

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

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**Financial Report  
with Supplemental Information  
March 31, 2008**

# Charter Township of Redford

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# Charter Township of Redford

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Township") as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, pension system schedule of funding progress, and the budgetary comparison schedule, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Redford's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2008 on our consideration of the Charter Township of Redford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

September 11, 2008

# **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, 2008. Please read it in conjunction with the Township's financial statements.

### **Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2008:

- State-shared revenue, our second largest revenue source, has stabilized just above \$5,500,000 annually, after several years of continuing decline.
- Short-term interest rates have begun a downward trend with the actions of the Federal Reserve Board that began in summer 2007. Investment earnings remained substantially unchanged for the 2008 fiscal year at about \$960,000 slightly above 2007, and compare favorably to the levels enjoyed in the 2000-2001 fiscal years. We expect future investment earnings to decline noticeably.
- Employee and postemployment healthcare costs for fiscal year 2008 surpassed \$5,600,000, of which \$3,100,000 paid for retiree health care and \$2,500,000 paid for active employees. Since 2001, fiscal year healthcare costs have increased by \$2,100,000 from an annual amount of \$3,500,000. This increase of over 60 percent is well above the CPI inflation rate.
- The Township continues its proactive approach to reorganizing in response to revenue challenges and disproportionate cost increases for items such as health care, vehicle fuels, and utilities. In total, General Fund revenues exceeded expenditures in 2008 as a result of favorable variances in fines, investment earnings, and revenue sharing. The capital expenditure programs were modestly increased from recent years but remain below historic levels. With those challenges facing us, the Township's General Fund realized a current year surplus of approximately \$400,000.
- Total net assets related to the Township's governmental activities decreased by approximately \$137,000. The decrease is mostly due to capital projects bonds issued for improvements on County-owned roads under a cooperative road program.

### **Using this Annual Report**

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

# 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, 2008 and 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current assets	\$ 33,526,000	\$ 31,427,000	\$ 12,063,000	\$ 10,532,000	\$ 45,589,000	\$ 41,959,000
Noncurrent assets	15,240,000	13,743,000	47,408,000	47,176,000	62,648,000	60,919,000
Total assets	48,766,000	45,170,000	59,471,000	57,708,000	108,237,000	102,878,000
<b>Liabilities</b>						
Current liabilities	4,696,000	7,205,000	2,453,000	2,119,000	7,149,000	9,324,000
Long-term liabilities	17,929,000	11,687,000	13,369,000	13,681,000	31,298,000	25,368,000
Total liabilities	22,625,000	18,892,000	15,822,000	15,800,000	38,447,000	34,692,000
<b>Net Assets</b>						
Invested in capital assets -						
Net of related debt	5,983,000	7,003,000	31,864,000	31,505,000	37,847,000	38,508,000
Restricted	9,448,000	7,835,000	1,253,000	1,082,000	10,701,000	8,917,000
Unrestricted	10,710,000	11,440,000	10,532,000	9,321,000	21,242,000	20,761,000
Total net assets	<b>\$ 26,141,000</b>	<b>\$ 26,278,000</b>	<b>\$ 43,649,000</b>	<b>\$ 41,908,000</b>	<b>\$ 69,790,000</b>	<b>\$ 68,186,000</b>

The current level of unrestricted net assets for our governmental activities stands at \$10,710,000, or about 28 percent of expenditures.

# 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, 2008 and 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 10,139,000	\$ 8,770,000	\$ 15,751,000	\$ 15,248,000	\$ 25,890,000	\$ 24,018,000
Operating grants and contributions	1,310,000	1,294,000	-	-	1,310,000	1,294,000
Capital grants and contributions	651,000	110,000	-	-	651,000	110,000
General revenue:						
Property taxes	20,763,000	19,547,000	-	-	20,763,000	19,547,000
State-shared revenue	5,572,000	5,569,000	-	-	5,572,000	5,569,000
Unrestricted investment earnings	1,287,000	1,299,000	404,000	343,000	1,691,000	1,642,000
Miscellaneous - Refunds	229,000	101,000	-	1,692,000	229,000	1,793,000
Gain on sale of assets	-	63,000	30,000	9,000	30,000	72,000
Transfers and other revenue	(108,000)	60,000	108,000	(60,000)	-	-
Total revenue	39,843,000	36,813,000	16,293,000	17,232,000	56,136,000	54,045,000
<b>Program Expenses</b>						
General government	7,090,000	6,702,000	-	-	7,090,000	6,702,000
Public safety	19,969,000	19,227,000	-	-	19,969,000	19,227,000
Public works	7,909,000	7,530,000	-	-	7,909,000	7,530,000
Health and welfare	459,000	461,000	-	-	459,000	461,000
Community and economic development	3,029,000	1,357,000	-	-	3,029,000	1,357,000
Recreation and culture	1,080,000	1,145,000	-	-	1,080,000	1,145,000
Interest on long-term debt	444,000	365,000	-	-	444,000	365,000
Indoor ice rink	-	-	53,000	55,000	53,000	55,000
Water and sewer	-	-	11,714,000	11,771,000	11,714,000	11,771,000
Golf course	-	-	1,443,000	1,419,000	1,443,000	1,419,000
Senior housing	-	-	449,000	472,000	449,000	472,000
Protective inspection	-	-	894,000	826,000	894,000	826,000
Total program expenses	39,980,000	36,787,000	14,553,000	14,543,000	54,533,000	51,330,000
<b>Change in Net Assets</b>	<b>\$ (137,000)</b>	<b>\$ 26,000</b>	<b>\$ 1,740,000</b>	<b>\$ 2,689,000</b>	<b>\$ 1,603,000</b>	<b>\$ 2,715,000</b>

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

### Governmental Activities

Local property taxes and state-shared revenues make up approximately 66 percent, or \$26,335,000, of the Township's total governmental revenues of \$39,843,000. The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$19,969,000, or 50 percent of the total governmental expenses. The public works activities, including solid waste disposal, cost approximately \$7,909,000, or 20 percent of expenses. The remaining \$12,102,000 of expenses, or 30 percent of expenses, pays for recreation, community development, health and welfare, general government activities, and interest on debt.

# Charter Township of Redford

## Management's Discussion and Analysis (Continued)

### Business-type Activities

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

- The Township provides water and sewer services to residents and businesses connected to the system. The system generates revenues from customers of the system, such that the system is financially self-sufficient and not reliant on taxes. The Township purchases water as a wholesale customer of the Detroit water and sewer department. The Township, through our engineering consultants, developed a system of controls to monitor non-revenue water on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. As a result, the Water and Sewer Fund had an operating surplus for the fourth consecutive year in 2008. 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 \$1,850,000 and an increase in net assets of approximately \$1,794,000.
- As of July 1, 2005, the operations of the Township ice arena were contracted to a private firm. The decision to privatize resulted from several years of growing operating deficits that required General Fund subsidies that reached \$167,000 in the 2005 fiscal year. Under the terms of the contract, the Township will realize revenues from the facility lease and a share of certain other revenues. This arrangement provides the continuation of the recreation programs for our citizens and mitigates the exposure to operating losses.
- 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. Four 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 existing debt of \$370,000 is from bonds issued to purchase the course in 1989 and later refinanced to take advantage of lower interest rates. The golf course incurred an operating deficit of \$198,000 after depreciation and before debt service and a decrease in net assets of \$180,000. The decrease represents softer sales due to a weak economy and highly competitive market along with a significant repair to the irrigation pond that was not typical of normal year operations. Gross revenues dropped \$133,000 from the previous year.

# Charter Township of Redford

## Management's Discussion and Analysis (Continued)

- 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 \$286,000 before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$2,775,000 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 2008, the Township's General Fund supplemented the operations by transferring \$108,000.

### The Township's Funds

Our analysis of the major funds begins on page 12, 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 2008 were the General Fund and 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 \$18,250,000 in fiscal year 2008. These two activities are partially funded by three police and fire millages. During the current year, this amounted to approximately \$4,057,000 for operations and \$4,717,000 for the retirement system. The remaining \$9,476,000 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 \$10,000,000.
- 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 2008 fiscal year, nearly \$980,000 in sidewalks were replaced and \$899,000 in revenues received. The current accounts receivable balance at year end was \$1,600,000.

# **Charter Township of Redford**

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

### **General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to take into account events during the year. An amendment was passed, increasing estimated revenues by \$442,000. Revenues from court fines and one-time refunds were categories with the most significant increases.

The increased revenues resulted in additional appropriations in the same amount. Most notable were increases in appropriations for items in the fire department and the ordinance enforcement department.

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

At the end of the fiscal year, the Township had over \$58,500,000 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines, net of related accumulated depreciation. The capital assets made up 54 percent of the Township's total assets amount of \$108,237,000. Capital expenditures programs remained at a modest level for the 2008 fiscal year.

The long-term debt amount of \$34,832,000 is related to the investment in capital assets and a Brownfield Redevelopment project. At the end of the fiscal year, the Township had \$13.4 million in debt in the governmental-type activities while business-type activities had \$13.9 million outstanding, with 75 percent of that in the Water and Sewer Fund and \$7.5 million in component unit debt.

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

The Township's budget for the 2008-2009 fiscal year calls for property tax revenues to be levied at the same level as the current year. The Township is experiencing a decline in housing values reflective of the national housing and mortgage crisis. Fortunately, increases in personal property values have offset declines in residential real property values for 2008 taxes but our expectation for the following year is a 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. Because some properties increase in value by less than inflation, the mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

Water and sewer rates will increase in the 2008 fiscal year by approximately 5 percent.

### **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, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 2)	\$ 25,149,701	\$ 7,965,699	\$ 33,115,400	\$ 4,643,569
Receivables - Net (Note 3)	7,198,101	3,747,534	10,945,635	-
Prepaid costs and other assets	-	904,971	904,971	-
Internal balances	686,545	(686,545)	-	-
Due from component units	889,578	13,718	903,296	-
Inventories and other assets	-	117,306	117,306	-
Deposits	491,763	-	491,763	-
Unamortized bond issuance costs	77,825	301,326	379,151	228,482
Restricted assets (Notes 2 and 7)	935,050	1,836,842	2,771,892	-
Nondepreciable capital assets (Note 4)	1,634,687	2,319,273	3,953,960	75,690
Depreciable capital assets - Net (Note 4)	11,667,484	42,878,731	54,546,215	-
Net pension asset	34,887	-	34,887	-
Unamortized goodwill	-	71,840	71,840	-
<b>Total assets</b>	<b>48,765,621</b>	<b>59,470,695</b>	<b>108,236,316</b>	<b>4,947,741</b>
<b>Liabilities</b>				
Accounts payable	1,220,236	580,775	1,801,011	524,400
Accrued liabilities	679,926	466,570	1,146,496	740,723
Due to primary government	-	-	-	903,296
Due to other governmental units	186,009	-	186,009	-
Estimated insurance and other liabilities:				
Due within one year	1,091,532	76,685	1,168,217	-
Due in more than one year	1,900,000	-	1,900,000	-
Provision for compensated absences:				
Due within one year	269,629	-	269,629	-
Due in more than one year	3,838,691	779,825	4,618,516	-
Long-term debt (Note 6):				
Due within one year	1,248,275	1,328,980	2,577,255	-
Due in more than one year	12,190,207	12,589,362	24,779,569	7,475,000
<b>Total liabilities</b>	<b>22,624,505</b>	<b>15,822,197</b>	<b>38,446,702</b>	<b>9,643,419</b>
<b>Net Assets (Deficit)</b>				
Invested in capital assets - Net of related debt	5,983,037	31,863,538	37,846,575	75,690
Restricted for:				
Solid waste management	2,400,012	-	2,400,012	-
Community Development Block Grant	569,302	-	569,302	-
Drain	836,272	-	836,272	-
Drug law enforcement	1,475,252	-	1,475,252	-
Bond debt service	619,075	1,252,966	1,872,041	-
Other purposes (Note 9)	3,548,309	-	3,548,309	-
Unrestricted	10,709,857	10,531,994	21,241,851	(4,771,368)
<b>Total net assets (deficit)</b>	<b>\$ 26,141,116</b>	<b>\$ 43,648,498</b>	<b>\$ 69,789,614</b>	<b>\$ (4,695,678)</b>

# Charter Township of Redford

Functions/Programs	Program Revenues			Expenses
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 7,090,131	\$ 6,146,109	\$ 121,636	\$ -
Public safety	19,968,827	2,844,197	61,010	-
Public works	7,909,050	712,180	-	651,279
Health and welfare	459,019	10,370	127,946	-
Community and economic development	3,028,993	108,846	997,529	-
Recreation and culture	1,080,146	317,404	2,500	-
Interest on long-term debt	444,491	-	-	-
<b>Total governmental activities</b>	<b>39,980,657</b>	<b>10,139,106</b>	<b>1,310,621</b>	<b>651,279</b>
Business-type activities:				
Indoor ice rink	52,509	22,000	-	-
Water and sewer	11,714,146	13,128,171	-	-
Golf course	1,443,098	1,222,558	-	-
Senior housing	448,751	605,352	-	-
Protective inspection	894,366	772,846	-	-
<b>Total business-type activities</b>	<b>14,552,870</b>	<b>15,750,927</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 54,533,527</b>	<b>\$ 25,890,033</b>	<b>\$ 1,310,621</b>	<b>\$ 651,279</b>
<b>Component units:</b>				
Downtown Development Authority	\$ 216,536	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	3,626,808	-	-	-
<b>Total component units</b>	<b>\$ 3,843,344</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General revenues:</b>				
Property taxes				
State-shared revenues				
Investment earnings				
Miscellaneous - Refunds and rebates				
Gain on sale of assets				
Transfers				
<b>Total general revenues</b>				
<b>Change in Net Assets</b>				
<b>Net Assets (Deficit) - Beginning of year</b>				
<b>Net Assets (Deficit) - End of year</b>				

**Statement of Activities**  
**Year Ended March 31, 2008**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (822,386)	\$ -	\$ (822,386)	\$ -
(17,063,620)	-	(17,063,620)	-
(6,545,591)	-	(6,545,591)	-
(320,703)	-	(320,703)	-
(1,922,618)	-	(1,922,618)	-
(760,242)	-	(760,242)	-
(444,491)	-	(444,491)	-
(27,879,651)	-	(27,879,651)	-
-	(30,509)	(30,509)	-
-	1,414,025	1,414,025	-
-	(220,540)	(220,540)	-
-	156,601	156,601	-
-	(121,520)	(121,520)	-
-	1,198,057	1,198,057	-
(27,879,651)	1,198,057	(26,681,594)	-
-	-	-	(216,536)
-	-	-	(3,626,808)
-	-	-	(3,843,344)
20,762,954	-	20,762,954	2,487,718
5,571,817	-	5,571,817	-
1,287,240	404,152	1,691,392	160,893
228,681	-	228,681	-
-	30,125	30,125	-
(108,000)	108,000	-	-
27,742,692	542,277	28,284,969	2,648,611
(136,959)	1,740,334	1,603,375	(1,194,733)
26,278,075	41,908,164	68,186,239	(3,500,945)
<b>\$ 26,141,116</b>	<b>\$ 43,648,498</b>	<b>\$ 69,789,614</b>	<b>\$ (4,695,678)</b>

# Charter Township of Redford

## Governmental Funds Balance Sheet March 31, 2008

	General Fund	Sidewalk Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 9,900,332	\$ 237,403	\$ 9,741,571	\$ 19,879,306
Receivables - Net (Note 3)	2,339,789	1,604,834	1,874,843	5,819,466
Due from other funds (Note 5)	999,443	-	47,349	1,046,792
Due from component units	157,525	-	732,053	889,578
Due from other governmental units (Note 3)	1,340,351	-	38,284	1,378,635
Restricted assets (Note 7)	-	-	935,050	935,050
<b>Total assets</b>	<b>\$ 14,737,440</b>	<b>\$ 1,842,237</b>	<b>\$ 13,369,150</b>	<b>\$ 29,948,827</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 785,670	\$ -	\$ 431,238	\$ 1,216,908
Accrued liabilities	643,094	-	28,950	672,044
Due to other funds	37,118	-	216,974	254,092
Due to other governmental units	186,009	-	-	186,009
Deferred revenue (Note 3)	1,962,674	1,403,257	1,936,899	5,302,830
Deposits and other liabilities	841,953	-	-	841,953
<b>Total liabilities</b>	<b>4,456,518</b>	<b>1,403,257</b>	<b>2,614,061</b>	<b>8,473,836</b>
<b>Fund Balances</b>				
Reserved for:				
General Fund (Note 9)	169,606	-	-	169,606
911 dispatch	-	-	8,195	8,195
Debt service	-	-	1,315,009	1,315,009
Capital projects (unspent bond proceeds)	-	-	898,206	898,206
Drug law enforcement	-	-	239,476	239,476
Unreserved, reported in General Fund - Designated (Note 9)	10,111,316	-	-	10,111,316
Unreserved, reported in Special Revenue Funds - Undesignated	-	-	3,667,013	3,667,013
Unreserved, reported in Capital Projects Funds - Designated for future capital improvements	-	438,980	4,627,190	5,066,170
<b>Total fund balances</b>	<b>10,280,922</b>	<b>438,980</b>	<b>10,755,089</b>	<b>21,474,991</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,737,440</b>	<b>\$ 1,842,237</b>	<b>\$ 13,369,150</b>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds				13,302,171
Bond issuance costs used in governmental activities are not financial resources and are not reported in the funds				77,825
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures				2,146,806
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures				2,500,321
Net pension asset not recorded on the modified accrual statements				34,887
Deferred revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures				655,703
Long-term liabilities are not due and payable in the current period and are not reported in the funds				(17,546,802)
Accrued interest is not due and payable in the current period and is not reported in the funds				(753)
Internal Service Funds are included as part of governmental activities				3,495,967
<b>Net assets of governmental activities</b>				<b>\$ 26,141,116</b>

# Charter Township of Redford

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2008

	General Fund	Sidewalk Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 16,330,009	\$ -	\$ 4,308,183	\$ 20,638,192
State sources	5,711,570	-	127,946	5,839,516
Federal sources	40,222	-	1,640,348	1,680,570
Licenses, permits, and fees	558,391	-	-	558,391
Charges for services	1,154,369	813,645	251,982	2,219,996
Special assessments	-	-	239,359	239,359
Fines and forfeitures	3,971,119	-	928,707	4,899,826
Interest income	971,629	85,781	308,391	1,365,801
Other	1,213,220	-	1,124,977	2,338,197
<b>Total revenue</b>	<b>29,950,529</b>	<b>899,426</b>	<b>8,929,893</b>	<b>39,779,848</b>
<b>Expenditures</b>				
Current:				
General government	8,112,432	-	256,950	8,369,382
Public safety	18,350,518	-	1,055,950	19,406,468
Public works	988,695	-	3,945,740	4,934,435
Health and welfare	171,124	-	351,158	522,282
Community and economic development	913,286	-	2,779,613	3,692,899
Recreation and culture	996,416	-	-	996,416
Capital outlay	-	979,663	2,890,898	3,870,561
Debt service	-	-	918,009	918,009
<b>Total expenditures</b>	<b>29,532,471</b>	<b>979,663</b>	<b>12,198,318</b>	<b>42,710,452</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>418,058</b>	<b>(80,237)</b>	<b>(3,268,425)</b>	<b>(2,930,604)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from issuance of debt	600,000	-	5,224,348	5,824,348
Premium on bond issuance	-	-	61,089	61,089
Transfers in (Note 5)	166	-	572,934	573,100
Transfers out (Note 5)	(595,411)	-	(85,689)	(681,100)
<b>Total other financing sources</b>	<b>4,755</b>	<b>-</b>	<b>5,772,682</b>	<b>5,777,437</b>
<b>Net Change in Fund Balances</b>	<b>422,813</b>	<b>(80,237)</b>	<b>2,504,257</b>	<b>2,846,833</b>
<b>Fund Balances - Beginning of year</b>	<b>9,858,109</b>	<b>519,217</b>	<b>8,250,832</b>	<b>18,628,158</b>
<b>Fund Balances - End of year</b>	<b>\$ 10,280,922</b>	<b>\$ 438,980</b>	<b>\$ 10,755,089</b>	<b>\$ 21,474,991</b>

# 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, 2008

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 2,846,833</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	373,215
Governmental funds report bond issuance costs as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as amortization	40,283
Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	342,906
Revenue reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds (GASB No. 33)	47,203
Proceeds from the issuance of long-term debt are not reported as financing sources on the statement of activities	(5,824,348)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,006,638
Increases in accumulated employee sick and vacation pay, as well as estimated general liability claims, are recorded when earned in the statement of activities	53,631
Net pension asset is recorded as an expenditure in the governmental funds, and as an asset and amortized in the statement of activities	(10,142)
Internal Service Funds are also included as governmental activities	<u>986,822</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (136,959)</u></b>

# Charter Township of Redford

## Proprietary Funds Statement of Net Assets March 31, 2008

	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and investments (Note 2)	\$ 6,965,134	\$ 489,123	\$ 511,442	\$ 7,965,699	\$ 5,270,395
Receivables - Net	3,713,384	-	34,150	3,747,534	-
Prepaid expenses	904,971	-	-	904,971	-
Due from other funds (Note 5)	-	-	-	-	370,000
Due from component units	-	-	13,718	13,718	-
Inventories and other assets	103,646	-	13,660	117,306	-
Deposits	-	-	-	-	491,763
Total current assets	11,687,135	489,123	572,970	12,749,228	6,132,158
Noncurrent assets:					
Unamortized bond issuance costs	260,194	20,733	20,399	301,326	-
Restricted assets (Note 7)	1,836,842	-	-	1,836,842	-
Capital assets (Note 4)	38,576,617	3,197,268	3,424,119	45,198,004	-
Unamortized goodwill	-	-	71,840	71,840	-
Total noncurrent assets	40,673,653	3,218,001	3,516,358	47,408,012	-
Total assets	52,360,788	3,707,124	4,089,328	60,157,240	6,132,158
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	556,155	15,486	9,134	580,775	3,328
Accrued liabilities	394,360	52,215	19,995	466,570	7,129
Due to other funds	470,447	36,436	179,662	686,545	476,155
Other liabilities and advances	25,925	50,700	60	76,685	2,149,579
Current portion of long-term debt	986,893	170,916	171,171	1,328,980	-
Total current liabilities	2,433,780	325,753	380,022	3,139,555	2,636,191
Noncurrent liabilities:					
Provision for compensated absences	537,060	28,723	214,042	779,825	-
Long-term debt - Net of current portion	9,786,073	2,604,567	198,722	12,589,362	-
Total noncurrent liabilities	10,323,133	2,633,290	412,764	13,369,187	-
Total liabilities	12,756,913	2,959,043	792,786	16,508,742	2,636,191
<b>Net Assets</b>					
Investment in capital assets - Net of related debt	28,387,527	421,785	3,054,226	31,863,538	-
Restricted	1,252,966	-	-	1,252,966	-
Unrestricted	9,963,382	326,296	242,316	10,531,994	3,495,967
Total net assets	<u>\$ 39,603,875</u>	<u>\$ 748,081</u>	<u>\$ 3,296,542</u>	<u>\$ 43,648,498</u>	<u>\$ 3,495,967</u>

# Charter Township of Redford

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended March 31, 2008

	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenue</b>					
Charges for services	\$ 13,128,171	\$ 605,352	\$ 1,244,558	\$ 14,978,081	\$ 299,999
Permits	-	-	772,846	772,846	-
Township contributions	-	-	-	-	6,713,126
<b>Total operating revenue</b>	<b>13,128,171</b>	<b>605,352</b>	<b>2,017,404</b>	<b>15,750,927</b>	<b>7,013,125</b>
<b>Operating Expenses</b>					
Cost of water and sewer transmission and distribution	8,287,127	-	-	8,287,127	-
General and administrative costs	1,576,575	220,868	2,054,674	3,852,117	299,999
Depreciation and amortization	1,414,387	98,509	313,317	1,826,213	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	5,726,304
<b>Total operating expenses</b>	<b>11,278,089</b>	<b>319,377</b>	<b>2,367,991</b>	<b>13,965,457</b>	<b>6,026,303</b>
<b>Operating Income (Loss)</b>	<b>1,850,082</b>	<b>285,975</b>	<b>(350,587)</b>	<b>1,785,470</b>	<b>986,822</b>
<b>Nonoperating Revenue (Expense)</b>					
Interest income	365,375	12,786	25,991	404,152	-
Interest expense	(436,057)	(129,374)	(21,982)	(587,413)	-
Gain on disposal of assets	15,125	-	15,000	30,125	-
<b>Total nonoperating (expense) revenue</b>	<b>(55,557)</b>	<b>(116,588)</b>	<b>19,009</b>	<b>(153,136)</b>	<b>-</b>
<b>Other Financing Sources - Transfers in</b>	<b>-</b>	<b>-</b>	<b>108,000</b>	<b>108,000</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>1,794,525</b>	<b>169,387</b>	<b>(223,578)</b>	<b>1,740,334</b>	<b>986,822</b>
<b>Net Assets - Beginning of year</b>	<b>37,809,350</b>	<b>578,694</b>	<b>3,520,120</b>	<b>41,908,164</b>	<b>2,509,145</b>
<b>Net Assets - End of year</b>	<b>\$ 39,603,875</b>	<b>\$ 748,081</b>	<b>\$ 3,296,542</b>	<b>\$ 43,648,498</b>	<b>\$ 3,495,967</b>

# Charter Township of Redford

## Proprietary Funds Statement of Cash Flows Year Ended March 31, 2008

	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 12,707,894	\$ 605,352	\$ 2,018,115	\$ 15,331,361	\$ -
Payments to suppliers	(7,725,430)	(107,717)	(1,256,438)	(9,089,585)	(40,030)
Payments to employees	(1,951,215)	(97,574)	(781,427)	(2,830,216)	(260,915)
Internal activity - Receipts from (disbursement to) other funds	295,513	(48)	53,484	348,949	7,119,020
Claims paid	-	-	-	-	(5,813,126)
Net cash provided by operating activities	<u>3,326,762</u>	<u>400,013</u>	<u>33,734</u>	<u>3,760,509</u>	<u>1,004,949</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Nonoperating refund	655,647	-	-	655,647	-
Transfers from other funds	-	-	108,000	108,000	-
Net cash provided by noncapital and related financing activities	<u>655,647</u>	<u>-</u>	<u>108,000</u>	<u>763,647</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from sale of assets	17,969	-	15,000	32,969	-
Purchase of capital assets	(896,370)	-	(269,456)	(1,165,826)	-
Proceeds from issuance of debt	925,642	-	-	925,642	-
Principal and interest paid on capital debt	(1,357,870)	(327,561)	(203,186)	(1,888,617)	-
Net cash used in capital and related financing activities	<u>(1,310,629)</u>	<u>(327,561)</u>	<u>(457,642)</u>	<u>(2,095,832)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	365,375	12,786	25,991	404,152	-
Purchase of investment securities	(1,011)	-	-	(1,011)	-
Net cash provided by investing activities	<u>364,364</u>	<u>12,786</u>	<u>25,991</u>	<u>403,141</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>3,036,144</u>	<u>85,238</u>	<u>(289,917)</u>	<u>2,831,465</u>	<u>1,004,949</u>
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>5,740,827</u>	<u>403,885</u>	<u>801,359</u>	<u>6,946,071</u>	<u>4,265,446</u>
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 8,776,971</u>	<u>\$ 489,123</u>	<u>\$ 511,442</u>	<u>\$ 9,777,536</u>	<u>\$ 5,270,395</u>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$ 6,965,134	\$ 489,123	\$ 511,442	\$ 7,965,699	\$ 5,270,395
Restricted cash (Note 7)	1,811,837	-	-	1,811,837	-
Total cash and cash equivalents	<u>\$ 8,776,971</u>	<u>\$ 489,123</u>	<u>\$ 511,442</u>	<u>\$ 9,777,536</u>	<u>\$ 5,270,395</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ 1,850,082	\$ 285,975	\$ (350,587)	\$ 1,785,470	\$ 986,822
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,414,387	98,509	313,317	1,826,213	-
Changes in assets and liabilities:					
Receivables	(420,277)	-	711	(419,566)	-
Due from other funds	-	-	(13,718)	(13,718)	(209,000)
Inventory and other assets	(34,698)	-	(2,789)	(37,487)	-
Deposits	-	-	-	-	(138,863)
Accounts payable	279,722	10,256	(2,897)	287,081	(2,238)
Accrued and other liabilities	(57,967)	5,321	22,495	(30,151)	53,333
Due to other funds	295,513	(48)	67,202	362,667	314,895
Net cash provided by operating activities	<u>\$ 3,326,762</u>	<u>\$ 400,013</u>	<u>\$ 33,734</u>	<u>\$ 3,760,509</u>	<u>\$ 1,004,949</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2008.

# Charter Township of Redford

## Fiduciary Funds Statement of Net Assets March 31, 2008

	Pension Trust Fund	Private Purpose Trust Fund (HIDTA)
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 7,221,430	\$ 11,208
Investments (Note 2):		
Corporate bonds	11,135,303	-
U.S. government securities	8,721,752	-
Common and preferred stock	32,272,753	-
Foreign securities	9,759,119	-
Limited partnerships	46,809	-
Receivables - Accrued interest	315,914	-
Other assets	47,807	-
Total assets	69,520,887	11,208
<b>Liabilities</b>		
Accounts payable	53,253	148
Due to other governmental units	-	11,060
Total liabilities	53,253	11,208
<b>Net Assets - Held in trust</b>	<b>\$ 69,467,634</b>	<b>\$ -</b>

# Charter Township of Redford

## Fiduciary Funds Statement of Changes in Net Assets Year Ended March 31, 2008

	Pension Trust Fund	Private Purpose Trust Fund (HIDTA)
<b>Additions</b>		
Investment income:		
Interest and dividends	\$ 2,223,576	\$ -
Net depreciation in fair value of investments	(801,746)	-
Investment expenses	(393,248)	-
	1,028,582	-
Net investment income		
Contributions	4,778,698	-
Federal grants	-	299,880
	5,807,280	299,880
Total additions		
<b>Deductions</b>		
Benefit payments	6,674,665	-
Refunds and withdrawals	300,187	-
Administrative expenses	129,296	-
Public safety expenses	-	299,880
	7,104,148	299,880
Total deductions		
Net Decrease	(1,296,868)	-
<b>Net Assets Held in Trust</b>		
Beginning of year	70,764,502	-
End of year	\$ 69,467,634	\$ -

# Charter Township of Redford

## Component Units Statement of Net Assets (Deficit) March 31, 2008

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
<b>Assets</b>			
Current assets - Cash and investments (Note 2)	\$ 444,686	\$ 4,198,883	\$ 4,643,569
Noncurrent assets:			
Unamortized bond issuance costs	-	228,482	228,482
Nondepreciable capital assets (Note 4)	75,690	-	75,690
Total noncurrent assets	75,690	228,482	304,172
Total assets	520,376	4,427,365	4,947,741
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	4,019	520,381	524,400
Accrued expenses	-	740,723	740,723
Due to primary government	-	903,296	903,296
Total current liabilities	4,019	2,164,400	2,168,419
Noncurrent liabilities - Long-term debt	-	7,475,000	7,475,000
Total liabilities	4,019	9,639,400	9,643,419
<b>Net Assets (Deficit)</b>			
Investment in capital assets - Net of related debt	75,690	-	75,690
Unrestricted	440,667	(5,212,035)	(4,771,368)
Total net assets (deficit)	<b>\$ 516,357</b>	<b>\$ (5,212,035)</b>	<b>\$ (4,695,678)</b>

# Charter Township of Redford

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	<u>Expenses</u>
Downtown Development Authority - Public works	\$ 216,536
Brownfield Redevelopment Authority - Community development	3,259,352
Interest on long-term debt	<u>367,456</u>
Total Brownfield Redevelopment Authority	<u>3,626,808</u>
Total component units	<u><u>\$ 3,843,344</u></u>
	<b>General Revenues</b>
	Property taxes
	Investment earnings
	Total general revenues
	<b>Change in Net Assets (Deficit)</b>
	<b>Net Assets (Deficit) - Beginning of year</b>
	<b>Net Assets (Deficit) - End of year</b>

**Component Units  
Statement of Activities  
Year Ended March 31, 2008**

Net (Expense) Revenue and Changes in Net Assets

Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (216,536)	\$ -	\$ (216,536)
-	(3,259,352)	(3,259,352)
-	(367,456)	(367,456)
-	(3,626,808)	(3,626,808)
(216,536)	(3,626,808)	(3,843,344)
131,958	2,355,760	2,487,718
21,716	139,177	160,893
153,674	2,494,937	2,648,611
(62,862)	(1,131,871)	(1,194,733)
579,219	(4,080,164)	(3,500,945)
<b><u>\$ 516,357</u></b>	<b><u>\$ (5,212,035)</u></b>	<b><u>\$ (4,695,678)</u></b>

# Charter Township of Redford

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**Notes to Financial Statements  
March 31, 2008**

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the Charter Township of Redford (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Redford:

### **Reporting Entity**

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

### **Blended Component Units**

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

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

### **Discretely Presented Component Units**

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

# Charter Township of Redford

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## Notes to Financial Statements March 31, 2008

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

The Brownfield Redevelopment Financing 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, 2008.

### **Government-wide and Fund Financial Statements**

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

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

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

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

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

The Township reports the following major governmental funds:

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

**Sidewalk Improvement Fund** - The Sidewalk Improvement Fund accounts for the construction and improvements to the sidewalks in the Township. Included in the fund are the special assessment receivables and revenues related to the construction, in addition to the construction costs.

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

The Township reports the following major proprietary funds:

**Water and Sewer Fund** - The Water and Sewer Fund accounts for the results of operations for providing water and sewer services to the citizens and businesses of the Township. The fund's primary revenues are generated through user charges from those requesting water and sewer services.

**Senior Housing Fund** - The Senior Housing Fund accounts for the results of operations for providing senior housing facilities to elderly citizens of the Township. The revenues are generated through monthly rental payments made by tenants.

Additionally, the Township reports the following fund types:

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

**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.

**Private Purpose Trust Fund (HIDTA)** - The Federal Law Enforcement Trust Fund accounts for assets held by the Township in a trustee capacity.

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

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## Notes to Financial Statements March 31, 2008

### Note 1 - 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.

#### **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 2007 tax is levied and collectible on December 1, 2007 and is recognized as revenue in the year ended March 31, 2008, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2007 taxable valuation of the Township totaled \$1.42 billion (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 4.2306 mills for general operating purposes, 2.961 mills for police and fire operating purposes, 3.34 mills for police and fire pension, 2.5984 mills for solid waste management, 0.59 mills for street lighting, 0.38 mills for police station debt service, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$5.8 million for general operating purposes, \$4.1 million for police and fire operating purposes, \$4.7 million for police and fire pension, \$3.6 million for solid waste management, \$0.8 million for street lighting, \$0.5 million for police station debt service, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General, Special Revenue, and Debt Service Funds financial statements as tax revenue.

#### **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.

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

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

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

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

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

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

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

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

Land improvements	7 to 50 years
Road usage rights	15 years
Buildings and improvements	7 to 50 years
Water and sewer facilities	50 to 100 years
Water meters	20 to 60 years
CSO basin	30 years
Vehicles	3 to 10 years
Equipment	5 to 10 years
Office equipment	5 to 7 years
Furniture and fixtures	7 years

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

**Amortization** - Bond issuance costs and discounts recorded in the governmental-type and business-type activities are being amortized over the life of the bonds. In addition, a portion of the purchase price of the golf course has been recorded as goodwill in the Golf Course Fund and is being amortized over 20 years. For the year ended March 31, 2008, amortization of \$5,971 and \$203,006 has been included in the operating expenses of the governmental and business-type activities, respectively, and accumulated amortization totaled \$8,859 and \$2,048,043 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, 2008, amortization of \$13,200 has been included in the community development expenses, and accumulated amortization totaled \$35,526.

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

# Charter Township of Redford

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**Notes to Financial Statements  
March 31, 2008**

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

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

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

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

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

## **Note 2 - Deposits and Investments**

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

# Charter Township of Redford

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## Notes to Financial Statements March 31, 2008

### Note 2 - Deposits and Investments (Continued)

The Pension Trust Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated 10 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Charter Township of Redford's deposits and investment policies are in accordance with statutory authority.

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

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does have a deposit policy for custodial credit risk. At year end, the Township had \$24,873,535 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had \$2,565,652 of bank deposits that were uninsured and uncollateralized.

**Custodial Credit Risk of Investments** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does 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.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 2 - Deposits and Investments (Continued)

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

Investment	Fair Value	Weighted Average Maturity (in Years)
U.S. agency securities (pension)	\$ 8,721,752	26.40
Corporate bonds (pension)	11,135,303	8.67

**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
<b>Government-wide</b>			
National City Municipal Investment Fund	\$ 1,491,000	Not Rated	
Ambassador Investments	527,642	AAAm	S&P
Chase Governmental Money Market	5,399	Not Rated	
Comerica J-Fund	9,478,113	AI, PI	S&P, Moody's
MBIA Pooled Accounts	1,650,278	AAA	Fitch
Allegiant Money Market Fund (pension)	6,846,812	AAA	S&P, Moody's
Government securities (pension)	8,477,738	AAA	S&P
Corporate bonds (pension)	426,756	AA	S&P
Corporate bonds (pension)	2,796,374	A	S&P
Corporate bonds (pension)	1,647,701	A+	S&P
Corporate bonds (pension)	743,517	A-	S&P
Corporate bonds (pension)	1,044,354	AA-	S&P
Corporate bonds (pension)	511,630	AAA	S&P
Corporate bonds (pension)	2,176,647	BBB	S&P
Corporate bonds (pension)	1,174,743	BBB+	S&P
Corporate bonds (pension)	613,581	BBB-	S&P
<b>Component Unit</b>			
Comerica J-Fund	1,877,915	AI, PI	S&P, Moody's

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 2 - Deposits and Investments (Continued)

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

### Note 3 - Receivables and Deferred Revenue

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

	Governmental Activities				Business-type Activities		
	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total	Water and Sewer Fund	Nonmajor Funds	Total
Receivables:							
Taxes	\$ 2,120,187	\$ -	\$ 555,931	\$ 2,676,118	\$ -	\$ -	\$ -
Accounts	108,676	-	9,812	118,488	3,385,037	4,000	3,389,037
Interest and other	177,365	-	6,863	184,228	-	-	-
Special assessments	-	1,604,834	753,306	2,358,140	328,347	30,150	358,497
Housing rehabilitation loans	-	-	567,214	567,214	-	-	-
Intergovernmental	1,340,351	-	38,284	1,378,635	-	-	-
Less allowance for uncollectibles	(66,439)	-	(18,283)	(84,722)	-	-	-
Net receivables	<u>\$ 3,680,140</u>	<u>\$ 1,604,834</u>	<u>\$ 1,913,127</u>	<u>\$ 7,198,101</u>	<u>\$ 3,713,384</u>	<u>\$ 34,150</u>	<u>\$ 3,747,534</u>

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

Delinquent property taxes	\$ 2,500,321
Special assessments	2,146,806
Community Development Block Grant	569,302
Home grant	<u>86,401</u>
Total	<u>\$ 5,302,830</u>

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 4 - Capital Assets

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

	Balance April 1, 2007	Additions	Disposals and Adjustments	Balance March 31, 2008
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 720,620	\$ 600,000	\$ -	\$ 1,320,620
Construction in progress	-	314,067	-	314,067
Subtotal	720,620	914,067	-	1,634,687
Capital assets being depreciated:				
Land improvements	1,963,879	-	-	1,963,879
Road usage rights*	169,464	-	-	169,464
Buildings and improvements	15,012,001	-	-	15,012,001
Vehicles	3,055,428	181,136	-	3,236,564
Equipment	379,583	-	-	379,583
Office equipment	1,679,229	113,967	-	1,793,196
Furniture and fixtures	45,592	-	-	45,592
Subtotal	22,305,176	295,103	-	22,600,279
Accumulated depreciation:				
Land improvements	574,748	75,334	-	650,082
Road usage rights*	30,492	10,165	-	40,657
Buildings and improvements	5,672,106	319,018	-	5,991,124
Vehicles	2,161,770	282,101	-	2,443,871
Equipment	369,832	4,209	-	374,041
Office equipment	1,246,212	142,331	-	1,388,543
Furniture and fixtures	41,680	2,797	-	44,477
Subtotal	10,096,840	835,955	-	10,932,795
Net capital assets being depreciated	12,208,336	(540,852)	-	11,667,484
Net capital assets	<u>\$ 12,928,956</u>	<u>\$ 373,215</u>	<u>\$ -</u>	<u>\$ 13,302,171</u>

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

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 4 - Capital Assets (Continued)

	Balance April 1, 2007	Additions	Disposals and Adjustments	Reclassifications	Balance March 31, 2008
<b>Business-type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 809,259	\$ -	\$ -	\$ -	\$ 809,259
Construction in progress	1,466,787	195,385	-	(152,158)	1,510,014
Subtotal	2,276,046	195,385	-	(152,158)	2,319,273
Capital assets being depreciated:					
Water and sewer facilities	31,012,912	363,771	-	152,158	31,528,841
Water meters	1,972,103	-	-	-	1,972,103
CSO basin	18,950,477	-	-	-	18,950,477
Buildings and improvements	9,924,416	201,256	-	-	10,125,672
Vehicles	1,151,186	18,651	-	-	1,169,837
Equipment	1,542,097	386,763	67,113	-	1,861,747
Subtotal	64,553,191	970,441	67,113	152,158	65,608,677
Accumulated depreciation:					
Water and sewer facilities	7,221,752	474,965	-	-	7,696,717
Water meters	1,721,544	27,084	-	-	1,748,628
CSO basin	5,996,135	631,683	-	-	6,627,818
Buildings and improvements	4,119,103	278,944	-	-	4,398,047
Vehicles	935,645	79,475	-	-	1,015,120
Other equipment	1,176,829	131,056	64,269	-	1,243,616
Subtotal	21,171,008	1,623,207	64,269	-	22,729,946
Net capital assets being depreciated	43,382,183	(652,766)	2,844	152,158	42,878,731
Net capital assets	\$ 45,658,229	\$ (457,381)	\$ 2,844	\$ -	\$ 45,198,004

Capital assets for the Charter Township of Redford's component units consist of land acquired in previous years in the amount of \$75,690.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 96,875
Public safety		551,877
Public works		91,527
Community and economic development		37,900
Recreation and culture		<u>57,776</u>
Total governmental activities		<u>\$ 835,955</u>
Business-type activities:		
Water and sewer		\$ 1,287,675
Senior housing		77,473
Ice rink		38,669
Golf course		<u>219,390</u>
Total business-type activities		<u>\$ 1,623,207</u>

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

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
<b>Governmental Funds</b>		
General Fund	Nonmajor governmental funds	\$ 130,928
	Water and Sewer Fund	233,262
	Senior Housing Fund	32,436
	Nonmajor Enterprise Funds	126,662
	Internal Service Fund - Self-insurance	<u>476,155</u>
	Total General Fund	999,443
Nonmajor governmental funds	General Fund	37,118
	Nonmajor governmental funds	10,046
	Water and Sewer Fund	<u>185</u>
	Total nonmajor governmental funds	<u>47,349</u>
	Total governmental funds	1,046,792

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

Receivable Fund	Payable Fund	Amount
<b>Internal Service Funds</b>	Nonmajor governmental funds	\$ 76,000
	Water and Sewer Fund	237,000
	Senior Housing Fund	4,000
	Nonmajor Enterprise Funds	<u>53,000</u>
	Total Internal Service Funds	<u>370,000</u>
	Total	<u>\$ 1,416,792</u>

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

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Capital Improvement Fund	(1) \$ 392,300
	Protective Inspection Fund	(2) 108,000
	Marquee Renovation Fund	(2) 65,111
	Dial-A-Ride	(2) <u>30,000</u>
	Total General Fund	595,411
Local Law Enforcement Fund	General Fund	(1) 166
Capital Improvement Fund	Road Improvement Fund	(1) 20,314
Glendale Paving - Pinnacle	Road Improvement Fund	(1) <u>65,209</u>
	Total	<u>\$ 681,100</u>

(1) Transfer for capital improvements

(2) Transfer for operations

### Note 6 - Long-term Debt

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

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
General obligation bonds - 1991 Refunded Bonds -							
Unlimited Tax Bonds (Police station):	5.00%	\$490,000 - \$590,000	\$ 2,110,000	\$ -	\$ 445,000	\$ 1,665,000	\$ 490,000
Amount of issue - \$4,180,000							
Maturing through 2011							
2006 Capital Improvement Bonds:	3.75% - 4.00%	\$150,000-\$200,000	2,695,000	-	200,000	2,495,000	200,000
Amount of issue - \$2,695,000							
Maturing through 2021							
Building Authority bonds:							
1998A Fire Station:	4.40% - 4.50%	\$150,000 - \$250,000	2,100,000	-	150,000	1,950,000	150,000
Amount of issue - \$3,000,000							
Maturing through 2018							
1998B Service Building:	4.40% - 4.50%	\$75,000 - \$125,000	1,125,000	-	75,000	1,050,000	75,000
Amount of issue - \$1,500,000							
Maturing through 2018							
1999 Service Building:	4.30% - 5.00%	\$25,000 - \$55,000	370,000	-	25,000	345,000	25,000
Amount of issue - \$500,000							
Maturing through 2017							
1999 Township Hall/District Court Renovations:	4.64%	\$109,134	220,772	-	111,638	109,134	109,134
Amount of issue - \$968,326							
Maturing through 2009							
2007 Capital Improvement Bonds:							
Lyndon:	4.00% - 5.00%	\$27,883 - \$47,400	-	507,461	-	507,461	27,883
Amount of issue - \$507,461 (part of \$4.5M orig issue)*							
Maturing through 2022							
Glendale:	4.00% - 5.00%	\$16,730 - \$28,441	-	304,486	-	304,486	16,730
Amount of issue - \$304,486 (part of \$4.5M orig issue)*							
Maturing through 2022							
2007 Capital Improvement Bond - Roads:	4.00% - 5.00%	\$154,528 - \$262,697	-	2,812,401	-	2,812,401	154,528
Amount of issue - \$2,812,401 (part of \$4.5M orig issue)*							
Maturing through 2022							
2007 CDBG Bond:	4.55%	\$0 - \$365,000	-	1,600,000	-	1,600,000	-
Amount of issue - \$1,600,000							
Maturing through 2022							
Installment purchase agreements:							
Amount of issue - \$600,000	6.21%	\$600,000	-	600,000	-	600,000	-
Maturing through 2012							
Total governmental activities			\$ 8,620,772	\$ 5,824,348	\$ 1,006,638	\$ 13,438,482	\$ 1,248,275

\* The Brownfield Redevelopment Authority has committed to fund the future payments of this debt, to the extent of future tax revenue captures.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>							
General obligation bonds:							
2004 Combined Sewer Overflow Refunding Bonds: Amount of issue - \$5,495,000 Maturing through 2016	2.50% - 3.625%	\$510,000 - \$575,000	\$ 4,720,000	-	\$ 450,000	\$ 4,270,000	\$ 510,000
Building Authority bonds:							
1997 (Refunded Bonds) Golf Course Purchase: Amount of issue - \$1,297,857 Maturing through 2009	4.60% - 5.10%	\$1,825 - \$3,651	185,952	-	180,476	5,476	3,651
1997 (Refunded Bonds) Senior Housing Project: Amount of issue - \$2,257,143 Maturing through 2013	4.60% - 5.10%	\$181,349 - \$245,000	1,444,049	-	184,524	1,259,525	181,349
2004 Refunding Bonds Golf Course Purchase: Amount of issue - \$410,000 Maturing through 2009	2.13% - 2.50%	\$10,000 - \$205,000	390,000	-	5,000	385,000	180,000
2004 Refunding Bonds Senior Housing Project: Amount of issue - \$1,695,000 Maturing through 2018	2.13% - 4.00%	\$10,000 - \$350,000	1,655,000	-	10,000	1,645,000	10,000
Revenue bonds:							
Water Bonds Series 1998 - 1990 (Refunded Bonds): Revenue and Phase 7: Amount of issue - \$4,490,000 Maturing through 2018	4.20% - 5.00%	\$125,000 - \$205,000	1,790,000	-	130,000	1,660,000	135,000
2001 Water Supply & Sewage Disposal System Bonds: Amount of issue - \$4,200,000 Maturing through 2020	4.00% - 6.00%	\$200,000 - \$400,000	3,575,000	-	200,000	3,375,000	200,000
1994 Combined Sewer Overflow (1) State Revolving Fund Debt - Maturing through 2014	2.00%	\$125,000 - \$140,000	817,897	-	130,000	687,897	125,000
2007 Capital Improvement Bonds:							
Water Mains: Amount of issue - \$925,642 (part of \$4.5M orig issue) Maturing through 2022	4.00% - 5.00%	\$50,860 - \$86,462	-	925,642	-	925,642	50,860
Deferred charge on refunding			(424,123)	-	(128,925)	(295,198)	(66,880)
Total business-type activities			\$ 14,153,775	\$ 925,642	\$ 1,161,075	\$ 13,918,342	\$ 1,328,980

(1) This represents preliminary draws on the Michigan Municipal Bond Authority. The total financing is expected to be \$2,740,000. Principal payments began in 1997, with interest charged at 2 percent.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component Units</b>							
Limited Tax General Obligation Bonds, Series 2007 Amount of issue - \$3,805,000 Maturing through 2027	4.00% - 5.00%	\$0 - \$320,000	\$ 3,805,000	\$ -	\$ -	\$ 3,805,000	\$ -
Limited Tax General Obligation Bonds, Series 2006A Amount of issue - \$3,670,000 Maturing through 2026	5.15% - 5.7%	\$0 - \$400,000	3,670,000	-	-	3,670,000	-
Total component unit activities			\$ 7,475,000	\$ -	\$ -	\$ 7,475,000	\$ -

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

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

	Governmental Activities			Business-type Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 1,248,275	\$ 567,911	\$ 1,816,186	\$ 1,395,860	\$ 560,291	\$ 1,956,151	\$ -	\$ 360,505	\$ 360,505
2010	1,318,604	536,843	1,855,447	1,470,860	512,312	1,983,172	45,000	359,344	404,344
2011	1,388,032	477,450	1,865,482	1,285,946	460,388	1,746,334	100,000	355,612	455,612
2012	1,412,545	414,745	1,827,290	1,280,946	410,588	1,691,534	270,000	347,013	617,013
2013	842,058	342,691	1,184,749	1,380,946	359,611	1,740,557	300,000	334,175	634,175
2014-2018	4,706,056	1,135,461	5,841,517	5,948,401	988,742	6,937,143	1,800,000	1,438,044	3,238,044
2019-2023	2,522,912	265,370	2,788,282	1,450,581	94,571	1,545,152	2,630,000	900,924	3,530,924
2024-2028	-	-	-	-	-	-	2,330,000	197,737	2,527,737
Total	\$ 13,438,482	\$ 3,740,471	\$ 17,178,953	\$ 14,213,540	\$ 3,386,503	\$ 17,600,043	\$ 7,475,000	\$ 4,293,354	\$ 11,768,354

**Interest** - Total interest incurred by the Township for the year was approximately \$1,435,000.

**Future Revenues Pledged for Debt Payments** - The Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water supply and sewage disposal systems. The bonds are payable solely from the net revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$7,351,935. During the current year, net revenues of the system were \$2,230,582 compared to the annual debt requirements of \$736,668.

The Township has pledged a portion of future property tax revenues to repay \$7,475,000 in Brownfield Redevelopment bonds issued in 2006 and 2007 to finance various capital improvements. The bonds are payable solely from the incremental property taxes captured by the Authority, and are projected to produce 100 percent of debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$11,768,354, payable through 2028. For the current year, principal and interest paid and total property tax captures were \$367,456 and \$2,355,760, respectively.

**Defeased Debt** - In prior years, the Township defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At March 31, 2008, \$8,665,000 of bonds outstanding are considered defeased.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 7 - Restricted Assets

Restricted assets as of March 31, 2008 consist of the following:

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 935,050	\$ 1,811,837
Assets held at Wayne County for sewer line construction	-	25,005
Total restricted assets	<u>\$ 935,050</u>	<u>\$ 1,836,842</u>

The assets are restricted for the following purposes:

	Governmental Activities	Business-type Activities
1998 Revenue Bonds debt	\$ -	\$ 215,250
2001 Revenue Bonds debt	-	395,000
Sewage transmission line construction	-	25,005
Combined sewer overflow - Bond debt	-	617,711
2008 unspent bond proceeds	935,050	583,876
Total	<u>\$ 935,050</u>	<u>\$ 1,836,842</u>

Net assets have been restricted in the amount of \$935,050 in the governmental activities. Net assets in the amount of \$1,252,966 have been restricted in the business-type activities. The remaining \$583,876 of unspent bond proceeds has been restricted in conjunction with the investment in capital assets, net of related debt.

### Note 8 - Risk Management

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

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### 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 Benefits
Unpaid claims - April 1, 2006	\$ 1,188,339	\$ 1,000,000
Incurred claims (including claims incurred but not reported)	948,589	4,488,496
Claim payments	<u>(1,039,390)</u>	<u>(4,488,496)</u>
Unpaid claims - March 31, 2007	1,097,538	1,000,000
Incurred claims (including claims incurred but not reported)	1,157,718	4,673,183
Claim payments	<u>(1,105,677)</u>	<u>(4,673,183)</u>
Unpaid claims - March 31, 2008	<u>\$ 1,149,579</u>	<u>\$ 1,000,000</u>

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

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

Reserved for vehicle forfeiture	\$ 7,492
Reserved for police resource program	33,308
Reserved for street lighting	93,383
Reserved for probation work release program	16,747
Reserved for youth program	11,473
Other reserves	<u>7,203</u>
Total	<u>\$ 169,606</u>

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

### Note 9 - Fund Balance and Net Asset Reservations and Restrictions (Continued)

The General Fund has designated fund balance for working capital needs of \$10,111,316. The working capital designation represents amounts needed to finance Township operations from April 1 until property taxes are collected again in December. Approximately two-thirds or \$10.9 million of the annual property tax levy and, in addition, a percentage of the annual budgeted expenditures are needed for this purpose.

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

Street lighting	\$ 93,383
Probation work release program	16,747
Other General Fund restrictions	59,476
Dial-A-Ride	81,151
911 dispatch	325,980
Police station	238,851
Home grant	86,401
Road paving projects	898,206
Court building improvement	<u>1,748,114</u>
Total	<u>\$ 3,548,309</u>

### Note 10 - Single-employer Defined Benefit Pension Plan

#### Police and Fire Retirement System

**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, 2007, the date of the most recent actuarial valuation, membership consisted of 134 retirees and beneficiaries currently receiving benefits. The plan does not issue a separate financial report.

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

**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.

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

**Annual Pension Cost** - For the year ended March 31, 2008, the Township's annual pension cost was \$4,742,358. The actuarial valuation required a contribution of \$4,732,216; the interest on the cumulative prior year overpayments (net pension asset) was \$3,152 and the effect of the net pension asset on normal cost was \$13,294. The Township's actual contribution was \$4,732,216. The annual required contribution was determined as part of an actuarial valuation at March 31, 2006, 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 26 years.

Three-year trend information is as follows:

	Fiscal Year Ended March 31		
	2008	2007	2006
Annual pension costs (APC)	\$ 4,742,358	\$ 4,229,974	\$ 3,808,649
Percentage of APC contributed	99.79%	99.78%	99.77%
Net pension obligation (asset)	\$ (34,887)	\$ (45,029)	\$ (54,507)

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

#### Municipal Employees' Retirement System of Michigan

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

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

**Annual Pension Cost** - For the year ended March 31, 2008, the Township's annual pension cost of \$1,145,312 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, 2006, 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 29 years.

Three-year trend information is as follows:

	Fiscal Year Ended March 31		
	2008	2007	2006
Annual pension costs (APC)	\$ 1,145,312	\$ 1,093,038	\$ 1,196,321
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

# Charter Township of Redford

## Notes to Financial Statements March 31, 2008

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

	Valuation Year Ended December 31		
	2006	2005	2004
Actuarial value of assets	\$ 31,958,330	\$ 30,416,492	\$ 28,552,081
Actuarial accrued liability (AAL)	\$ 39,101,484	\$ 37,381,341	\$ 34,418,686
Unfunded AAL (UAAL)	\$ 7,143,154	\$ 6,964,849	\$ 5,866,605
Funded ratio	82%	81%	83%
Covered payroll	\$ 5,788,814	\$ 5,997,613	\$ 6,088,153
UAAL as a percentage of covered payroll	123%	116%	96%

### 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 \$639,000 between April 1, 2008 and March 31, 2009 for services rendered during calendar year 2008. The Township has agreed to pay additional fees if certain golf course revenue is attained.

### Note 12 - Other Postemployment Benefits

The Township provides healthcare benefits to all full-time employees upon retirement in accordance with labor contracts. Currently, 230 retirees are eligible. The Township includes pre-Medicare retirees and their dependents in its healthcare plan, with no contribution required by the participant. The Township provides Medicare supplemental coverage for retirees eligible for Medicare. Expenditures for postemployment healthcare benefits are recognized as the claims become due; during the year, this amounted to approximately \$3,584,000.

**Upcoming Reporting Change** - The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any other postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending March 31, 2009.

## **Required Supplemental Information**

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# Charter Township of Redford

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Fund Balance - Beginning of year</b>	\$ 9,284,509	\$ 9,858,109	\$ 9,858,109	\$ -
<b>Resources (Inflows)</b>				
Property taxes	16,319,000	16,319,000	16,330,009	11,009
Permits and licenses	480,600	540,600	558,391	17,791
State sources	5,432,600	5,432,600	5,711,570	278,970
Federal sources	-	-	40,222	40,222
Charges for services	974,700	998,450	1,154,369	155,919
Fines and forfeitures	3,576,150	3,745,219	3,971,119	225,900
Interest income	655,000	682,000	971,629	289,629
Other	1,374,100	1,537,200	1,588,386	51,186
Total resources (inflows)	28,812,150	29,255,069	30,325,695	1,070,626
<b>Charges to Appropriations (Outflows)</b>				
General government:				
Legislative	74,841	75,341	76,100	(759)
District court	1,680,453	1,680,453	1,726,569	(46,116)
Criminal justice	748,000	771,000	771,140	(140)
Probation	246,769	237,469	237,575	(106)
Work program	61,356	54,000	44,682	9,318
Executive	204,699	204,699	181,578	23,121
Elections	146,966	146,966	105,273	41,693
Accounting	439,424	439,424	438,525	899
Assessor	316,519	316,520	333,785	(17,265)
Attorney	132,000	152,000	159,850	(7,850)
Clerk	363,827	363,827	360,265	3,562
Civil service	211,215	211,215	196,642	14,573
Police and fire civil service	8,100	8,100	5,998	2,102
Treasurer	420,926	420,926	400,373	20,553
Information systems department	462,796	462,796	458,046	4,750
Public service building maintenance	230,000	225,000	224,080	920
Board of Review	7,650	7,650	421	7,229
Buildings and grounds	441,126	441,126	435,297	5,829
General government	1,144,500	1,114,575	2,173,644	(1,059,069)
Public safety:				
Police	10,946,873	11,003,873	10,967,542	36,331
Old library MTCE	9,800	9,800	5,679	4,121
School resource officer	245,510	245,510	252,303	(6,793)
School crossing guard	61,787	61,787	42,680	19,107
Central dispatch	380,734	380,734	302,027	78,707
Fire	6,966,323	7,171,323	7,195,112	(23,789)

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

# Charter Township of Redford

## Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Charges to Appropriations (Outflows) (Continued)</b>				
Public safety (Continued):				
Transportation	\$ 37,500	\$ 37,500	\$ 37,165	\$ 335
Protective inspection	-	158,000	151,010	6,990
Public works:				
Department of Public Works	179,092	179,092	156,881	22,211
Highways and streets	865,000	865,000	831,814	33,186
Health and welfare - Animal control	183,039	183,039	171,124	11,915
Recreation and culture:				
Recreation and parks	398,620	398,619	310,867	87,752
Parks facilities	533,364	533,364	518,656	14,708
Senior citizens	97,055	97,055	87,965	9,090
Cultural	55,000	80,000	78,928	1,072
Boards and commission:				
Planning	52,188	45,188	32,570	12,618
Board of Appeals	21,013	28,013	24,197	3,816
Site	5,500	12,500	10,713	1,787
Historical	37,700	37,700	18,865	18,835
Sister city commission	9,775	9,775	4,949	4,826
Beautification commission	17,500	18,500	17,600	900
Youth commission	3,000	8,000	8,260	(260)
Senior citizens commission	24,610	24,610	16,118	8,492
Community promotion	58,000	58,000	61,320	(3,320)
Redford redevelopment	275,000	275,000	268,694	6,306
Total charges to appropriations (outflows)	<u>28,805,150</u>	<u>29,255,069</u>	<u>29,902,882</u>	<u>(647,813)</u>
<b>Fund Balance - End of year</b>	<b><u>\$ 9,291,509</u></b>	<b><u>\$ 9,858,109</u></b>	<b><u>\$ 10,280,922</u></b>	<b><u>\$ 422,813</u></b>

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

# Charter Township of Redford

## Required Supplemental Information Pension System Schedule of Funding Progress March 31, 2008

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
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### Police and Fire Retirement System

03/31/02	\$ 64,500,000	\$ 66,000,000	\$ 1,500,000	97.7	\$ 6,600,000	22.7
03/31/03	63,000,000	69,600,000	6,600,000	90.5	6,200,000	106.5
03/31/04	62,100,000	73,700,000	11,600,000	84.3	6,500,000	178.5
03/31/05	62,700,000	77,200,000	14,500,000	81.2	6,700,000	216.4
03/31/06	64,400,000	80,900,000	16,500,000	79.6	6,800,000	242.6
03/31/07	68,600,000	83,800,000	15,200,000	81.9	6,700,000	226.9

The schedule of employer contributions is as follows:

### Police and Fire Retirement System

Fiscal Year Ended March 31	Annual Required Contribution*	Percentage Contributed	Net Pension Obligation (Asset)
2003	\$ 2,759,080	99.74	\$ (79,381)
2004	3,061,809	99.75	(71,644)
2005	3,270,092	99.75	(63,365)
2006	3,808,649	99.77	(54,507)
2007	4,229,974	99.78	(45,029)
2008	4,742,358	99.79	(34,887)

\* 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, 2007, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	26 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	N/A

# Charter Township of Redford

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## Note to Required Supplemental Information March 31, 2008

### Note - 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, 2008, the General Fund expenditures exceeded budgeted amounts due to an additional contribution made to the Internal Service Fund to help fund future postemployment benefit costs. 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.

# Charter Township of Redford

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## Note to Required Supplemental Information March 31, 2008

### Note - Budgetary Information (Continued)

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

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

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

**Fund Deficit** - The Township has an accumulated deficit in the Brownfield Redevelopment Financing Authority in the amount of \$99,463 at March 31, 2008 on a modified accrual basis that will be eliminated with future property tax capture. A deficit elimination plan is currently on file with the Department of Treasury.

## **Other Supplemental Information**

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# Charter Township of Redford

	Special Revenue Funds							Accrued General Employee Fund
	Community Development		Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Local Law Enforcement	
	Dial-A-Ride	Block Grant						
<b>Assets</b>								
Cash and investments	\$ 82,547	\$ 78,044	\$ 86,425	\$ 1,499,550	\$ 2,224,132	\$ 335,698	\$ -	\$ 101,159
Receivables - Net	27,645	567,214	-	-	451,038	-	-	-
Due from other funds	-	9,884	-	-	17,740	-	-	-
Due from component units	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 110,192</b>	<b>\$ 655,142</b>	<b>\$ 86,425</b>	<b>\$ 1,499,550</b>	<b>\$ 2,692,910</b>	<b>\$ 335,698</b>	<b>\$ -</b>	<b>\$ 101,159</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 6,016	\$ 13,437	\$ 24	\$ 24,298	\$ 222,573	\$ 1,200	\$ -	\$ -
Accrued liabilities	5,228	6,360	-	-	10,325	7,037	-	-
Due to other funds	17,797	66,043	-	-	60,000	1,481	-	-
Deferred revenue	17,832	569,302	86,401	-	451,038	-	-	-
<b>Total liabilities</b>	<b>46,873</b>	<b>655,142</b>	<b>86,425</b>	<b>24,298</b>	<b>743,936</b>	<b>9,718</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
Reserved	-	-	-	239,476	-	8,195	-	-
Unreserved:								
Designated	-	-	-	-	-	-	-	-
Undesignated	63,319	-	-	1,235,776	1,948,974	317,785	-	101,159
<b>Total fund balances</b>	<b>63,319</b>	<b>-</b>	<b>-</b>	<b>1,475,252</b>	<b>1,948,974</b>	<b>325,980</b>	<b>-</b>	<b>101,159</b>
<b>Total liabilities and fund balances</b>	<b>\$ 110,192</b>	<b>\$ 655,142</b>	<b>\$ 86,425</b>	<b>\$ 1,499,550</b>	<b>\$ 2,692,910</b>	<b>\$ 335,698</b>	<b>\$ -</b>	<b>\$ 101,159</b>

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2008**

Debt Service Funds			Capital Projects Funds			
Police Station	Road Paving Debt Service	Public Improvement Debt Service	Capital Improvement	Police Station	Drain	Public Improvement - Storm Water
\$ 545,920	\$ 18,711	\$ 13,947	\$ 1,206,105	\$ 238,851	\$ 850,449	\$ 231,385
68,777	-	-	-	-	6,863	-
4,378	-	-	-	-	-	-
-	732,053	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b><u>\$ 619,075</u></b>	<b><u>\$ 750,764</u></b>	<b><u>\$ 13,947</u></b>	<b><u>\$ 1,206,105</u></b>	<b><u>\$ 238,851</u></b>	<b><u>\$ 857,312</u></b>	<b><u>\$ 231,385</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,168
-	-	-	-	-	-	-
-	-	-	-	-	21,040	-
68,777	-	-	-	-	-	-
68,777	-	-	-	-	21,040	12,168
-	-	-	-	-	-	-
-	-	-	1,206,105	238,851	836,272	219,217
550,298	750,764	13,947	-	-	-	-
550,298	750,764	13,947	1,206,105	238,851	836,272	219,217
<b><u>\$ 619,075</u></b>	<b><u>\$ 750,764</u></b>	<b><u>\$ 13,947</u></b>	<b><u>\$ 1,206,105</u></b>	<b><u>\$ 238,851</u></b>	<b><u>\$ 857,312</u></b>	<b><u>\$ 231,385</u></b>

# Charter Township of Redford

## Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2008

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Road Improvement	Road Paving	Glendale Paving-Pinnacle	Lyndon 2 Paving- Shamrock	Marquee Renovation	Court Building Improvement	
<b>Assets</b>							
Cash and investments	\$ 453,707	\$ -	\$ -	\$ -	\$ 65,111	\$ 1,709,830	\$ 9,741,571
Receivables - Net	753,306	-	-	-	-	-	1,874,843
Due from other funds	15,000	347	-	-	-	-	47,349
Due from component units	-	-	-	-	-	-	732,053
Due from other governmental units	-	-	-	-	-	38,284	38,284
Restricted assets	-	498,819	161,246	274,985	-	-	935,050
<b>Total assets</b>	<b>\$ 1,222,013</b>	<b>\$ 499,166</b>	<b>\$ 161,246</b>	<b>\$ 274,985</b>	<b>\$ 65,111</b>	<b>\$ 1,748,114</b>	<b>\$ 13,369,150</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 89,949	\$ -	\$ 30,679	\$ -	\$ 30,894	\$ -	\$ 431,238
Accrued liabilities	-	-	-	-	-	-	28,950
Due to other funds	9,884	6,350	61	101	34,217	-	216,974
Deferred revenue	743,549	-	-	-	-	-	1,936,899
<b>Total liabilities</b>	<b>843,382</b>	<b>6,350</b>	<b>30,740</b>	<b>101</b>	<b>65,111</b>	<b>-</b>	<b>2,614,061</b>
<b>Fund Balances</b>							
Reserved	-	-	-	-	-	-	247,671
Unreserved:							
Designated	-	492,816	130,506	274,884	-	1,748,114	5,146,765
Undesignated	378,631	-	-	-	-	-	5,360,653
<b>Total fund balances</b>	<b>378,631</b>	<b>492,816</b>	<b>130,506</b>	<b>274,884</b>	<b>-</b>	<b>1,748,114</b>	<b>10,755,089</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,222,013</b>	<b>\$ 499,166</b>	<b>\$ 161,246</b>	<b>\$ 274,985</b>	<b>\$ 65,111</b>	<b>\$ 1,748,114</b>	<b>\$ 13,369,150</b>

# Charter Township of Redford

	Special Revenue Funds							Accrued General Employee Fund
	Dial-A-Ride	Community Development Block Grant	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Local Law Enforcement	
<b>Revenue</b>								
Property taxes	\$ 149,927	\$ -	\$ -	\$ -	\$ 3,604,393	\$ -	\$ -	\$ -
State sources	127,946	-	-	-	-	-	-	-
Federal sources	-	1,179,589	24	460,735	-	-	-	-
Charges for services	4,644	-	-	-	-	247,338	-	-
Special assessments	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	474,539	-	-	-	-
Interest income	-	-	-	67,864	-	15,329	-	-
Other	70,012	-	-	-	9,970	-	-	358,109
<b>Total revenue</b>	<b>352,529</b>	<b>1,179,589</b>	<b>24</b>	<b>1,003,138</b>	<b>3,614,363</b>	<b>262,667</b>	<b>-</b>	<b>358,109</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	-	-	-	256,950
Public safety	-	-	-	798,881	-	257,069	-	-
Public works	-	-	-	-	3,647,733	-	-	-
Health and welfare	351,158	-	-	-	-	-	-	-
Community and economic development	-	2,779,589	24	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>351,158</b>	<b>2,779,589</b>	<b>24</b>	<b>798,881</b>	<b>3,647,733</b>	<b>257,069</b>	<b>-</b>	<b>256,950</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>1,371</b>	<b>(1,600,000)</b>	<b>-</b>	<b>204,257</b>	<b>(33,370)</b>	<b>5,598</b>	<b>-</b>	<b>101,159</b>
<b>Other Financing Sources (Uses)</b>								
Proceeds from issuance of debt	-	1,600,000	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Transfers in	30,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(166)	-
<b>Total other financing sources (uses)</b>	<b>30,000</b>	<b>1,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(166)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>31,371</b>	<b>-</b>	<b>-</b>	<b>204,257</b>	<b>(33,370)</b>	<b>5,598</b>	<b>(166)</b>	<b>101,159</b>
<b>Fund Balances - Beginning of year</b>	<b>31,948</b>	<b>-</b>	<b>-</b>	<b>1,270,995</b>	<b>1,982,344</b>	<b>320,382</b>	<b>166</b>	<b>-</b>
<b>Fund Balances - End of year</b>	<b>\$ 63,319</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,475,252</b>	<b>\$ 1,948,974</b>	<b>\$ 325,980</b>	<b>\$ -</b>	<b>\$ 101,159</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended March 31, 2008**

Debt Service Funds				Capital Projects Funds		
Police Station	Road Paving Debt Service	Public Improvement Debt Service	Capital Improvement	Police Station	Drain	Public Improvement - Storm Water
\$ 553,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,436	9,970	930	-	10,421	41,674	15,170
-	637,400	13,879	-	-	-	-
578,299	647,370	14,809	-	10,421	41,674	15,170
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	180,177
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	158,913	-	21,040	-
550,500	305,558	61,951	-	-	-	-
550,500	305,558	61,951	158,913	-	21,040	180,177
27,799	341,812	(47,142)	(158,913)	10,421	20,634	(165,007)
-	-	-	-	-	-	-
-	-	61,089	-	-	-	-
-	-	-	392,300	-	-	-
-	-	-	(20,314)	-	-	-
-	-	61,089	371,986	-	-	-
27,799	341,812	13,947	213,073	10,421	20,634	(165,007)
522,499	408,952	-	993,032	228,430	815,638	384,224
<b>\$ 550,298</b>	<b>\$ 750,764</b>	<b>\$ 13,947</b>	<b>\$ 1,206,105</b>	<b>\$ 238,851</b>	<b>\$ 836,272</b>	<b>\$ 219,217</b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds (Continued) Year Ended March 31, 2008

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Road Improvement	Road Paving	Glendale Paving- Pinnacle	Lyndon 2 Paving- Shamrock	Marquee Renovation	Court Building Improvement	
<b>Revenue</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,308,183
State sources	-	-	-	-	-	-	127,946
Federal sources	-	-	-	-	-	-	1,640,348
Charges for services	-	-	-	-	-	-	251,982
Special assessments	239,359	-	-	-	-	-	239,359
Fines and forfeitures	-	-	-	-	-	454,168	928,707
Interest income	22,527	26,471	3,049	5,947	-	64,603	308,391
Other	35,607	-	-	-	-	-	1,124,977
<b>Total revenue</b>	<b>297,493</b>	<b>26,471</b>	<b>3,049</b>	<b>5,947</b>	<b>-</b>	<b>518,771</b>	<b>8,929,893</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	256,950
Public safety	-	-	-	-	-	-	1,055,950
Public works	-	-	111,820	-	-	6,010	3,945,740
Health and welfare	-	-	-	-	-	-	351,158
Community and economic development	-	-	-	-	-	-	2,779,613
Capital outlay	11,036	2,396,274	-	238,524	65,111	-	2,890,898
Debt service	-	-	-	-	-	-	918,009
<b>Total expenditures</b>	<b>11,036</b>	<b>2,396,274</b>	<b>111,820</b>	<b>238,524</b>	<b>65,111</b>	<b>6,010</b>	<b>12,198,318</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>286,457</b>	<b>(2,369,803)</b>	<b>(108,771)</b>	<b>(232,577)</b>	<b>(65,111)</b>	<b>512,761</b>	<b>(3,268,425)</b>
<b>Other Financing Sources (Uses)</b>							
Proceeds from issuance of debt	-	2,812,401	304,486	507,461	-	-	5,224,348
Premium on bond issuance	-	-	-	-	-	-	61,089
Transfers in	85,523	-	-	-	65,111	-	572,934
Transfers out	-	-	(65,209)	-	-	-	(85,689)
<b>Total other financing sources</b>	<b>85,523</b>	<b>2,812,401</b>	<b>239,277</b>	<b>507,461</b>	<b>65,111</b>	<b>-</b>	<b>5,772,682</b>
<b>Net Change in Fund Balances</b>	<b>371,980</b>	<b>442,598</b>	<b>130,506</b>	<b>274,884</b>	<b>-</b>	<b>512,761</b>	<b>2,504,257</b>
<b>Fund Balances - Beginning of year</b>	<b>6,651</b>	<b>50,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,235,353</b>	<b>8,250,832</b>
<b>Fund Balances - End of year</b>	<b>\$ 378,631</b>	<b>\$ 492,816</b>	<b>\$ 130,506</b>	<b>\$ 274,884</b>	<b>\$ -</b>	<b>\$ 1,748,114</b>	<b>\$ 10,755,089</b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Net Assets Nonmajor Enterprise Funds March 31, 2008

	Indoor Ice Rink	Golf Course	Protective Inspection	Total Nonmajor Enterprise Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 31,354	\$ 258,765	\$ 221,323	\$ 511,442
Receivables - Net	4,000	-	30,150	34,150
Due from component units	-	13,718	-	13,718
Inventories and other assets	-	13,660	-	13,660
Total current assets	35,354	286,143	251,473	572,970
Noncurrent assets:				
Unamortized bond issuance costs	-	20,399	-	20,399
Capital assets	325,861	3,098,258	-	3,424,119
Unamortized goodwill	-	71,840	-	71,840
Total noncurrent assets	325,861	3,190,497	-	3,516,358
Total assets	361,215	3,476,640	251,473	4,089,328
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	7,890	1,244	9,134
Accrued liabilities	-	11,589	8,406	19,995
Due to other funds	41,677	127,985	10,000	179,662
Other liabilities and advances	-	60	-	60
Current portion of long-term debt	-	171,171	-	171,171
Total current liabilities	41,677	318,695	19,650	380,022
Noncurrent liabilities:				
Provision for compensated absences	-	-	214,042	214,042
Long-term debt - Net of current portion	-	198,722	-	198,722
Total noncurrent liabilities	-	198,722	214,042	412,764
Total liabilities	41,677	517,417	233,692	792,786
<b>Net Assets</b>				
Investment in capital assets - Net of related debt	325,861	2,728,365	-	3,054,226
Unrestricted	(6,323)	230,858	17,781	242,316
Total net assets	<u>\$ 319,538</u>	<u>\$ 2,959,223</u>	<u>\$ 17,781</u>	<u>\$ 3,296,542</u>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Nonmajor Enterprise Funds Year Ended March 31, 2008

	Indoor Ice Rink	Golf Course	Protective Inspection	Total Nonmajor Enterprise Funds
<b>Operating Revenue</b>				
Charges for services	\$ 22,000	\$ 1,222,558	\$ -	\$ 1,244,558
Permits	-	-	772,846	772,846
	<u>22,000</u>	<u>1,222,558</u>	<u>772,846</u>	<u>2,017,404</u>
Total operating revenue	22,000	1,222,558	772,846	2,017,404
<b>Operating Expenses</b>				
General and administrative costs	13,840	1,146,468	894,366	2,054,674
Depreciation and amortization	38,669	274,648	-	313,317
	<u>52,509</u>	<u>1,421,116</u>	<u>894,366</u>	<u>2,367,991</u>
Total operating expenses	52,509	1,421,116	894,366	2,367,991
<b>Operating Loss</b>	(30,509)	(198,558)	(121,520)	(350,587)
<b>Nonoperating Revenue (Expense)</b>				
Interest income	1,090	24,901	-	25,991
Interest expense	-	(21,982)	-	(21,982)
Gain on disposal of assets	-	15,000	-	15,000
	<u>1,090</u>	<u>17,919</u>	<u>-</u>	<u>19,009</u>
Total nonoperating revenue	1,090	17,919	-	19,009
<b>Other Financing Sources - Transfers in</b>	-	-	108,000	108,000
<b>Change in Net Assets</b>	(29,419)	(180,639)	(13,520)	(223,578)
<b>Net Assets - Beginning of year</b>	<u>348,957</u>	<u>3,139,862</u>	<u>31,301</u>	<u>3,520,120</u>
<b>Net Assets - End of year</b>	<u>\$ 319,538</u>	<u>\$ 2,959,223</u>	<u>\$ 17,781</u>	<u>\$ 3,296,542</u>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2008

	Indoor Ice Rink	Golf Course	Protective Inspection	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 18,000	\$ 1,222,558	\$ 777,557	\$ 2,018,115
Payments to suppliers	(13,840)	(1,151,835)	(90,763)	(1,256,438)
Payments to employees	-	-	(781,427)	(781,427)
Internal activity	8,999	69,299	(24,814)	53,484
Net cash provided by (used in) operating activities	13,159	140,022	(119,447)	33,734
<b>Cash Flows from Noncapital and Related Financing Activities -</b>				
Transfers from other funds	-	-	108,000	108,000
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sale of assets	-	15,000	-	15,000
Purchase of capital assets	-	(269,456)	-	(269,456)
Principal and interest paid on capital debt	-	(203,186)	-	(203,186)
Net cash used in capital and related financing activities	-	(457,642)	-	(457,642)
<b>Cash Flows from Investing Activities - Interest received on investments</b>	1,090	24,901	-	25,991
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	14,249	(292,719)	(11,447)	(289,917)
<b>Cash and Cash Equivalents - Beginning of year</b>	17,105	551,484	232,770	801,359
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 31,354</b>	<b>\$ 258,765</b>	<b>\$ 221,323</b>	<b>\$ 511,442</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>				
Operating loss	\$ (30,509)	\$ (198,558)	\$ (121,520)	\$ (350,587)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation and amortization	38,669	274,648	-	313,317
Changes in assets and liabilities:				
Receivables	(4,000)	-	4,711	711
Due from other funds	-	(13,718)	-	(13,718)
Inventory and other assets	-	(2,789)	-	(2,789)
Accounts payable	-	(2,195)	(702)	(2,897)
Accrued and other liabilities	-	(383)	22,878	22,495
Due to other funds	8,999	83,017	(24,814)	67,202
Net cash provided by (used in) operating activities	<b>\$ 13,159</b>	<b>\$ 140,022</b>	<b>\$ (119,447)</b>	<b>\$ 33,734</b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Net Assets Internal Service Funds March 31, 2008

	Internal Service Fund	Vehicle Maintenance Internal Service Fund	Total Internal Service Funds
<b>Assets - Current</b>			
Cash and investments	\$ 5,265,783	\$ 4,612	\$ 5,270,395
Due from other funds	248,000	122,000	370,000
Deposits	491,763	-	491,763
Total assets	6,005,546	126,612	6,132,158
<b>Liabilities - Current</b>			
Accounts payable	-	3,328	3,328
Accrued liabilities	-	7,129	7,129
Due to other funds	360,000	116,155	476,155
Other liabilities and advances	2,149,579	-	2,149,579
Total liabilities	2,509,579	126,612	2,636,191
<b>Net Assets - Unrestricted</b>	<b>\$ 3,495,967</b>	<b>\$ -</b>	<b>\$ 3,495,967</b>

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Assets Internal Service Funds Year Ended March 31, 2008

	Internal Service Fund	Vehicle Maintenance Internal Service Fund	Total Internal Service Funds
<b>Operating Revenue</b>			
Charges for services	\$ -	\$ 299,999	\$ 299,999
Township contributions	6,713,126	-	6,713,126
Total operating revenue	6,713,126	299,999	7,013,125
<b>Operating Expenses</b>			
General and administrative costs	-	299,999	299,999
Benefit payments, reinsurance charges, and claim administration	5,726,304	-	5,726,304
Total operating expenses	5,726,304	299,999	6,026,303
<b>Operating Income/Change in Net Assets</b>	986,822	-	986,822
<b>Net Assets - Beginning of year</b>	2,509,145	-	2,509,145
<b>Net Assets - End of year</b>	\$ 3,495,967	\$ -	\$ 3,495,967

# Charter Township of Redford

## Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2008

	Internal Service Fund	Vehicle Maintenance Internal Service Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Internal activity - Payments from other funds	\$ 6,825,126	\$ 293,894	\$ 7,119,020
Payments to suppliers	-	(40,030)	(40,030)
Payments to employees	-	(260,915)	(260,915)
Claims paid	(5,813,126)	-	(5,813,126)
Net cash provided by (used in) operating activities	1,012,000	(7,051)	1,004,949
<b>Cash and Cash Equivalents - Beginning of year</b>	4,253,783	11,663	4,265,446
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 5,265,783</b>	<b>\$ 4,612</b>	<b>\$ 5,270,395</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 986,822	\$ -	\$ 986,822
Adjustments to reconcile operating income to net cash from operating activities - Changes in assets and liabilities:			
Due from other funds	(87,000)	(122,000)	(209,000)
Deposits	(138,863)	-	(138,863)
Accounts payable	-	(2,238)	(2,238)
Accrued and other liabilities	52,041	1,292	53,333
Due to other funds	199,000	115,895	314,895
Net cash provided by (used in) operating activities	<b>\$ 1,012,000</b>	<b>\$ (7,051)</b>	<b>\$ 1,004,949</b>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2008.