claims incurred but not reported)	762,606	1,100,207	2,801,548	4,962,420
Claim payments	<u>(1,379,364)</u>	<u>(1,329,333)</u>	<u>(3,101,548)</u>	<u>(4,962,420)</u>
Unpaid claims - End	<u>\$ 884,132</u>	<u>\$ 1,500,890</u>	<u>\$ 700,000</u>	<u>\$ 1,000,000</u>

Note 9 - Single-employer Defined Benefit Pension Plan

Plan Description - The Police and Fire Pension Plan is a combination of a single-employer defined benefit pension plan and a single-employer defined contribution plan. The defined contribution portion of the plan was set up for the annual employees' contribution. The assets of the defined contribution plan are used to fund the defined benefit pension plan. Therefore, the two plans work together as a defined benefit pension plan. The plan is administered by the Redford Township Police and Fire Employees' Retirement System; this plan covers substantially all police and fire employees of the Township. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. At March 31, 2011, the date of the most recent actuarial valuation, membership consisted of 156 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

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

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

Annual Pension Cost - For the year ended March 31, 2012, the Township's annual pension cost of \$4,407,240 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 22 years.

	Fiscal Year Ended March 31		
	2012	2011	2010
Annual pension cost (APC)	\$ 4,407,240	\$ 3,914,550	\$ 2,964,791
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	-	-	-

Funding Status and Funding Progress - As of March 31, 2011, the most recent actuarial valuation date, the plan was 60 percent funded. The actuarial accrued liability for benefits was \$103 million, and the actuarial value of assets was \$62 million, resulting in an unfunded actuarial accrued liability of \$41 million. The covered payroll (annual payroll to active employees covered by the plan) was \$6 million and the ratio of the unfunded actuarial accrued liability to the covered payroll was 697 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at March 31, 2011 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 22 years.

Note 10 - Multi-employer Defined Benefit Pension Plan

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

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

Annual Pension Cost - For the year ended March 31, 2012, the Township's annual pension cost of \$962,999 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, 2009, 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 27 years.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

Three-year Trend Information

	Fiscal Year Ended March 31		
	2012	2011	2010
Annual pension cost (APC)	\$ 962,999	\$ 1,095,542	\$ 1,142,477
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	-	-	-

	Actuarial Valuation as of December 31		
	2010	2009	2008
Actuarial value of assets	\$ 34,512,997	\$ 34,103,281	\$ 33,994,185
Actuarial accrued liability (AAL)			
(entry age)	44,941,630	42,768,340	42,634,099
Unfunded AAL (UAAL)	10,428,633	8,665,059	8,639,914
Funded ratio	77.0 %	80.0 %	80.0 %
Covered payroll	4,268,956	5,488,420	5,750,510
UAAL as a percentage of covered payroll	244.0 %	158.0 %	150.0 %

Note 11 - Commitments

The Township has entered into a contract with a corporation that will manage the operations of the Glenhurst Golf Course. Under the terms of this contract, the Township has agreed to pay the corporation from its Golf Course (Enterprise) Fund a minimum fee of \$690,000 between April 1, 2012 and March 31, 2013 for services rendered during calendar year 2012. The Township has agreed to pay additional fees if certain golf course revenue is attained.

Note 12 - Other Postemployment Benefits - General Employees

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

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

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

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, 2012, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2010. 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)	\$ 2,537,298
Interest on the prior year's net OPEB obligation	186,430
Less adjustment to the annual required contribution	<u>(225,732)</u>
Annual OPEB cost	2,497,996
Amounts contributed	<u>(2,151,460)</u>
Increase in net OPEB obligation	346,536
OPEB obligation - Beginning of year	<u>3,107,166</u>
OPEB obligation - End of year	<u>\$ 3,453,702</u>

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/10	3/31/06	\$ 3,407,837	\$ 3,391,501	57.0 %	57.0 %	\$ 2,737,463
3/31/11	3/31/10	2,474,269	2,437,096	84.0	84.0	3,107,166
3/31/12	3/31/10	2,537,298	2,497,996	87.0	88.0	3,453,702

The funding progress of the plan is as follows:

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

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

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, 2010 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 13.5 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 is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 29 years.

Note 13 - Other Postemployment Benefits - Police and Fire

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

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

Charter Township of Redford

Notes to Financial Statements March 31, 2012

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

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, 2012, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2010. 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)	\$ 4,041,285
Interest on the prior year's net OPEB obligation	352,470
Less adjustment to the annual required contribution	<u>(426,776)</u>
Annual OPEB cost	3,966,979
Amounts contributed	<u>(2,600,000)</u>
Increase in net OPEB obligation	1,366,979
OPEB obligation - Beginning of year	<u>5,874,506</u>
OPEB obligation - End of year	<u>\$ 7,241,485</u>

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/10	3/31/06	\$ 4,575,896	\$ 4,547,004	49.0 %	50.0 %	\$ 4,580,010
3/31/11	3/31/10	3,934,609	3,872,415	66.0	67.0	5,874,506
3/31/12	3/31/10	4,041,285	3,966,979	64.0	66.0	7,241,485

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 %
3/31/08	1,229,359	61,070,000	59,840,641	2.0	6,743,929	887.3
3/31/10	2,458,718	62,256,519	59,797,801	3.9	6,547,439	913.3

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

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, 2010 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 13.5 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 is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 29 years.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 14 - Pension and Other Employee Benefit Trust Funds

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

	Pension Trust	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Statement of Net Assets				
Investments	\$ 62,203,489	\$ 2,655,098	\$ 1,233,724	\$ 66,092,311
Other assets	289,737	54,698	-	344,435
Liabilities	(1,640,881)	(2,360)	(180,840)	(1,824,081)
Net assets	<u>\$ 60,852,345</u>	<u>\$ 2,707,436</u>	<u>\$ 1,052,884</u>	<u>\$ 64,612,665</u>
Statement of Changes in Net Assets				
Investment income	\$ 186,959	\$ 885	\$ 811	\$ 188,655
Contributions	4,423,451	2,663,858	2,194,640	9,281,949
Benefit payments	(6,225,677)	(2,390,958)	(1,951,460)	(10,568,095)
Other deductions	(1,521,145)	(25,068)	(15,842)	(1,562,055)
Net change in net assets	<u>\$ (3,136,412)</u>	<u>\$ 248,717</u>	<u>\$ 228,149</u>	<u>\$ (2,659,546)</u>

Note 15 - Accounting and Reporting Change

During the year, the Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications as described in Note 1. Implementation required that the Accrued General Employee Fund to be consolidated into the General Fund. As a result, beginning General Fund fund balance was restated as follows:

	General Fund
Fund balance - March 31, 2011 - As previously reported	\$ 8,954,338
Consolidation of the Accrued General Employee Fund fund balance as of March 31, 2011 as a result of GASB No. 54	417,218
Fund balance - March 31, 2011 - As restated	<u>\$ 9,371,556</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 16 - Fund Balance Constraints

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

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Fund Balances				
Nonspendable - Prepays	\$ 445,708	\$ -	\$ -	\$ 445,708
Restricted:				
Road improvements	-	-	793,696	793,696
Police	-	-	257,650	257,650
Debt service	-	-	1,071,299	1,071,299
Storm water improvements	-	-	48,070	48,070
Unspent bond proceeds	-	-	8,023	8,023
Dial-A-Ride services	-	-	137,470	137,470
Solid waste activities	-	-	1,559,881	1,559,881
911 services	-	-	130,027	130,027
Drain improvements	-	-	873,167	873,167
Future NSP expenditures	-	-	474,886	474,886
Total restricted	-	-	5,354,169	5,354,169
Committed - Court building improvements	-	-	2,903,982	2,903,982
Assigned - Capital projects	-	1,006,517	777,153	1,783,670
Unassigned	8,384,445	-	(420,939)	7,963,506
Total nonspendable	\$ 8,830,153	\$ 1,006,517	\$ 8,614,365	\$ 18,451,035

Note 17 - Upcoming Accounting Pronouncements

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This statement addresses financial reporting related to service concession arrangements which are a type of public private or public public partnership. An SCA is an arrangement between a transferor (a government) and an operator (whether a government or nongovernment) in which the transferor conveys to an operator the right and relation obligation to provide services through the use of infrastructure or another public asset in exchange for significant consideration and the operator collects and is compensated by fees from third parties. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2012-2013 fiscal year.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 17 - Upcoming Accounting Pronouncements (Continued)

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity Omnibus*. This pronouncement, which is an amendment to Statement No. 14 and Statement No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. This statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Lastly, the statement also clarifies the reporting of equity interests in legally separate organizations. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2013-2014 fiscal year.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB statements and interpretations, APB opinions, and accounting research bulletins of the AICPA committee on accounting procedure. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2012-2013 fiscal year.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement will be effective for the Township's 2012-2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level.

In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Township's 2013-2014 fiscal year.

Charter Township of Redford

Notes to Financial Statements March 31, 2012

Note 17 - Upcoming Accounting Pronouncements (Continued)

In June 2012, GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued by the Governmental Accounting Standards Board. This new standard, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement No. 50, *Pension Disclosures*, establishes standards for financial reporting that outline the basic framework for separately issued pension plan financial reports and specifies the required approach to measure the liability of employer(s) and certain nonemployer contributing entities, about which information is required to be disclosed. GASB Statement No. 67 is required to be adopted for years beginning after June 15, 2013. For the Charter Township of Redford, this standard will be adopted for the year ending March 31, 2015.

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending March 31, 2016.

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2012

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 15,374,390	\$ 14,974,390	\$ 15,059,651	\$ 85,261
Licenses and permits	891,200	886,200	879,995	(6,205)
Federal grants	330,000	942,000	821,168	(120,832)
State-shared revenue and grants	4,453,000	4,734,500	4,753,269	18,769
Charges for services	1,277,950	1,447,950	1,421,569	(26,381)
Fines and forfeitures	2,485,725	2,209,725	2,223,859	14,134
Investment income	50,175	50,175	40,942	(9,233)
Other revenue	1,539,650	2,301,650	2,156,553	(145,097)
Total revenue	26,402,090	27,546,590	27,357,006	(189,584)
Expenditures - Current				
General government:				
Legislative	97,040	107,040	107,425	(385)
Executive	133,287	145,287	151,259	(5,972)
Accounting	424,236	433,836	444,794	(10,958)
Information systems	464,172	389,172	397,558	(8,386)
Treasurer	339,752	339,752	353,317	(13,565)
Assessor	292,760	372,760	382,347	(9,587)
Board of review	-	7,650	4,211	3,439
Clerk	350,692	325,692	327,584	(1,892)
Elections	69,040	69,040	56,463	12,577
Buildings and grounds	239,880	193,680	174,028	19,652
Attorney	157,000	293,000	290,900	2,100
Civil service	140,130	140,130	139,080	1,050
Police and fire civil service	12,400	22,400	21,832	568
Public service building maintenance	242,000	50,150	21,780	28,370
Insurance and other functions	970,400	1,352,624	1,036,995	315,629
Public education government	60,000	-	-	-
Marquee maintenance	102,165	38,131	38,008	123
Total general government	4,094,954	4,280,344	3,947,581	332,763
District Court:				
District Court costs	1,469,972	1,729,861	1,533,633	196,228
Criminal justice	465,500	469,500	455,116	14,384
Probation	212,002	172,002	181,448	(9,446)
Work program	38,545	28,545	26,936	1,609
Total District Court	2,186,019	2,399,908	2,197,133	202,775
Public safety:				
Police/Sheriff (county)	9,669,360	9,991,522	10,307,762	(316,240)
Dispatch	263,343	279,343	288,436	(9,093)
Fire	7,256,269	7,505,301	7,378,693	126,608
School crossing	23,798	35,798	42,781	(6,983)
School resource officer	346,323	346,323	350,915	(4,592)
ALS transport collection fee	53,000	57,000	61,178	(4,178)
CHP grant	543,277	-	-	-
Protective inspection	40,000	40,000	37,671	2,329
Total public safety	18,195,370	18,255,287	18,467,436	(212,149)

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2012

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures - Current (Continued)				
Public works:				
Street construction	\$ 846,000	\$ 911,000	\$ 897,569	\$ 13,431
DPW	162,316	162,316	109,153	53,163
Total public works	1,008,316	1,073,316	1,006,722	66,594
Health and welfare - Animal control	127,434	132,434	129,631	2,803
Community and economic development:				
Redevelopment	48,815	12,000	11,903	97
Community promotion	27,000	32,000	33,815	(1,815)
Zoning board of appeals	11,148	11,148	3,259	7,889
Other community and economic development	29,347	26,697	29,049	(2,352)
Total community and economic development	116,310	81,845	78,026	3,819
Recreation and culture:				
Parks and recreation	298,764	298,764	276,720	22,044
Parks facilities	306,488	193,708	197,189	(3,481)
Senior citizens	48,389	31,389	29,573	1,816
Cultural	18,000	29,780	27,758	2,022
Total recreation and culture	671,641	553,641	531,240	22,401
Debt service	-	648,815	637,882	10,933
Total expenditures	26,400,044	27,425,590	26,995,651	429,939
Excess of Revenue Over Expenditures	2,046	121,000	361,355	240,355
Other Financing Sources (Uses)				
Net costs on bond refunding	-	-	(57,582)	(57,582)
Proceeds from sale of capital assets	-	25,000	2,545	(22,455)
Transfers in	-	45,163	41,834	(3,329)
Transfers out	-	(191,163)	(481,736)	(290,573)
Total other financing uses	-	(121,000)	(494,939)	(373,939)
Net Change in Fund Balance	2,046	-	(133,584)	(133,584)
Fund Balance - Beginning of year	8,954,338	8,954,338	8,954,338	-
Fund Balance - End of year	\$ 8,956,384	\$ 8,954,338	\$ 8,820,754	\$ (133,584)

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 Pension System Schedule Year Ended March 31, 2012

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ 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
3/31/10	61,400,000	99,600,000	38,200,000	61.6	6,500,000	587.7
3/31/11	62,100,000	102,800,000	40,700,000	60.4	5,800,000	701.7

The schedule of employer contributions is as follows:

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed
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
3/31/11	3,914,550	100.0
3/31/12	4,407,240	100.0

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2011, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	22 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, 2012

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, 2012, there were no significant budget overruns. A comparison of actual results of operations, including budget overruns, to the nonmajor fund budgets as adopted by the Township board is available at the clerk's office for inspection.

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

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

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

Charter Township of Redford

Note to Required Supplemental Information (Continued) Year Ended March 31, 2012

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.

A reconciliation of the budgetary comparison schedules to the fund-based statement of changes in fund balances is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>
Amounts per operating statement	\$ 27,661,131	\$ 27,707,595
Accrued Employee Benefits Fund	<u>(304,125)</u>	<u>(711,944)</u>
Amounts per budget statement	<u>\$ 27,357,006</u>	<u>\$ 26,995,651</u>

Fund Deficit - The Township has a fund deficit in the Bell Creek Pedestrian Bridge Fund in the amount of \$369,811.

The Township has a fund deficit in the Brownfield EPA Grant Fund in the amount of \$51,128.

The Township has a fund deficit in the modified based statement of the Brownfield Redevelopment Financing Authority fund of \$1,013,747.

Other Supplemental Information

Charter Township of Redford

	Special Revenue Funds						
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Energy Efficiency Community Block Grant
Assets							
Cash and investments	\$ 170,962	\$ 51,874	\$ 351,788	\$ 2,136,955	\$ 141,289	\$ 19,966	\$ -
Receivables	19,937	-	-	374,338	-	-	-
Due from other funds	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	474,886	-
Restricted assets	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	223,409	497
Total assets	\$ 190,899	\$ 51,874	\$ 351,788	\$ 2,511,293	\$ 141,289	\$ 718,261	\$ 497
Liabilities and Fund Balances (Deficit)							
Liabilities							
Accounts payable	\$ 1,494	\$ -	\$ 53,512	\$ 562,072	\$ 1,893	\$ 9,772	\$ -
Due to other governmental units	-	-	24,893	-	-	-	-
Due to other funds	31,000	-	-	-	-	231,046	316
Accrued liabilities and other	6,012	-	15,733	-	9,369	2,557	181
Deferred revenue	11,903	51,874	-	373,302	-	-	-
Provision for property tax refunds	3,020	-	-	16,038	-	-	-
Total liabilities	53,429	51,874	94,138	951,412	11,262	243,375	497
Fund Balances (Deficit)							
Restricted:							
Road improvements	-	-	-	-	-	-	-
Drug law enforcement	-	-	257,650	-	-	-	-
Debt service	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	-
Unspent bond proceeds	-	-	-	-	-	-	-
Dial-A-Ride services	137,470	-	-	-	-	-	-
Solid waste activities	-	-	-	1,559,881	-	-	-
911 services	-	-	-	-	130,027	-	-
Drain improvements	-	-	-	-	-	-	-
Future NSP expenditures	-	-	-	-	-	474,886	-
Committed	-	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	137,470	-	257,650	1,559,881	130,027	474,886	-
Total liabilities and fund balances (deficit)	\$ 190,899	\$ 51,874	\$ 351,788	\$ 2,511,293	\$ 141,289	\$ 718,261	\$ 497

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2012**

Special Revenue Funds				Debt Service Funds				
Community Development Block Grant	Public Improvement - Storm Water	Brownfield EPA Grant Fund	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing
\$ 19,830	\$ 31,225	\$ -	\$ -	\$ 165,494	\$ 177,684	\$ 407,101	\$ 130,736	\$ -
524,665	-	-	2,829	-	-	-	-	-
31,000	-	-	-	54,200	-	-	212,190	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,104
152,222	17,265	51,129	-	-	-	-	-	-
\$ 727,717	\$ 48,490	\$ 51,129	\$ 2,829	\$ 219,694	\$ 177,684	\$ 407,101	\$ 342,926	\$ 1,104
\$ 77,896	\$ 420	\$ 45,651	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
114,368	-	5,477	-	-	76,106	-	-	-
10,788	-	-	-	-	-	-	-	-
524,665	-	51,129	2,828	-	-	-	-	-
-	-	-	-	-	-	-	-	-
727,717	420	102,257	2,829	-	76,106	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	219,694	101,578	407,101	342,926	-
-	48,070	-	-	-	-	-	-	1,104
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(51,128)	-	-	-	-	-	-
-	48,070	(51,128)	-	219,694	101,578	407,101	342,926	1,104
\$ 727,717	\$ 48,490	\$ 51,129	\$ 2,829	\$ 219,694	\$ 177,684	\$ 407,101	\$ 342,926	\$ 1,104

Charter Township of Redford

Capital Projects Funds

	Capital Improvement	Police Station	Smith Drain	Glendale Paving - Pinnacle	Lyndon 2 Paving - Shamrock	Marquee Renovation	Court Building Improvement
Assets							
Cash and investments	\$ 691,768	\$ 92,699	\$ 868,582	\$ -	\$ -	\$ -	\$ 2,879,908
Receivables	-	-	4,585	-	-	-	6,082
Due from other funds	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	6,919	-
Due from other governmental units	-	-	-	-	-	-	17,992
Total assets	\$ 691,768	\$ 92,699	\$ 873,167	\$ -	\$ -	\$ 6,919	\$ 2,903,982
Liabilities and Fund Balances (Deficit)							
Liabilities							
Accounts payable	\$ 7,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Provision for property tax refunds	-	-	-	-	-	-	-
Total liabilities	7,314	-	-	-	-	-	-
Fund Balances (Deficit)							
Restricted:							
Road improvements	-	-	-	-	-	-	-
Drug law enforcement	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	-
Unspent bond proceeds	-	-	-	-	-	6,919	-
Dial-A-Ride services	-	-	-	-	-	-	-
Solid waste activities	-	-	-	-	-	-	-
911 services	-	-	-	-	-	-	-
Drain improvements	-	-	873,167	-	-	-	-
Future NSP expenditures	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	2,903,982
Assigned - Capital projects	684,454	92,699	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficit)	684,454	92,699	873,167	-	-	6,919	2,903,982
Total liabilities and fund balances (deficit)	\$ 691,768	\$ 92,699	\$ 873,167	\$ -	\$ -	\$ 6,919	\$ 2,903,982

**Other Supplemental Information
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
March 31, 2012**

Capital Projects Funds			Total
Road Improvement	Road Paving	Bell Creek Pedestrian Bridge	Nonmajor Governmental Funds
\$ 639,281	\$ -	\$ -	\$ 8,977,142
874,773	-	-	1,807,209
-	185	-	297,575
-	-	-	474,886
-	431,553	-	439,576
-	-	282,670	745,184
\$ 1,514,054	\$ 431,738	\$ 282,670	\$12,741,572

\$ -	\$ -	\$ 270,454	\$ 1,030,479
-	-	-	24,893
190,284	119,969	99,358	867,924
-	-	-	44,640
841,843	-	282,669	2,140,213
-	-	-	19,058
1,032,127	119,969	652,481	4,127,207

481,927	311,769	-	793,696
-	-	-	257,650
-	-	-	1,071,299
-	-	-	48,070
-	-	-	8,023
-	-	-	137,470
-	-	-	1,559,881
-	-	-	130,027
-	-	-	873,167
-	-	-	474,886
-	-	-	2,903,982
-	-	-	777,153
-	-	(369,811)	(420,939)
481,927	311,769	(369,811)	8,614,365

\$ 1,514,054 \$ 431,738 \$ 282,670 \$12,741,572

Charter Township of Redford

	Special Revenue Funds						
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Energy Efficiency Community Block Grant
Revenue							
Property taxes	\$ 104,528	\$ -	\$ -	\$ 2,517,118	\$ -	\$ -	\$ -
Federal grants	-	-	651,176	-	-	864,225	56,983
State sources	114,595	-	-	-	5,790	-	-
Charges for services	29,153	-	-	610,771	321,038	-	-
Fines and forfeitures	-	-	65,370	-	-	-	-
Investment income	231	-	1,208	2,938	527	-	-
Other revenue:							
Special assessments	-	-	-	-	-	-	-
Other miscellaneous income	42,642	-	-	-	-	-	-
Total revenue	291,149	-	717,754	3,130,827	327,355	864,225	56,983
Expenditures							
Current:							
Public safety	-	-	1,015,381	-	338,345	-	-
Public works	-	-	-	3,149,904	-	-	-
Health and welfare	287,435	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	1,519,204	56,983
Capital outlay	-	-	-	-	58,048	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	287,435	-	1,015,381	3,149,904	396,393	1,519,204	56,983
Excess of Revenue (Under) Over Expenditures	3,714	-	(297,627)	(19,077)	(69,038)	(654,979)	-
Other Financing Sources (Uses)							
Transfer of bond proceeds	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	2,950	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	2,950	-	-	-
Net Change in Fund Balances	3,714	-	(297,627)	(16,127)	(69,038)	(654,979)	-
Fund Balances - Beginning of year	133,756	-	555,277	1,576,008	199,065	1,129,865	-
Fund Balances (Deficit) - End of year	\$ 137,470	\$ -	\$ 257,650	\$ 1,559,881	\$ 130,027	\$ 474,886	\$ -

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2012

Special Revenue Funds			Debt Service Funds					
Community Development Block Grant	Public Improvement - Storm Water	Brownfield EPA Grant Fund	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing
\$ -	\$ -	\$ -	\$ 39,588	\$ -	\$ -	\$ -	\$ -	\$ -
1,140,107	-	-	-	-	-	-	-	-
-	41,029	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	175	200	212	210	174	6
-	-	-	-	-	-	-	-	-
-	-	-	-	189,771	246,785	231,679	239,756	241,783
1,140,107	41,029	-	39,763	189,971	246,997	231,889	239,930	241,789
-	-	-	-	-	-	-	-	-
-	11,281	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,020,317	-	51,128	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1	274,057	342,272	327,762	447,250	621,504
1,020,317	11,281	51,128	1	274,057	342,272	327,762	447,250	621,504
119,790	29,748	(51,128)	39,762	(84,086)	(95,275)	(95,873)	(207,320)	(379,715)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	54,200	-	119,790	313,106	380,819
(119,790)	-	-	(41,834)	-	(76,105)	-	-	-
(119,790)	-	-	(41,834)	54,200	(76,105)	119,790	313,106	380,819
-	29,748	(51,128)	(2,072)	(29,886)	(171,380)	23,917	105,786	1,104
-	18,322	-	2,072	249,580	272,958	383,184	237,140	-
\$ -	\$ 48,070	\$ (51,128)	\$ -	\$ 219,694	\$ 101,578	\$ 407,101	\$ 342,926	\$ 1,104

Charter Township of Redford

Capital Projects Funds

	Capital Improvement	Police Station	Smith Drain	Glendale Paving - Pinnacle	Lyndon 2 Paving - Shamrock	Marquee Renovation	Court Building Improvement
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	216,588
Investment income	3,037	438	4,803	25	39	30	19,567
Other revenue:							
Special assessments	-	-	-	-	-	-	-
Other miscellaneous income	-	-	-	-	-	-	-
Total revenue	3,037	438	4,803	25	39	30	236,155
Expenditures							
Current:							
Public safety	-	2,568	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Capital outlay	43,263	136,250	-	-	-	-	16,130
Debt service	-	-	-	-	-	-	-
Total expenditures	43,263	138,818	-	-	-	-	16,130
Excess of Revenue (Under) Over Expenditures	(40,226)	(138,380)	4,803	25	39	30	220,025
Other Financing Sources (Uses)							
Transfer of bond proceeds	-	-	-	(71,394)	(106,874)	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(71,394)	(106,874)	-	-
Net Change in Fund Balances	(40,226)	(138,380)	4,803	(71,369)	(106,835)	30	220,025
Fund Balances - Beginning of year	724,680	231,079	868,364	71,369	106,835	6,889	2,683,957
Fund Balances (Deficit) - End of year	\$ 684,454	\$ 92,699	\$ 873,167	\$ -	\$ -	\$ 6,919	\$ 2,903,982

**Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended March 31, 2012**

Capital Projects Funds			Total
Road Improvement	Road Paving	Bell Creek Pedestrian Bridge	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,661,234
-	-	-	2,712,491
15,640	-	-	177,054
-	-	-	960,962
-	-	-	281,958
2,245	370	31	36,466
197,632	-	-	197,632
24,154	-	-	1,216,570
239,671	370	31	8,244,367
-	-	-	1,356,294
500	-	123	3,161,808
-	-	-	287,435
-	-	-	2,647,632
-	-	456,862	710,553
-	-	-	2,012,846
500	-	456,985	10,176,568
239,171	370	(456,954)	(1,932,201)
-	-	-	(178,268)
-	-	-	2,950
-	-	-	867,915
(190,284)	-	-	(428,013)
(190,284)	-	-	264,584
48,887	370	(456,954)	(1,667,617)
433,040	311,399	87,143	10,281,982
\$ 481,927	\$ 311,769	\$ (369,811)	\$ 8,614,365

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Assets Nonmajor Enterprise Funds March 31, 2012

	Golf Course	Protective Inspection	Total
Assets			
Current assets:			
Cash and investments	\$ 399,765	\$ 648,464	\$ 1,048,229
Receivables	-	59,454	59,454
Deposits	10,107	-	10,107
Total current assets	409,872	707,918	1,117,790
Noncurrent assets - Capital assets	2,580,865	-	2,580,865
Total assets	2,990,737	707,918	3,698,655
Liabilities			
Current liabilities:			
Accounts payable	24,579	3,058	27,637
Due to other governmental units	1,115	-	1,115
Due to other funds	132,042	-	132,042
Accrued liabilities and other	-	4,007	4,007
Total current liabilities	157,736	7,065	164,801
Noncurrent liabilities:			
Compensated absences	-	147,814	147,814
Net other postemployment benefits obligation	-	50,006	50,006
Total noncurrent liabilities	-	197,820	197,820
Total liabilities	157,736	204,885	362,621
Net Assets			
Invested in capital assets	2,580,865	-	2,580,865
Unrestricted	252,136	503,033	755,169
Total net assets	\$ 2,833,001	\$ 503,033	\$ 3,336,034

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Nonmajor Enterprise Funds Year Ended March 31, 2012

	Golf Course	Protective Inspection	Total
Operating Revenue			
Charges for services	\$ 1,238,936	\$ -	\$ 1,238,936
Permits	-	1,083,415	1,083,415
Total operating revenue	1,238,936	1,083,415	2,322,351
Operating Expenses			
General and administrative costs	-	27,152	27,152
Cost of services	1,002,219	722,705	1,724,924
Depreciation and amortization	168,845	-	168,845
Total operating expenses	1,171,064	749,857	1,920,921
Operating Income	67,872	333,558	401,430
Nonoperating Revenue			
Investment income	46	1,548	1,594
Gain on sale of assets	16,715	-	16,715
Total nonoperating revenue	16,761	1,548	18,309
Change in Net Assets	84,633	335,106	419,739
Net Assets - Beginning of year	2,748,368	167,927	2,916,295
Net Assets - End of year	<u>\$ 2,833,001</u>	<u>\$ 503,033</u>	<u>\$ 3,336,034</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2012

	Golf Course	Protective Inspection	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,238,936	\$ 1,099,953	\$ 2,338,889
Payments to suppliers	(976,409)	(103,145)	(1,079,554)
Payments to employees	-	(617,251)	(617,251)
Internal activity - Payments to other funds	(1,962)	-	(1,962)
	260,565	379,557	640,122
Net cash provided by operating activities			
Cash Flows from Capital and Related Financing Activities			
Proceeds from sales of capital assets	16,715	-	16,715
Purchase of capital assets	(80,869)	-	(80,869)
	(64,154)	-	(64,154)
Net cash used in capital and related financing activities			
Cash Flows from Investing Activities - Interest received on investments			
	46	1,548	1,594
	196,457	381,105	577,562
Net Increase in Cash and Cash Equivalents			
Cash and Cash Equivalents - Beginning of year			
	203,308	267,359	470,667
	\$ 399,765	\$ 648,464	\$ 1,048,229
Cash and Cash Equivalents - End of year			
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 67,872	\$ 333,558	\$ 401,430
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation and amortization	168,845	-	168,845
Changes in assets and liabilities:			
Receivables	-	16,538	16,538
Inventories	265	-	265
Accounts payable	25,545	(3,262)	22,283
Due to others	(1,962)	-	(1,962)
Accrued and other liabilities	-	32,723	32,723
	\$ 260,565	\$ 379,557	\$ 640,122
Net cash provided by operating activities			

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2012.

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Assets Internal Service Funds March 31, 2012

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Assets - Current assets				
Cash and investments	\$ 1,519,112	\$ 121,677	\$ 7,946	\$ 1,648,735
Due from other funds	145,000	145,539	-	290,539
Deposits	825,053	-	-	825,053
Total assets	2,489,165	267,216	7,946	2,764,327
Liabilities				
Current liabilities:				
Accounts payable	-	5,783	1,076	6,859
Due to other funds	145,000	256,834	-	401,834
Accrued liabilities and other	-	4,599	6,870	11,469
Provision for claims - < 1 yr	700,000	-	-	700,000
Total current liabilities	845,000	267,216	7,946	1,120,162
Noncurrent liabilities - Estimated insurance and other liabilities				
	884,132	-	-	884,132
Total liabilities	1,729,132	267,216	7,946	2,004,294
Net Assets - Unrestricted	\$ 760,033	\$ -	\$ -	\$ 760,033

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Internal Service Funds Year Ended March 31, 2012

	<u>Internal Service</u>	Vehicle Maintenance <u>Internal Service</u>	Central Maintenance <u>Internal Service</u>	<u>Total</u>
Operating Revenue				
Charges for services	\$ -	\$ 174,643	\$ 236,641	\$ 411,284
Township contributions	<u>3,780,912</u>	<u>-</u>	<u>-</u>	<u>3,780,912</u>
Total operating revenue	3,780,912	174,643	236,641	4,192,196
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	3,728,871	-	-	3,728,871
General and administrative costs	<u>-</u>	<u>174,643</u>	<u>236,641</u>	<u>411,284</u>
Total operating expenses	<u>3,728,871</u>	<u>174,643</u>	<u>236,641</u>	<u>4,140,155</u>
Operating Income	52,041	-	-	52,041
Nonoperating Revenue - Investment income	<u>16,803</u>	<u>-</u>	<u>-</u>	<u>16,803</u>
Change in Net Assets	68,844	-	-	68,844
Net Assets - Beginning of year	<u>691,189</u>	<u>-</u>	<u>-</u>	<u>691,189</u>
Net Assets - End of year	<u><u>\$ 760,033</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 760,033</u></u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2012

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 3,810,912	\$ 75,751	\$ 236,641	\$ 4,123,304
Payments to suppliers	(145,365)	(26,748)	(1,179)	(173,292)
Payments to employees	-	(150,745)	(236,493)	(387,238)
Internal activity - Payments to other funds	(384,317)	-	-	(384,317)
Claims paid	(4,645,629)	-	-	(4,645,629)
Net cash used in operating activities	(1,364,399)	(101,742)	(1,031)	(1,467,172)
Cash Flows from Investing Activities - Interest received on investments				
	16,803	-	-	16,803
Net Decrease in Cash and Cash Equivalents	(1,347,596)	(101,742)	(1,031)	(1,450,369)
Cash and Cash Equivalents - Beginning of year	2,866,708	223,419	8,977	3,099,104
Cash and Cash Equivalents - End of year	<u>\$ 1,519,112</u>	<u>\$ 121,677</u>	<u>\$ 7,946</u>	<u>\$ 1,648,735</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 52,041	\$ -	\$ -	\$ 52,041
Changes in assets and liabilities:				
Due from other funds	30,000	(98,892)	-	(68,892)
Deposits	(199,682)	-	-	(199,682)
Prepaid and other assets	54,317	-	-	54,317
Accounts payable	-	(1,368)	(1,179)	(2,547)
Due to other funds	(384,317)	-	-	(384,317)
Estimated claims liability	(916,758)	-	-	(916,758)
Accrued and other liabilities	-	(1,482)	148	(1,334)
Net cash used in operating activities	<u>\$ (1,364,399)</u>	<u>\$ (101,742)</u>	<u>\$ (1,031)</u>	<u>\$ (1,467,172)</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2012

Charter Township of Redford

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds March 31, 2012

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Assets				
Cash and cash equivalents	\$ 6,749,388	\$ 2,655,098	\$ 1,233,724	\$ 10,638,210
Investments:				
Agency securities	7,890,826	-	-	7,890,826
Stocks	34,015,147	-	-	34,015,147
Corporate bonds	12,430,190	-	-	12,430,190
Real estate investment trust	1,117,938	-	-	1,117,938
Accrued interest	289,737	-	-	289,737
Due from primary government	-	54,698	-	54,698
Total assets	<u>62,493,226</u>	<u>2,709,796</u>	<u>1,233,724</u>	<u>66,436,746</u>
Liabilities				
Accounts payable	2,063	2,360	1,640	6,063
Due to primary government	249,659	-	179,200	428,859
Deferred Retirement Option Plan liability	1,389,159	-	-	1,389,159
Total liabilities	<u>1,640,881</u>	<u>2,360</u>	<u>180,840</u>	<u>1,824,081</u>
Net Assets Held in Trust for Pension and Other Employee Benefits	<u>\$ 60,852,345</u>	<u>\$ 2,707,436</u>	<u>\$ 1,052,884</u>	<u>\$ 64,612,665</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Assets Fiduciary Funds Year Ended March 31, 2012

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Additions				
Investment income:				
Interest and dividends	\$ 1,906,275	\$ 885	\$ 811	\$ 1,907,971
Net decrease in fair value of investments	(1,364,126)	-	-	(1,364,126)
Investment-related expenses	(355,190)	-	-	(355,190)
Net investment income	186,959	885	811	188,655
Contributions:				
Employer contributions	4,423,451	2,600,000	2,151,460	9,174,911
Refunds and rebates	-	63,858	43,180	107,038
Net contributions	4,423,451	2,663,858	2,194,640	9,281,949
Total additions	4,610,410	2,664,743	2,195,451	9,470,604
Deductions				
Benefit payments	6,225,677	2,390,958	1,951,460	10,568,095
Refunds and withdrawals	357,741	-	-	357,741
Deferred Retirement Option Plan expenses	1,106,437	-	-	1,106,437
Administrative expenses	56,967	25,068	15,842	97,877
Total deductions	7,746,822	2,416,026	1,967,302	12,130,150
Net (Decrease) Increase in Net Assets Held in Trust	(3,136,412)	248,717	228,149	(2,659,546)
Net Assets Held in Trust - Beginning of year	63,988,757	2,458,719	824,735	67,272,211
Net Assets Held in Trust - End of year	\$ 60,852,345	\$ 2,707,436	\$ 1,052,884	\$ 64,612,665