

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

**Comprehensive Annual Financial Report
for the Fiscal Year Ended
December 31, 2013**

Prepared by the Charter Township of Plymouth

Charter Township of Plymouth

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December 1, 2014

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

With this letter, we formally transmit the Charter Township of Plymouth, Michigan (the "Township") Comprehensive Annual Financial Report (CAFR) for the 2013 fiscal year. This report has been prepared pursuant to and in compliance with State of Michigan statutes that require the Township to publish within six months of the close of the fiscal year a complete set of financial statements in compliance with accounting principles generally accepted in the United States of America.

The financial statements have been prepared by the treasurer's department for the purpose of disclosing the Township's financial condition to its citizens, elected officials, businesses, intergovernmental partners, and other interested parties. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established. In maintaining and improving the Township's accounting and financial reporting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability of Township assets. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived and (2) the valuation of the costs and benefits requires estimates and judgments by management. Internal accounting controls will not provide absolute assurance.

This letter is designed to introduce the financial report and provide information that would be useful in assessing the Township's financial condition. In addition, the financial statements include a narrative introduction, overview, and analysis in the form of a management's discussion and analysis (MD&A) which should be read in conjunction with this letter.

The Charter Township of Plymouth

The Charter Township of Plymouth, located in Western Wayne County in southeastern Michigan along the high technology corridor of I-275 and M-14, finds itself strategically situated approximately halfway between downtown Detroit and the city of Ann Arbor. It currently occupies approximately 16.8 square miles and serves a population of 27,195. Plymouth Township prides itself with having one of the lowest overall tax rates in southeastern Michigan while providing necessary quality of life services citizens and businesses desire and demand.

The Charter Township of Plymouth operates under the township form of government. Policy making and legislative authority are vested with a board of trustees, which consists of seven elected members: a full-time supervisor, a treasurer, and a clerk along with four part-time trustees. The supervisor is the Chief Administrative and Executive Officer of the Township. They all serve four-year terms with elections coinciding with the United States presidential elections.

Public Facilities

The Township operates from a 53,000 square foot complex that houses its government, police, and fire operations. It also has a 26,000 square foot complex that houses its Department of Public Services equipment.

Component Units and Joint Ventures

The Charter Township of Plymouth includes in its financial statements two discretely presented component units. They are the Downtown Development Authority and the Brownfield Redevelopment Authority. The Downtown Development Authority captures incremental tax revenues that are used for improvement within the district along Ann Arbor Road. The Brownfield Redevelopment Authority captures incremental tax revenues that are used for environmental remediation at approved sites throughout the Township. Additional information regarding these component units can be found in the notes to the financial statements (see Note I).

The Township also participates in two joint ventures, the 35th District Court and the Western Township Utilities Authority. The Township's participation in these joint ventures is recognized in the Township's financial statements. Additional information regarding these component units can be found in the notes to the financial statements (see Note I).

Budgetary and Accounting Controls

The Charter Township of Plymouth Board of Trustees adopts an annual budget in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978. The Township's fiscal year is January through December. The annual budget is adopted by December 31 for the subsequent year. The Township Board of Trustees adopts appropriations at the activity level for the General Fund and at the fund level for all other budgeted funds. The budget is prepared by fund, department, and function. Michigan law requires expenditures to be within budget at this level. Unexpended appropriations lapse at year end. The Township Board of Trustees must approve all budget amendments made throughout the year.

Local Economy

Major employers located within the community include automobile component suppliers, automobile dealers, food distributors, financial institutions, research, information technology, and educational institutions. During 2013 the Township, with assistance from the State of Michigan, continued to attract new businesses to the Township to fill unoccupied facilities or expand the facilities of current Township businesses. Demand for certain residential housing has continued through 2013 and has produced an increase in overall residential taxable value.

Because of the location within the region and types of employers within the community, the Township has experienced unemployment rates well below the State of Michigan's overall rate. Unemployment in the Township was at 2.3 percent for December 2013 compared to 8.3 percent for the State of Michigan. This is primarily the result of citizens within the community being highly trained and educated. Employment levels are expected to increase over the next year due to increased occupancy of industrial and commercial properties.

Long-term Financial Planning

The Township continues to look at a two-year budget projection to project fund balance and changes in major revenue and expenditures. By looking at a two-year projection, the Township has been able to implement expenditure reductions and receive employee concessions from most of its employees. This will allow the Township to maintain most services it currently delivers while maintaining adequate reserves and a AA bond rating.

During the year, the Township completed work on the water distribution system to mitigate peak demand from the Detroit Water and Sewer Department. This should stabilize rate increases from the City of Detroit.

Cash Management Policies and Practices

It is the policy of the Township to invest public dollars in a manner that will provide security of the funds while receiving the highest investment return, while conforming to Public Act 20 of 1943 (as amended). Idle cash is invested in money market accounts, certificates of deposit, and pooled accounts.

Due to the dollar amounts of deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. However, in the State of Michigan, municipalities are not required to collateralize or insure bank deposits. Thus, the Township evaluates each financial institution with which Township funds are deposited and assesses the level of risk associated with each institution. Only those institutions with acceptable risk levels are used as depositories.

Risk Management

The Charter Township of Plymouth is a member of the Michigan Municipal Risk Management Authority (MMRMA). The MMRMA is a self-insured association with a membership of approximately 315 State of Michigan local governmental units. It provides risk management, claims administration, legal defense, and reinsurance services for its members. As a member of MMRMA, the Township has liability coverage of up to \$15,000,000 per occurrence. Our self-insured retention for liability is \$100,000 per occurrence. We are actively involved in risk control through supervisory and employee training, facilities inspections, and utilization of the MMRMA risk control staff.

Pension and Other Postemployment Benefits

The Charter Township of Plymouth participates in both defined contribution and defined benefit pension plans that cover substantially all full-time employees. It is required for most employees to contribute to the retirement plan in which they participate. Contributions are based on contractual agreements or policies adopted by the Township. The defined contribution plan is through John Hancock Life Insurance. The defined benefit pension plan, which covers members of the Command Officers of Michigan, Police Officers of Michigan, International Association of Fire Fighters, and three full-time employees of the Township, is with the Michigan Municipal Employees' Retirement System (MMERS). Required contributions are determined as a part of an annual actuarial valuation. The ratio of present assets to actuarial accrued liabilities as of December 31, 2013 is presented in Note 10 to the financial statements. The Charter Township of Plymouth also provides postretirement health care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 33 retired employees receiving these benefits. Additional information pertaining to the Township's pension and postemployment benefits can be found in Notes 9, 10, and 11 to the financial statements.

Independent Audit

The Township's financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misrepresentation. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an "unqualified opinion" on the Charter Township of Plymouth's financial statements for the 2013 calendar year.

This is the best opinion an auditor can give on audited financial statements.

The Independent Auditor's Report is located at the front of the Financial Section of the Charter Township of Plymouth Comprehensive Annual Financial Report.

Acknowledgments

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the treasurer's department, Supervisor Reaume, Clerk Conzelman, and the various department heads and employees who contributed and assisted in its preparation. I wish to thank each one of you for your support of the Township's financial operations.

Sincerely,

A handwritten signature in black ink that reads "Ron Edwards". The signature is written in a cursive, flowing style.

Ron Edwards
Treasurer

Charter Township of Plymouth

List of Principal Officials

Supervisor's Office

Supervisor	Richard Reaume
Human Resources Director	Joann Coobatis

Treasurer's Office

Treasurer	Ron Edwards
Deputy Treasurer	Amy Hammye

Clerk's Office

Clerk	Nancy Conzelman
Deputy Clerk	Michelle Lozier

Building Department

Mark Lewis

Fire Department

Fire Chief	Mark Wendel
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Information Services

Robert Janks

Public Services Division

Director of Public Works	Patrick Fellrath
Department of Public Works and Parks	Mary Bruce
Solid Waste/Recreation Coordinator	Susan Vignoe
Water Department	Mike Karrill

Police Department

Police Chief	Tom Tiderington
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Charter Township of Plymouth

Summary of Personnel Positions December 31, 2013

	<u>Full-time</u>	<u>Part-time</u>
Supervisor's Office	2	1
Human Resources	1	-
Information Services	1	1
Assessing	1	-
Clerk's Office	4	2
Treasurer's Office	2	3
Building Department		
Official's Office	2	-
Ordinance/Inspections	1	1
Facility Maintenance	1	-
Department of Public Services		
Director's Office	2	-
Waste Management	1	-
Public Works	9	2
Parks	-	16
Public Safety		
Fire	15	7
Police	<u>42</u>	<u>-</u>
Total employees	<u><u>84</u></u>	<u><u>33</u></u>

Charter Township of Plymouth

Labor Agreements December 31, 2013

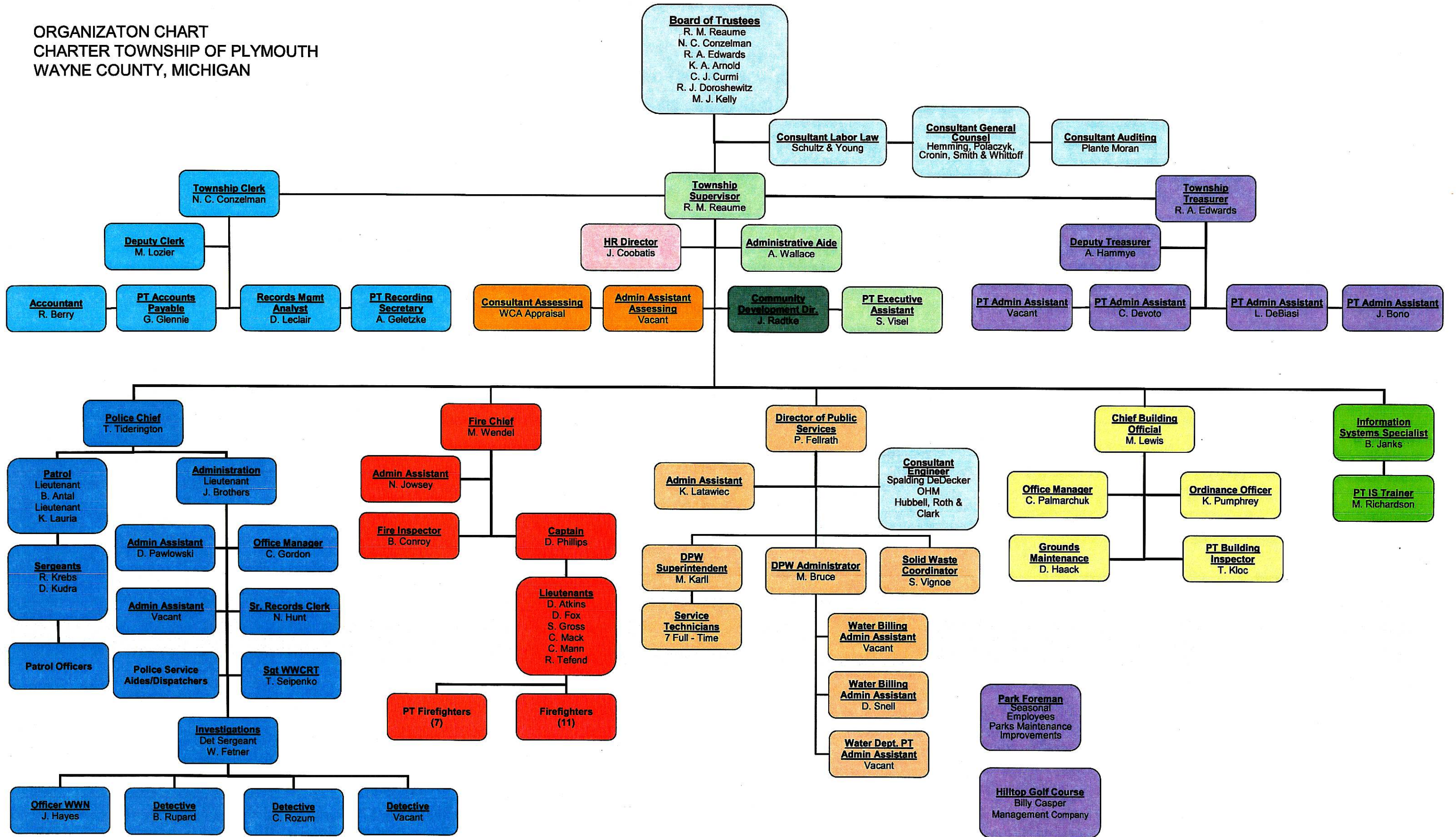
Bargaining Unit	Expiration Date	Number of Employees
Command Officers Association of Michigan - Sergeants	12/31/2014	4
Police Officers Association of Michigan Police officers	12/31/2014	20
Dispatchers	12/31/2014	10
International Association of Firefighters - Represents firefighters	3/31/2016	14
Technical, Professional, and Officeworkers Association of Michigan - Represents administrative assistant, facilities maintenance employees, building inspectors, and ordinance officers	12/31/2015	21
Teamsters - Represents public works employees	12/31/2015	7
Total		<u>76</u>

Charter Township of Plymouth

Fund Organization Chart December 31, 2013 (Unaudited)

<u>Fund Name</u>	<u>Fund Number</u>
Governmental Funds	
General Fund	101
Capital Project Fund - Improvement Revolving	246
Special Revenue Fund - Drug Forfeiture	265
Proprietary Funds - Enterprise Funds	
Solid Waste Disposal	226
Golf	510
Water and Sewer	592
Special Assessment District	805
Fiduciary Funds - Trust and Agency Funds	
Trust and Agency	701
Police Bond Fund	702
Tax Collections	703

**ORGANIZATION CHART
CHARTER TOWNSHIP OF PLYMOUTH
WAYNE COUNTY, MICHIGAN**



Independent Auditor's Report

To the Board of Trustees
Charter Township of Plymouth

Report on the Financial Statements

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 Plymouth (the "Township"), as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Charter Township of Plymouth's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

To the Board of Trustees
Charter Township of Plymouth

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

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 Plymouth as of December 31, 2013 and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, in 2013, the Township adopted the new accounting guidance of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Plymouth's basic financial statements. The introductory section, other supplemental information, and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

To the Board of Trustees
Charter Township of Plymouth

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

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Plante & Moran, PLLC

December 1, 2014

Charter Township of Plymouth

Management's Discussion and Analysis

As management of the Charter Township of Plymouth (the "Township"), we offer readers of the Charter Township of Plymouth's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Plymouth for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal which can be found on pages i-v and the Township's financial statements following the management's discussion and analysis (MD&A). All amounts, unless otherwise indicated, are expressed in dollars.

The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. The discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Township's financial activity, (3) identify changes in the Township's financial position, (4) identify any material deviations from the approved budget, and (5) identify individual fund issues or concerns.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2013:

- At the end of the 2013 fiscal year, the assets of the Charter Township of Plymouth exceeded its liabilities by \$57.0 million. Net investment in capital assets account for \$42.6 million or 75 percent of the total. The remaining net position of nearly \$14.5 million include \$0.6 restricted for drug enforcement and \$13.9 million may be used to meet the Township's ongoing obligations to its citizens and creditors.
- The Township maintained its financial rating of AA with Standard and Poor's.
- The Township's actual General Fund expenditures were \$0.8 million less than the amended budget.
- Water and Sewer Fund income for 2013 was approximately \$0.2 million. This is the fourth consecutive year with positive results. The increase is due to controlling water rates from the City of Detroit.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position 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.

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.

Governmental Activities

Many of the Township's basic services provided to the community are included here. They are fire/paramedic service, police/dispatch service, parks, building, community development, and general administration. Most of the funding is provided by property taxes, state-shared revenue, charges for service, and agreements.

The following tables show, in a condensed format, the current year's net position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	Governmental Activities				Percent
	2011	2012	2013	Change	Change
Assets					
Current assets	\$ 11,656,000	\$ 13,477,000	17,528,000	\$ 4,051,000	30%
Investment in joint venture	251,000	-	-	-	0%
Capital assets	18,635,000	17,927,000	17,521,000	(406,000)	-2%
Total assets	30,542,000	31,404,000	35,049,000	3,645,000	12%
Liabilities					
Current liabilities	8,583,000	9,489,000	5,940,000	(3,549,000)	-37%
Long-term liabilities	14,455,000	15,244,000	16,769,000	1,525,000	10%
Total liabilities	23,038,000	24,733,000	22,709,000	(2,024,000)	-8%
Deferred Inflows	-	-	6,720,000	6,720,000	
Net Position					
Net investment					
in capital assets	11,260,000	10,508,000	10,661,000	153,000	1%
Restricted	147,000	1,202,000	621,000	(581,000)	-48%
Unrestricted	(3,903,000)	(5,039,000)	(5,662,000)	(623,000)	12%
Total net position	<u>\$ 7,504,000</u>	<u>\$ 6,671,000</u>	<u>\$ 5,620,000</u>	<u>\$ (1,051,000)</u>	-16%

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's governmental activities net position total approximately \$5.6 million. This is a decrease over 2012 of approximately \$1.0 million. The most significant change in assets and liabilities was due to the increase in other postemployment benefits liability of \$0.8 million.

	Governmental Activities			Change from Prior Year	
	2011	2012	2013	in Dollars	Percent
Revenue					
Program revenue:					
Charges for services	\$ 2,563,000	\$ 1,749,000	\$ 1,975,000	\$ 226,000	13%
Operating grants	428,000	1,896,000	128,000	(1,768,000)	-93%
General revenue:					
Property taxes	6,885,000	6,848,000	6,684,000	(164,000)	-2%
State-shared revenue	1,952,000	2,017,000	2,057,000	40,000	2%
Investment earnings	51,000	32,000	35,000	3,000	9%
Cable franchise agreement	525,000	593,000	593,000	-	0%
Gain on sale of assets and other	5,000	-	6,000	6,000	100%
Total revenue	12,409,000	13,135,000	11,478,000	(1,657,000)	-13%
Program Expenses					
General government	2,331,000	2,561,000	2,355,000	(206,000)	-8%
Public safety	8,927,000	9,460,000	8,797,000	(663,000)	-7%
Building inspections	394,000	398,000	421,000	23,000	6%
Public works	459,000	174,000	124,000	(50,000)	-29%
Community services	30,000	103,000	35,000	(68,000)	-66%
Planning and zoning	209,000	107,000	192,000	85,000	79%
Parks	404,000	455,000	385,000	(70,000)	-15%
Interest on long-term debt	318,000	709,000	220,000	(489,000)	-69%
Total expenses	13,072,000	13,967,000	12,529,000	(1,438,000)	-10%
Transfers	(949,000)	-	-	-	0%
Change in Net Position	\$ (1,612,000)	\$ (832,000)	\$ (1,051,000)	\$ (219,000)	26%

The Township's total governmental revenue was \$11.5 million, which decreased from 2012 by approximately \$1.7 million. This was due to decreases in grant revenue (Federal Equitable Sharing).

Expenses decreased during the year primarily due to decreases in public safety expenditures. The decreases are due to reductions in the fire department.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund, Solid Waste Disposal Fund, Golf Fund, and Special Assessment Fund. The Township provides water to residents from the Detroit water system. We provide sewage treatment through the Western Townships Utilities Authority, which collects sewage, equalizes it, and sends it to both the Detroit sewage treatment plant and the Ypsilanti Community Utilities Authority sewage treatment plant.

The Solid Waste Disposal Fund was created to account for revenue and expenses for trash collection and recycling programs requiring separate accounting and financing.

The Golf Fund was created to account for revenues and expenses for golf course operations. The course is operated by a management company, Billy Casper Golf, which is responsible for day-to-day operations.

The Special Assessment Fund was created to account for revenue and expenses for certain special assessments (road paving and sidewalk repairs) requiring separate accounting and financing.

The following tables show the current year's net assets and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	Business-type Activities				Percent Change
	2011	2012	2013	Change	
Assets					
Current assets	\$ 7,243,000	\$ 7,932,000	\$ 8,139,000	\$ 207,000	3%
Investment in joint venture	10,936,000	12,666,000	13,918,000	1,252,000	10%
Capital assets	36,044,000	35,406,000	34,508,000	(898,000)	-3%
Total assets	54,223,000	56,004,000	56,565,000	561,000	1%
Liabilities					
Current liabilities	1,399,000	1,469,000	1,236,000	(233,000)	-16%
Long-term liabilities	3,262,000	3,221,000	3,888,000	667,000	21%
Total liabilities	4,661,000	4,690,000	5,124,000	434,000	9%
Net Position					
Net investment in capital assets	33,330,000	32,776,000	31,919,000	(857,000)	-3%
Unrestricted	16,232,000	18,538,000	19,522,000	984,000	5%
Total net position	<u>\$ 49,562,000</u>	<u>\$ 51,314,000</u>	<u>\$ 51,441,000</u>	<u>\$ 127,000</u>	0%

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The net position of the Township's business-type activities total \$51.4 million. This is an increase over 2012 of \$0.1 million. The increase is attributable to water and sewer operations.

	Business-type Activities			Change from Prior Year	
	2011	2012	2013	in Dollars	Percent
Program Revenue					
Charges for services:					
Water and sewer	\$ 13,184,000	\$ 13,989,000	\$ 12,602,000	\$ (1,387,000)	-10%
Rubbish	1,365,000	1,141,000	1,374,000	233,000	20%
Golf	399,000	570,000	624,000	54,000	9%
Special assessments	87,000	126,000	1,252,000	1,126,000	894%
Capital contributions -					
Water and sewer	64,000	214,000	162,000	(52,000)	-24%
General revenue:					
Interest income	43,000	30,000	22,000	(8,000)	-27%
Gain on sale of assets	5,000	-	-	-	0%
Total revenue	15,147,000	16,070,000	16,036,000	(34,000)	0%
Program Expenses					
Water and sewer	12,764,000	12,352,000	12,565,000	(213,000)	-2%
Rubbish	1,244,000	1,247,000	1,268,000	(21,000)	-2%
Golf	536,000	666,000	744,000	(78,000)	-12%
Special assessments	88,000	53,000	1,332,000	(1,279,000)	-2413%
Total program expenses	14,632,000	14,318,000	15,909,000	(1,591,000)	-11%
Transfers	949,000	-	-	-	0%
Change in Net Position	\$ 1,464,000	\$ 1,752,000	\$ 127,000	\$ (1,625,000)	-93%

In 2013, business-type activities revenue totaled \$16.0 million, a decrease from 2012 of approximately \$34,000 (primarily due to water and sewer revenues). Expenses for business-type activities totaled \$15.9 million, an increase of \$1.6 million, of which a \$1.3 million increase is attributable to special assessment expenses.

The Township's Funds

Our analysis of the Township's major funds follows 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 specific property tax millages. The Township's major funds for 2013 include the General Fund, the Improvement Revolving Fund, the Water and Sewer Fund, the Solid Waste Disposal Fund, and the Golf Fund.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Governmental Funds

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant budget changes during the year were in public safety costs. Township departments overall stayed below the final amended budget by \$0.8 million, resulting in total expenditures of \$11.0 million. This was a decrease of \$0.5 million compared to 2012.

Improvement Revolving Highlights

The Township amended the budget during the year due to capital outlays. The increase in net position is due to debt service issuance.

Business-type Funds

Water and Sewer Fund

The Water and Sewer Fund experienced a \$0.2 million increase in net position. The increase is due to controlling water rates with the City of Detroit.

Capital Asset and Debt Administration

Capital Assets

As of the year end, the Township had \$52.0 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This represents a decrease from 2012 of approximately \$1.3 million due to depreciation. Roads within the Township are accounted for and maintained by the County of Wayne. A summary of capital assets is presented in Note 5 of the notes to the financial statements.

Debt Outstanding

At the end of the current fiscal year, the Charter Township of Plymouth had total bonded debt outstanding of \$11.2 million. During the year, the Township issued \$1.9 million in general obligation bonds to finance park, golf course, and water department assets and major maintenance projects.

A summary of long-term debt is presented in Note 7 of the notes to financial statements.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Economic Factors

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens. For business-type activities (water and sewer, solid waste disposal, special assessments) and certain governmental activities (permitting, development), the user pays a related fee or charge associated with the service. During 2013, the Township continued seeing positive change. Home sale prices continued to rise, state-shared revenue continued to increase, building permits continued to increase, and unemployment in Plymouth Township ended the year at 2.3 percent. Even with the economic outlook improving, the Township board continues to look for improvements in services while reducing legacy costs that the Township will be able to sustain into the future.

Contacting the Township's Management

The Charter Township of Plymouth's financial statements are designed to provide our citizens, elected officials, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Charter Township of Plymouth, 9955 Haggerty Road, Plymouth, MI 48170.

Charter Township of Plymouth

Statement of Net Position December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 3,589,931	\$ 3,425,980	\$ 7,015,911	\$ 1,613,575
Receivables:				
Property taxes receivable	6,757,250	114,498	6,871,748	263,187
Accounts	-	2,936,679	2,936,679	-
Other receivables	693,139	133,718	826,857	-
Due from other governmental units	4,413,373	-	4,413,373	-
Special assessments receivable	-	1,302,111	1,302,111	-
Advances to component units (Note 6)	306,160	-	306,160	-
Internal balances	529,454	(529,454)	-	-
Inventory	-	10,956	10,956	-
Prepaid expenses and other assets	103,944	107,287	211,231	-
Restricted assets - Unspent bond proceeds	1,135,286	637,296	1,772,582	-
Investment in joint ventures (Note 1)	-	13,917,822	13,917,822	-
Capital assets (Note 5):				
Assets not subject to depreciation	3,732,029	1,636,134	5,368,163	-
Assets subject to depreciation	13,788,673	32,871,596	46,660,269	-
Total assets	35,049,239	56,564,623	91,613,862	1,876,762
Liabilities				
Accounts payable	483,469	968,808	1,452,277	11,675
Due to other governmental units	-	-	-	13,226
Advance from primary government (Note 6)	-	-	-	306,160
Accrued liabilities and other	397,109	45,487	442,596	-
Unearned revenue	4,045,043	-	4,045,043	234,146
Noncurrent liabilities:				
Due within one year (Note 7):				
Current portion of compensated absences	489,518	69,412	558,930	-
Current portion of long-term debt	524,957	152,138	677,095	-
Due in more than one year:				
Compensated absences, net of current portion (Note 7)	623,805	89,855	713,660	-
Net OPEB obligation (Note 11)	8,675,984	723,587	9,399,571	-
Long-term debt (Note 7)	7,469,549	3,074,235	10,543,784	-
Total liabilities	22,709,434	5,123,522	27,832,956	565,207
Deferred Inflows of Resources - Property taxes levied for the following year	6,719,692	-	6,719,692	7,858
Net Position				
Net investment in capital assets	10,661,482	31,918,653	42,580,135	-
Restricted for drug enforcement	621,488	-	621,488	-
Unrestricted	(5,662,857)	19,522,448	13,859,591	1,303,697
Total net position	\$ 5,620,113	\$ 51,441,101	\$ 57,061,214	\$ 1,303,697

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

Charter Township of Plymouth

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,354,981	\$ 478,036	\$ -	\$ -
Public safety:				
Police	4,640,547	241,364	53,644	-
Fire	3,232,956	71,687	-	-
Building inspections	420,566	639,687	-	-
Dispatching	922,855	435,517	-	-
Public works	124,294	-	-	-
Community services	35,104	-	74,330	-
Planning and zoning	192,496	108,907	-	-
Parks	385,328	-	-	-
Interest on long-term debt	220,173	-	-	-
Total governmental activities	12,529,300	1,975,198	127,974	-
Business-type activities:				
Water and sewer	12,564,214	12,601,994	-	161,890
Rubbish disposal	1,268,461	1,373,822	-	-
Golf course	743,813	623,862	-	-
Special assessment projects	1,332,426	1,252,209	-	-
Total business-type activities	15,908,914	15,851,887	-	161,890
Total primary government	<u>\$ 28,438,214</u>	<u>\$ 17,827,085</u>	<u>\$ 127,974</u>	<u>\$ 161,890</u>
Component units:				
Downtown Development Authority	\$ 1,002,325	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	8,648	-	-	-
Total component units	<u>\$ 1,010,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Interest and rents				
Cable franchise agreement				
Gain on sale of fixed assets				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities
Year Ended December 31, 2013

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,876,945)	\$ -	\$ (1,876,945)	\$ -
(4,345,539)	-	(4,345,539)	-
(3,161,269)	-	(3,161,269)	-
219,121	-	219,121	-
(487,338)	-	(487,338)	-
(124,294)	-	(124,294)	-
39,226	-	39,226	-
(83,589)	-	(83,589)	-
(385,328)	-	(385,328)	-
(220,173)	-	(220,173)	-
(10,426,128)	-	(10,426,128)	-
-	199,670	199,670	-
-	105,361	105,361	-
-	(119,951)	(119,951)	-
-	(80,217)	(80,217)	-
-	104,863	104,863	-
(10,426,128)	104,863	(10,321,265)	-
-	-	-	(1,002,325)
-	-	-	(8,648)
-	-	-	(1,010,973)
6,684,251	-	6,684,251	244,731
2,056,963	-	2,056,963	-
34,817	22,933	57,750	5,770
592,527	-	592,527	-
6,191	-	6,191	-
9,374,749	22,933	9,397,682	250,501
(1,051,379)	127,796	(923,583)	(760,472)
6,671,492	51,313,305	57,984,797	2,064,169
\$ 5,620,113	\$ 51,441,101	\$ 57,061,214	\$ 1,303,697

Charter Township of Plymouth

Governmental Funds Balance Sheet December 31, 2013

	General Fund	Improvement Revolving Fund	Nonmajor Drug Forfeiture Fund	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 2,896,036	\$ 11,471	\$ 682,424	\$ 3,589,931
Receivables:				
2013 property taxes	6,757,250	-	-	6,757,250
Other receivables	636,531	-	56,608	693,139
Due from other governmental units	4,413,373	-	-	4,413,373
Advances to component units (Note 6)	306,160	-	-	306,160
Due from other funds (Note 6)	80,214	94,893	-	175,107
Advances to other funds (Note 6)	500,000	-	-	500,000
Prepaid expenses	103,877	-	67	103,944
Restricted assets - Unspent bond proceeds	-	1,135,286	-	1,135,286
Total assets	\$15,693,441	\$ 1,241,650	\$ 739,099	\$17,674,190
Liabilities				
Accounts payable	\$ 448,567	\$ 1,501	\$ 33,401	\$ 483,469
Due to other funds (Note 6)	65,360	-	80,293	145,653
Accrued liabilities and other	327,570	-	3,445	331,015
Unearned revenue	4,044,571	-	472	4,045,043
Total liabilities	4,886,068	1,501	117,611	5,005,180
Deferred Inflows of Resources (Note 4)	7,146,496	-	-	7,146,496
Fund Balances				
Nonspendable - Prepays and long-term advances	910,037	-	67	910,104
Restricted:				
Capital projects (unspent bond proceeds)	-	1,135,286	-	1,135,286
Drug enforcement	-	-	621,421	621,421
Assigned - Capital improvements	-	104,863	-	104,863
Unassigned	2,750,840	-	-	2,750,840
Total fund balances	3,660,877	1,240,149	621,488	5,522,514
Total liabilities and fund balances	\$15,693,441	\$ 1,241,650	\$ 739,099	\$17,674,190

Charter Township of Plymouth

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2013

Fund Balance Reported in Governmental Funds	\$ 5,522,514
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	17,520,702
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	426,804
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(7,994,506)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,333)
Net OPEB obligation is not reported as a fund liability	(8,675,984)
Accrued longevity pay for employees is not reported as a fund liability until it is due and payable	(3,261)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,113,323)
Accrued insurance claims are not reported as a fund liability until the payment is due and payable	<u>(61,500)</u>
Net Position of Governmental Activities	<u>\$ 5,620,113</u>

Charter Township of Plymouth

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2013

	General Fund	Improvement Revolving Fund	Nonmajor Drug Forfeiture Fund	Total
Revenue				
Property taxes	\$ 6,621,720	\$ -	\$ -	\$ 6,621,720
Licenses and permits	730,384	-	-	730,384
Federal grants	70,870	-	17,451	88,321
State-shared revenue	2,056,963	-	-	2,056,963
Charges for services:				
Intragovernmental service charge	636,089	-	-	636,089
City of Plymouth	152,504	-	-	152,504
District court fines	189,509	-	-	189,509
Interest and rents	28,734	2,108	3,975	34,817
Other revenue:				
Cable franchise agreement	592,527	-	-	592,527
Other charges for services	49,844	-	-	49,844
Other miscellaneous income	959,891	-	-	959,891
Total revenue	12,089,035	2,108	21,426	12,112,569
Expenditures				
Current:				
General government	2,859,697	-	-	2,859,697
Public safety	7,325,351	-	246,322	7,571,673
Building inspections	399,463	-	-	399,463
Community social services	35,104	-	-	35,104
Community and economic development	152,295	-	-	152,295
Parks	265,347	-	-	265,347
Capital outlay	-	61,219	355,513	416,732
Debt service	-	809,453	-	809,453
Total expenditures	11,037,257	870,672	601,835	12,509,764
Excess of Revenue Over (Under)				
Expenditures	1,051,778	(868,564)	(580,409)	(397,195)
Other Financing Sources (Uses)				
Face value of debt issue	-	1,155,000	-	1,155,000
Proceeds from sale of capital assets	36,850	-	-	36,850
Transfers in (Note 6)	-	723,951	-	723,951
Transfers out (Note 6)	(723,951)	-	-	(723,951)
Total other financing (uses) sources	(687,101)	1,878,951	-	1,191,850
Net Change in Fund Balances	364,677	1,010,387	(580,409)	794,655
Fund Balances - Beginning of year	3,296,200	229,762	1,201,897	4,727,859
Fund Balances - End of year	<u>\$ 3,660,877</u>	<u>\$ 1,240,149</u>	<u>\$ 621,488</u>	<u>\$ 5,522,514</u>

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

Charter Township of Plymouth

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds	\$ 794,655
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	587,420
Depreciation expense	(946,863)
Net book value of assets disposed of	(46,775)
Proceeds from long-term debt is a revenue in the governmental funds, but not in the statement of activities (where it increases long-term debt)	(1,155,000)
Repayment of bond principal and premium is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	579,150
Accrued interest, recorded in the statement of activities, decreased in the current year	10,130
Increase in net OPEB obligation expenses reported in the statement of activities does not require the use of current resources and, therefore, is not reported in the fund statements until they come due for payment	(885,180)
Accrued longevity pay is recorded when earned in the statement of activities and these amounts defeased in the current year	2,954
Revenue reported in the statement of activities does not provide current financial resources and is not reported as revenue in the governmental funds (GASB Statement No. 33)	53,580
Self-insurance liability, recorded in the statement of activities, increased in the current year	<u>(45,450)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,051,379)</u>

Charter Township of Plymouth

Proprietary Funds Statement of Net Position December 31, 2013

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Assets					
Current assets:					
Cash and cash equivalents (Note 3)	\$ 2,768,758	\$ 363,504	\$ 124,742	\$ 168,976	\$ 3,425,980
Receivables	2,801,527	336,774	4,475	1,344,230	4,487,006
Due from other funds (Note 6)	1,276,054	9,583	-	3,125	1,288,762
Inventory	-	-	10,956	-	10,956
Prepaid expenses and other assets	68,931	116	3,433	34,807	107,287
Total current assets	6,915,270	709,977	143,606	1,551,138	9,319,991
Noncurrent assets:					
Restricted assets - Unspent bond proceeds	300,409	-	336,887	-	637,296
Investment in WTUA (Note 1)	13,917,822	-	-	-	13,917,822
Capital assets:					
Assets not subject to depreciation (Note 5)	909,058	-	727,076	-	1,636,134
Assets subject to depreciation (Note 5)	32,273,936	1,037	596,623	-	32,871,596
Total noncurrent assets	47,401,225	1,037	1,660,586	-	49,062,848
Total assets	54,316,495	711,014	1,804,192	1,551,138	58,382,839
Liabilities					
Current liabilities:					
Accounts payable	807,098	95,161	25,451	41,098	968,808
Due to other funds (Note 6)	7,729	11,318	17,119	1,282,050	1,318,216
Accrued liabilities and other	34,584	1,718	9,185	-	45,487
Compensated absences - Due within one year (Note 7)	63,908	5,504	-	-	69,412
Current portion of long-term debt (Note 7)	88,521	-	63,617	-	152,138
Total current liabilities	1,001,840	113,701	115,372	1,323,148	2,554,061
Noncurrent liabilities:					
Advances from other funds (Note 6)	-	-	500,000	-	500,000
Compensated absences - Net of current portion (Note 7)	84,253	5,602	-	-	89,855
Net OPEB obligation (Note 11)	666,307	57,280	-	-	723,587
Long-term debt (Note 7)	2,481,534	-	592,701	-	3,074,235
Total noncurrent liabilities	3,232,094	62,882	1,092,701	-	4,387,677
Total liabilities	4,233,934	176,583	1,208,073	1,323,148	6,941,738
Net Position					
Net investment in capital assets	30,913,348	1,037	1,004,268	-	31,918,653
Unrestricted	19,169,213	533,394	(408,149)	227,990	19,522,448
Total net position	\$ 50,082,561	\$ 534,431	\$ 596,119	\$ 227,990	\$ 51,441,101

Charter Township of Plymouth

Proprietary Funds

Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2013

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Operating Revenue					
Sale of water	\$ 4,249,817	\$ -	\$ -	\$ -	\$ 4,249,817
Sewage disposal charges	6,668,099	-	-	-	6,668,099
Meter charges	1,312,810	-	-	-	1,312,810
Solid waste charges	-	1,373,822	-	-	1,373,822
Special assessment charges	-	-	-	1,252,209	1,252,209
Installation fees	14,444	-	-	-	14,444
Golf course fees and sales	-	-	623,862	-	623,862
Other miscellaneous revenue	273,412	-	-	-	273,412
Charges to other funds	83,412	-	-	-	83,412
Total operating revenue	12,601,994	1,373,822	623,862	1,252,209	15,851,887
Operating Expenses					
Cost of water	3,467,927	-	-	-	3,467,927
Cost of sewage treatment	2,862,230	-	-	-	2,862,230
Solid waste disposal	-	1,176,808	-	-	1,176,808
Salaries and fringe benefits	963,716	78,664	282,400	-	1,324,780
Special assessment project costs	-	-	-	1,321,926	1,321,926
Intragovernmental service charges	639,087	-	-	-	639,087
Miscellaneous	186,020	7,241	158,535	-	351,796
Change in investment in WTUA	2,468,838	-	-	-	2,468,838
Professional service	15,104	4,957	-	-	20,061
Repair and maintenance	230,440	-	86,997	-	317,437
Administrative expense	278,775	-	101,479	-	380,254
Depreciation	1,351,049	791	101,034	-	1,452,874
Total operating expenses	12,463,186	1,268,461	730,445	1,321,926	15,784,018
Operating Income (Loss)	138,808	105,361	(106,583)	(69,717)	67,869
Nonoperating Revenue (Expenses)					
Investment income	15,987	-	142	6,804	22,933
Interest expense	(101,028)	-	(13,368)	(10,500)	(124,896)
Total nonoperating expenses	(85,041)	-	(13,226)	(3,696)	(101,963)
Income (Loss) - Before contributions	53,767	105,361	(119,809)	(73,413)	(34,094)
Capital Contributions - Benefit fees	161,890	-	-	-	161,890
Change in Net Position	215,657	105,361	(119,809)	(73,413)	127,796
Net Position - Beginning of year	49,866,904	429,070	715,928	301,403	51,313,305
Net Position - End of year	\$ 50,082,561	\$ 534,431	\$ 596,119	\$ 227,990	\$ 51,441,101

Charter Township of Plymouth

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2013

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 12,312,123	\$ 1,373,041	\$ 623,862	\$ 241,979	\$ 14,551,005
Payments to suppliers	(11,399,376)	(1,181,370)	(335,951)	(1,305,212)	(14,221,909)
Payments to employees	(895,057)	(79,330)	(273,762)	-	(1,248,149)
Internal activity - (Payments to) receipts from other funds	(498,612)	(2,733)	7,155	1,210,557	716,367
Other receipts	356,824	169	3,801	-	360,794
Net cash (used in) provided by operating activities	(124,098)	109,777	25,105	147,324	158,108
Cash Flows from Noncapital Financing Activities - Advances from other funds	-	-	170,066	-	170,066
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds	390,000	-	355,000	-	745,000
Benefit fees	161,890	-	-	-	161,890
Purchase of capital assets	(532,901)	-	(21,663)	-	(554,564)
Principal and interest paid on capital debt	(177,607)	-	(75,009)	(10,500)	(263,116)
Internal activity - Advances to other funds	(1,212,055)	-	-	-	(1,212,055)
Net cash (used in) provided by capital and related financing activities	(1,370,673)	-	258,328	(10,500)	(1,122,845)
Cash Flows from Investing Activities - Interest received on investments	15,987	-	142	6,804	22,933
Net (Decrease) Increase in Cash and Cash Equivalents	(1,478,784)	109,777	453,641	143,628	(771,738)
Cash and Cash Equivalents - Beginning of year	4,547,951	253,727	7,988	25,348	4,835,014
Cash and Cash Equivalents - End of year	<u>\$ 3,069,167</u>	<u>\$ 363,504</u>	<u>\$ 461,629</u>	<u>\$ 168,976</u>	<u>\$ 4,063,276</u>
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ 2,768,758	\$ 363,504	\$ 124,742	\$ 168,976	\$ 3,425,980
Restricted assets - Unspent bond proceeds	300,409	-	336,887	-	637,296
Total cash and cash equivalents	<u>\$ 3,069,167</u>	<u>\$ 363,504</u>	<u>\$ 461,629</u>	<u>\$ 168,976</u>	<u>\$ 4,063,276</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 138,808	\$ 105,361	\$ (106,583)	\$ (69,717)	\$ 67,869
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	1,351,049	791	101,034	-	1,452,874
Changes in assets and liabilities:					
Receivables	66,953	(612)	3,801	(1,010,230)	(940,088)
Inventories	-	-	(688)	-	(688)
Prepaid and other assets	14,635	79	11,101	(17,125)	8,690
Accounts payable	(292,718)	6,357	8,105	33,839	(244,417)
Due (to) from other funds	(219,837)	(2,733)	7,155	1,210,557	995,142
Change in investment in WTUA	(1,251,647)	-	-	-	(1,251,647)
Accrued and other liabilities	68,659	534	1,180	-	70,373
Net cash (used in) provided by operating activities	<u>\$ (124,098)</u>	<u>\$ 109,777</u>	<u>\$ 25,105</u>	<u>\$ 147,324</u>	<u>\$ 158,108</u>

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

Charter Township of Plymouth

Fiduciary Funds Statement of Assets and Liabilities December 31, 2013

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 4,698,414</u>
Liabilities	
Due to other governmental units	\$ 4,478,168
Refundable deposits and bonds	<u>220,246</u>
Total liabilities	<u>\$ 4,698,414</u>

Charter Township of Plymouth

Component Units Statement of Net Position December 31, 2013

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 58,600	\$ 1,554,975	\$ 1,613,575
Receivables - Property taxes	235,052	28,135	263,187
Total assets	293,652	1,583,110	1,876,762
Liabilities			
Accounts payable	11,675	-	11,675
Due to other governmental units	-	13,226	13,226
Advances from primary government (Note 6)	306,160	-	306,160
Deferred revenue	234,146	-	234,146
Total liabilities	551,981	13,226	565,207
Deferred Inflows of Resources -			
Property taxes levied for the following year	-	7,858	7,858
Net Position (Deficit) - Unrestricted	\$ (258,329)	\$ 1,562,026	\$ 1,303,697

Charter Township of Plymouth

Component Units Statement of Activities Year Ended December 31, 2013

	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority - Public works	\$ 1,002,325	\$ (1,002,325)	\$ -	\$ (1,002,325)
Brownfield Redevelopment Authority	8,648	-	(8,648)	(8,648)
Total component units	<u>\$ 1,010,973</u>	(1,002,325)	(8,648)	(1,010,973)
General revenue:				
Property taxes		250,906	(6,175)	244,731
Interest and rents		1,344	4,426	5,770
Total general revenue		<u>252,250</u>	<u>(1,749)</u>	<u>250,501</u>
Change in Net Position		(750,075)	(10,397)	(760,472)
Net Position - Beginning of year		<u>491,746</u>	<u>1,572,423</u>	<u>2,064,169</u>
Net Position (Deficit) - End of year		<u>\$ (258,329)</u>	<u>\$ 1,562,026</u>	<u>\$ 1,303,697</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies

The accounting policies of the Charter Township of Plymouth (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 Plymouth:

Reporting Entity

The Charter Township of Plymouth 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).

Discretely Presented Component Units - The Downtown Development Authority was created to correct and prevent deterioration in the downtown district, to eliminate blighting influences and Brownfield impacts, and to promote the overall image of the downtown district. The Township board of trustees appoints the Downtown Development Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Downtown Development Authority does not publish a separately issued financial statement. The Downtown Development Authority can be contacted at its administrative offices as follows:

Downtown Development Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

The Brownfield Redevelopment Authority was created to finance environmental cleanup within the boundaries of the Township. The Township board of trustees appoints the Brownfield Redevelopment Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Brownfield Redevelopment Authority does not publish a separately issued financial statement. The Brownfield Redevelopment Authority can be contacted at its administrative offices as follows:

Brownfield Redevelopment Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Joint Venture - The Township is a member of the Western Townships Utilities Authority, which provides sewage disposal services to the townships of Canton, Northville, and Plymouth. The participating communities provide annual funding for its operations through payment of monthly sewer use invoices and semiannual debt payments. During the current year, the Township paid the Western Townships Utilities Authority approximately \$3,720,000 for its operations, \$3,321,000 for its debt, and \$399,000 for capital project costs. The Western Townships Utilities Authority has currently been funded with \$279,000 of working capital and is current in its debt payments. The investment in the Western Townships Utilities Authority is reported in the financial statements net of the Township's portion of assets and debt. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for the Western Townships Utilities Authority can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

Accounting and Reporting Principles

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

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

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

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

Fund Accounting

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

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

- The General Fund, which is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Improvement Revolving Fund, which was established to account for revenue and expenditures for certain capital improvements requiring separate accounting and financing.

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

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Solid Waste Disposal Fund is used to account for the results of operations for providing solid waste services (trash pickup and household hazardous waste disposal) to citizens of the Township. The revenue is generated through a user charge to citizens requesting solid waste services.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

- The Golf Fund is used to account for the results of operations of the Township-owned Hilltop Golf Course.
- The Special Assessment Fund is used to account for the results of operations of the special assessments captured by the Township.

Fiduciary Funds include the collection of taxes on behalf of the county, school district, and other taxing entities, as well as building bonds and developer deposits that are to be returned upon successful completion of the development or building projects. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Interfund Activity

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

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

Basis of Accounting

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax 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 inflow."

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

Specific Balances and Transactions

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.

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.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Capital assets have been depreciated using the straight-line method for real property and the 150 percent declining balance for personal property through the fiscal year ended December 31, 2011. Effective for the fiscal year ended December 31, 2012, the Township going forward is using the straight-line method for both real and personal property depreciation over the following useful lives:

Capital Asset Class	Lives
Water and sewer transportation lines	50 years
Buildings and improvements	30 to 40 years
Meters and supplies	15 years
Furnishings, vehicles, and equipment	2 to 15 years
Road improvements	40 years
Sidewalks	25 years

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Township had no deferred outflows of resources.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note I - Nature of Business and Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. Accordingly, it is reported only in the governmental funds balance sheet. The governmental funds and government-wide statements report unavailable revenues from property taxes and other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township Board of Trustees has by resolution authorized the Treasurer to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

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

The Township's 2012 tax is levied and collectible on December 1, 2012 and is recognized as revenue in the year ended December 31, 2013, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2012 taxable valuation of the Township totaled \$1,741,000 (a portion of which is abated and a portion of which is captured by the DDA and BRDA), on which taxes levied consisted of .8173 mills for operating purposes and 3.1827 mills for police and fire services. This resulted in \$1,359,000 for operating purposes and \$5,263,000 for police and fire services. These amounts are recognized in the respective General Fund financial statements as tax revenue (net of reductions for delinquent amounts and prior year tax tribunal changes).

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All 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. Typically, the General Fund or the Water and Sewer Fund, based on whichever an employee is assigned (and to which the employee's salary and wages are charged), will also be the fund to liquidate any compensated absences.

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.

Note 2 - Stewardship, Compliance, and Accountability

Fund Deficits - The Township has fund deficits in the Golf Fund and Downtown Development Authority, which had unrestricted deficits of \$408,149 and \$258,329, respectively, as of December 31, 2013. The Township's governmental activities have a deficit in unrestricted net position at the government-wide level, but a positive unreserved fund balance at the fund level. This net position deficit is caused primarily by the net OPEB obligation in the governmental activities.

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows

Shortfall at January 1, 2013		\$ (1,097,828)
Current year permit revenue		627,697
Related expenses:		
Direct costs	\$ 399,463	
Estimated indirect costs	144,098	543,561
Cumulative shortfall at December 31, 2013		<u>\$ (1,013,692)</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 3 - 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; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated four 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 Township'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 not have a deposit policy for custodial credit risk. At year end, the Township had \$12,820,091 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. The component units had a bank balance of \$652,616. The federal depository insurance coverage pertains to all of the deposits of the Township; hence, the specific coverage pertaining to the component units, if any, is not determinable.

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:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Bank investment pool (2a-7 like)	<u>\$ 130,900</u>	P-1	Moody's

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 3 - Deposits and Investments (Continued)

The bank investment pool is regulated by the Michigan Banking Act; the fair value of the position in the pool is the same as the value of the pool shares.

Interest Rate Risk - The Township owns no investment securities with fixed maturity dates. The Township's investment policy has no restrictions on maturity lengths (other than that found in state law, described above).

Note 4 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds	Governmental Activities
Property taxes levied for the next fiscal year	\$ 6,719,692	\$ 6,719,692
Refunds and other payments (amounts not collected within 60 days)	426,804	-
Total deferred inflows	<u>\$ 7,146,496</u>	<u>\$ 6,719,692</u>

Note 5 - Capital Assets

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

	Balance January 1, 2013	Transfers	Additions	Disposals	Balance December 31, 2013
Governmental Activities					
Capital assets not being depreciated - Land	\$ 3,732,029	\$ -	\$ -	\$ -	\$ 3,732,029
Capital assets being depreciated:					
Buildings and improvements	14,473,065	-	74,223	-	14,547,288
Sidewalks	1,205,525	-	-	-	1,205,525
Road improvements	815,902	-	-	-	815,902
Furnishings, vehicles, and equipment	7,432,860	31,824	513,197	(475,052)	7,502,829
Subtotal	23,927,352	31,824	587,420	(475,052)	24,071,544
Accumulated depreciation:					
Buildings and improvements	3,657,470	-	415,473	-	4,072,943
Sidewalks	384,331	-	48,221	-	432,552
Road improvements	81,587	-	20,398	-	101,985
Furnishings, vehicles, and equipment	5,609,073	31,824	462,771	(428,277)	5,675,391
Subtotal	9,732,461	31,824	946,863	(428,277)	10,282,871
Net capital assets being depreciated	14,194,891	-	(359,443)	(46,775)	13,788,673
Net capital assets	<u>\$ 17,926,920</u>	<u>\$ -</u>	<u>\$ (359,443)</u>	<u>\$ (46,775)</u>	<u>\$ 17,520,702</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Transfers	Additions	Disposals	Balance
	January 1, 2013				December 31, 2013
Capital assets not being depreciated - Land	\$ 1,636,134	\$ -	\$ -	\$ -	\$ 1,636,134
Capital assets being depreciated:					
Water and sewer transportation lines	53,455,568	-	44,350	-	53,499,918
Buildings and improvements	4,604,702	-	210,780	-	4,815,482
Meters and supplies	1,843,384	-	63,311	(38,037)	1,868,658
Equipment and other	2,232,552	(31,824)	236,123	-	2,436,851
Subtotal	62,136,206	(31,824)	554,564	(38,037)	62,620,909
Accumulated depreciation:					
Water and sewer transportation lines	24,307,909	-	1,058,481	-	25,366,390
Buildings and improvements	2,017,808	-	98,316	-	2,116,124
Meters and supplies	1,031,873	-	96,898	(38,037)	1,090,734
Equipment and other	1,008,710	(31,824)	199,179	-	1,176,065
Subtotal	28,366,300	(31,824)	1,452,874	(38,037)	29,749,313
Net capital assets being depreciated	33,769,906	-	(898,310)	-	32,871,596
Net capital assets	\$ 35,406,040	\$ -	\$ (898,310)	\$ -	\$ 34,507,730

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

Governmental activities:

General government	\$ 263,634
Police	274,694
Fire	162,738
Dispatching	47,543
Building inspections	7,419
Planning and zoning	2,221
Public works	68,618
Parks	119,996
Total governmental activities	<u>\$ 946,863</u>

Business-type activities:

Water and sewer	\$ 1,351,049
Solid waste disposal	791
Golf	101,034
Total business-type activities	<u>\$ 1,452,874</u>

Brownfield redevelopment costs of approximately \$88,000 have been incurred by property owners in the Brownfield district. These costs will be paid through future property tax collections. The Township is not responsible for costs incurred in excess of property taxes captured.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Nonmajor governmental fund	\$ 80,214
Improvement Revolving Fund	Special Assessment Fund	69,995
	Water and Sewer Fund	4,604
	General Fund	<u>20,294</u>
	Total Improvement Revolving Fund	94,893
Water and Sewer Fund	Golf Fund	13,405
	Special Assessment Fund	1,212,055
	Nonmajor governmental fund	79
	General Fund	39,197
	Solid Waste Disposal Fund	<u>11,318</u>
	Total Water and Sewer Fund	1,276,054
Special Assessment Fund	Water and Sewer Fund	3,125
Solid Waste Disposal Fund	General Fund	5,869
	Golf Fund	<u>3,714</u>
	Total Solid Waste Disposal Fund	<u>9,583</u>
	Total	<u>\$ 1,463,869</u>

These 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.

The transfer from the General Fund to the Improvement Revolving Fund represents the annual amount set aside to fund future capital projects (principally fire equipment and debt payments).

Advances - The long-term advance from the General Fund to the Golf Fund is to cover operations and debt payments. The loan will be repaid beginning in 2014 with an interest rate of 4 percent being charged to the Golf Fund.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

The long-term advance from the General Fund to the Downtown Development Authority is to cover capital improvements. The loan will be repaid beginning in 2014 with an interest rate of 4 percent being charged to the Downtown Development Authority.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds and installment purchase agreements are direct obligations and pledge the full faith and credit of the Township.

Description	Amount
Governmental Activities:	
General obligations:	
2003 installment purchase agreement originally issued for \$1,173,773, used for Lake Pointe Soccer Park, bearing interest at 3.60%, with principal maturity ranges from \$59,639 to \$116,119, maturing in 2015	\$ 175,760
2004 general obligation bond originally issued for \$6,000,000, used to design and construct the new town hall, bearing interest from 4% to 4.85%, with principal maturity at \$250,000, refunded during 2012 with the 2012 general obligation limited tax refunding bonds noted below	250,000
2006 general obligation bond originally issued for \$995,000, used to construct the underpass at Sheldon Road, bearing interest from 4% to 4.4%, with principal maturity ranges from \$40,000 to \$100,000, maturing in 2026	840,000
2009 limited tax general obligation capital improvement bonds originally issued for \$350,000, used to pay the costs of acquiring, constructing, and equipping a new parks and recreation building, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$7,000 to \$28,000, maturing in 2030, shown net of bond discount and issue costs	322,000
2011 installment purchase agreement originally issued for \$606,150, used to pay the costs of acquiring the property at Five Mile Road, bearing interest at 3.10%, with principal maturity ranges from \$54,606 to \$67,790, maturing in 2021	485,605
2012 general obligation limited tax refunding bonds, used to advance refund \$4,400,000 of outstanding 2004 general obligation bonds, bearing interest at 2.0% to 4.0%, with principal maturity ranges from \$30,000 to \$435,000, maturing in 2022	4,766,141
2013 general obligation limited tax capital improvement bonds, used for various Township park improvements, bearing interest at 2.0%, with principal maturity ranges from \$97,263 to \$133,736, maturing in 2024	1,155,000
Total governmental activities	<u>\$ 7,994,506</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 7 - Long-term Debt (Continued)

Business-type Activities:

General obligations:

2009 limited tax general obligation capital improvement bonds originally issued for \$2,150,000, used to pay the costs of acquiring, constructing, and installing water supply and sewage disposal system capital improvements, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$43,000 to \$172,000, maturing in 2030, shown net of bond discount and issue costs	\$ 1,978,000
2011 installment purchase agreement originally issued for \$321,221, used to pay the costs of acquiring a Vactor sewer cleaning machine, bearing interest at 2.65%, with principal maturity ranges from \$12,524 to \$49,277, maturing in 2018	202,054
2011 installment purchase agreement originally issued for \$452,417, used to pay the costs of acquiring golf carts and golf course lawn maintenance equipment, bearing interest at 2.85%, with principal maturity ranges from \$35,382 to \$69,275, maturing in 2018	301,319
2013 general obligation limited tax refunding bonds, bearing interest at 2.0%, with principal maturity ranges from \$32,842 to \$45,158, maturing in 2024	390,000
2013 general obligation limited tax capital improvement bonds, used for various golf course and water and sewer system improvements, bearing interest at 2.0%, with principal maturity ranges from \$29,895 to \$41,105, maturing in 2024	<u>355,000</u>
Total business-type activities	<u>\$ 3,226,373</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligations	\$ 7,086,998	\$ 1,155,000	\$ 553,638	\$ 7,688,360	\$ 499,445
Unamortized bond premium	331,658	-	25,512	306,146	25,512
Total bonds payable	7,418,656	1,155,000	579,150	7,994,506	524,957
Compensated absences	1,116,349	499,607	502,633	1,113,323	489,518
Total governmental activities	<u>\$ 8,535,005</u>	<u>\$ 1,654,607</u>	<u>\$ 1,081,783</u>	<u>\$ 9,107,829</u>	<u>\$ 1,014,475</u>
Business-type Activities					
General obligations	\$ 2,630,295	\$ 745,000	\$ 148,922	\$ 3,226,373	\$ 152,138
Compensated absences	148,208	80,365	69,306	159,267	69,412
Total business-type activities	<u>\$ 2,778,503</u>	<u>\$ 825,365</u>	<u>\$ 218,228</u>	<u>\$ 3,385,640</u>	<u>\$ 221,550</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 7 - Long-term Debt (Continued)

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal*	Interest	Total	Principal	Interest	Total
2014	\$ 499,445	\$ 238,182	\$ 737,627	\$ 152,138	\$ 118,169	\$ 270,307
2015	608,994	217,967	826,961	260,928	111,721	372,649
2016	552,255	200,809	753,064	267,986	104,242	372,228
2017	607,173	186,420	793,593	273,170	96,393	369,563
2018	602,151	172,153	774,304	201,510	88,206	289,716
2019-2023	3,281,604	579,529	3,861,133	949,144	348,274	1,297,418
2024-2028	1,480,738	85,792	1,566,530	774,264	174,752	949,016
2029-2030	56,000	2,800	58,800	347,233	17,200	364,433
Total	<u>\$ 7,688,360</u>	<u>\$ 1,683,652</u>	<u>\$ 9,372,012</u>	<u>\$ 3,226,373</u>	<u>\$ 1,058,957</u>	<u>\$ 4,285,330</u>

* Excludes the \$306,146 of unamortized premiums.

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 participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and employee medical benefit claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to general liability claims.

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. Premiums are paid annually to the Authority and are used to pay claims up to the retention limits; the ultimate liability for those claims remains with the Township.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 8 - Risk Management (Continued)

The Township estimates the liability for general liability 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, and reports them in the statement of net position (included in accrued liabilities and other). Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2013</u>	<u>2012</u>
Unpaid claims - Beginning of year	\$ 16,050	\$ 16,050
Incurred claims (including claims incurred but not reported and adjustments of prior years' estimates)	99,549	138,659
Claim payments and expenses paid	<u>(54,099)</u>	<u>(138,659)</u>
Unpaid claims - End of year	<u>\$ 61,500</u>	<u>\$ 16,050</u>

Note 9 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time general office and DPW employees through a defined contribution plan (police and fire personnel are provided a defined benefit plan, as discussed in the following note) administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by the Township board resolution, the Township contributes 15 percent of employees' base earnings and certain employees contribute 5 percent of base earnings, with an additional 5 percent allowed.

The current year contribution was calculated based on covered payroll of \$2,027,139, resulting in an employer contribution of \$304,070 and employee contributions of \$69,526.

Note 10 - Defined Benefit Pension Plan

Plan Description - Beginning in 2005, the Township began participating in the Municipal Employees' Retirement System of Michigan, an agent multiple-employer defined benefit pension plan that covers all police and fire union employees plus certain command officers. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 10 - Defined Benefit Pension Plan (Continued)

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's collective bargaining units. The police and firefighter agreements require the first 2 percent contribution to be made by the employee, the next 13.5 percent by the employer, the next 5 percent by the employee, and any remaining to be paid by the employer.

Annual Pension Cost - For the year ended December 31, 2013, the Township's annual pension cost of \$489,480 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined by the actuarial valuation dated December 31, 2011.

The valuations used the entry age normal 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, and (c) no cost of living adjustments. Both (a) and (b) include an inflation component of 3 percent to 4 percent. 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 an average of a 21-year closed basis (the amortization period is re-established with each valuation).

Three-year Trend Information - The plan's three most recent actuarial valuations are summarized as follows:

	Fiscal Year Ended December 31		
	2011	2012	2013
Annual pension cost (APC)	\$ 577,569	\$ 554,612	\$ 489,480
Percentage of APC contributed	100 %	100 %	100 %
Police and fire unions combined:			
Actuarial value of assets	\$ 17,534,719	\$ 18,328,028	\$ 19,341,273
Actuarial accrued liability (AAL)	\$ 23,121,004	\$ 24,236,207	\$ 25,975,895
Unfunded AAL (UAAL)	\$ 5,586,285	\$ 5,908,179	\$ 6,634,622
Funded ratio	75.8%	75.6%	74.5%
Covered payroll	\$ 4,220,543	\$ 3,814,924	\$ 3,814,924
UAAL as a percentage of covered payroll	132.4%	154.9%	173.9%

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 11 - Other Postemployment Benefits

Plan Description - The Township provides retiree healthcare benefits to eligible employees and their beneficiaries. This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Funding Policy - The collective bargaining agreements do not require a contribution from employees. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

Funding Progress - For the year beginning January 1, 2013, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2013. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,735,244
Interest on the prior year's net OPEB obligation	338,088
Less adjustment to the annual required contribution	<u>(520,231)</u>
Annual OPEB cost	1,553,101
Amounts contributed - Payments of current premiums	<u>(605,696)</u>
Increase in net OPEB obligation	947,405
OPEB obligation - Beginning of year	<u>8,452,166</u>
OPEB obligation - End of year	<u>\$ 9,399,571</u>

The schedule of employer contributions and the net OPEB obligation for the fiscal years ended December 31 is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/11	12/31/11	\$ 1,461,780	36.0 %	\$ 7,491,340
12/31/12	12/31/12	1,576,591	39.0	8,452,166
12/31/13	12/31/13	1,553,101	33.0	9,399,571

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 11 - Other Postemployment Benefits (Continued)

The funding progress of the plan as of the most recent valuation date 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
12/31/11	\$ -	\$ 19,134,853	\$ 19,134,853	- %	\$ 6,468,000	295.8 %
12/31/12	-	21,475,601	21,475,601	-	6,838,000	314.1
12/31/13	-	20,942,686	20,942,686	-	6,062,927	345.4

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

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

In the December 31, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on Township (employer) assets, and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after three years. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2013 was 25 years.

Note 12 - Contingent Liabilities

The Township has been named as a defendant in claims and lawsuits requesting damages of various amounts, the majority of which do not state a specific maximum. The various proceedings have not yet progressed to the point where a legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The Township has not recorded an estimate of any liabilities that may result from these matters as of December 31, 2013.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2013

Note 13 - Change in Accounting

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

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

Item	Amount	Prior Reporting Classification/Treatment	New Classification After Adoption of GASB Statement No. 65
Property taxes billed, but which were levied for next year's budget	\$ 6,719,692	Liability	Deferred inflow of resources
Refunds and other payments	426,804	Liability	Deferred inflow of resources

Note 14 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending December 31, 2015.

Required Supplemental Information

Charter Township of Plymouth

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 6,950,000	\$ 6,750,000	\$ 6,621,720	\$ (128,280)
Licenses and permits	617,000	652,000	730,384	78,384
Federal grants	223,000	223,000	70,870	(152,130)
State-shared revenue	2,188,000	2,188,000	2,056,963	(131,037)
Charges for services:				
Intragovernmental service charge	540,000	670,000	636,089	(33,911)
City of Plymouth	305,000	305,000	152,504	(152,496)
District court fines	125,000	225,000	189,509	(35,491)
Interest and rents	45,000	45,000	28,734	(16,266)
Other revenue:				
Cable franchise agreement	650,000	650,000	592,527	(57,473)
Other charges for services	125,000	125,000	49,844	(75,156)
Other miscellaneous income	665,000	789,000	959,891	170,891
Total revenue	<u>12,433,000</u>	<u>12,622,000</u>	<u>12,089,035</u>	<u>(532,965)</u>
Expenditures - Current				
General government	2,974,665	3,051,714	2,859,697	192,017
Public safety	7,752,319	7,795,234	7,325,351	469,883
Public works	386,199	456,454	399,463	56,991
Health and welfare	95,000	95,000	35,104	59,896
Community and economic development	152,190	160,255	152,295	7,960
Recreation and culture	315,818	325,233	265,347	59,886
Total expenditures	<u>11,676,191</u>	<u>11,883,890</u>	<u>11,037,257</u>	<u>846,633</u>
Excess of Revenue Over Expenditures	756,809	738,110	1,051,778	313,668
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	25,000	25,000	36,850	11,850
Transfers out	(723,951)	(723,951)	(723,951)	-
Total other financing uses	<u>(698,951)</u>	<u>(698,951)</u>	<u>(687,101)</u>	<u>11,850</u>
Net Change in Fund Balance	57,858	39,159	364,677	325,518
Fund Balance - Beginning of year	<u>3,296,200</u>	<u>3,296,200</u>	<u>3,296,200</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 3,354,058</u>	<u>\$ 3,335,359</u>	<u>\$ 3,660,877</u>	<u>\$ 325,518</u>

Charter Township of Plymouth

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund - Improvement Revolving Fund Year Ended December 31, 2013

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Interest and rents	\$ 4,500	\$ 4,500	\$ 2,108	\$ (2,392)
Expenditures - Current				
Capital outlay	25,000	125,000	61,219	63,781
Debt service	760,000	841,000	809,453	31,547
Total expenditures	<u>785,000</u>	<u>966,000</u>	<u>870,672</u>	<u>95,328</u>
Excess of Revenue Under Expenditures	(780,500)	(961,500)	(868,564)	92,936
Other Financing Sources				
Total other financing sources	-	1,184,000	1,155,000	(29,000)
Transfers in	723,951	723,951	723,951	-
Total other financing sources	<u>723,951</u>	<u>1,907,951</u>	<u>1,878,951</u>	<u>(29,000)</u>
Net Change in Fund Balance	(56,549)	946,451	1,010,387	63,936
Fund Balance - Beginning of year	<u>229,762</u>	<u>229,762</u>	<u>229,762</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 173,213</u>	<u>\$ 1,176,213</u>	<u>\$ 1,240,149</u>	<u>\$ 63,936</u>

Charter Township of Plymouth

Note to Required Supplemental Information Year Ended December 31, 2013

Note - Budgetary Information

The Township adopts a formal budget for the General Fund and all special revenue funds. The budget is prepared in accordance with generally accepted accounting principles. By August 1 of each year, all department heads submit spending requests to the Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Township board for review. Public hearings are held, and a final budget is adopted no later than December 31. The Township board must approve any budget amendments.

Appropriations are adopted by the Township board on an activity basis for the General Fund, as reported on the General Fund budgetary comparison schedule. Appropriations for all other budgeted funds are adopted at the fund level. Michigan law requires expenditures to be within budget at this level. All expenditures were within the amounts budgeted.

During the current year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. The amount of encumbrances outstanding at December 31, 2013 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

Other Supplemental Information

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2013

		Agency Funds	
	General Agency	Tax Collection Fund	Total Agency Funds
Assets - Cash and cash equivalents	\$ 218,929	\$ 4,478,168	\$ 4,697,097
Liabilities			
Due to other governmental units	\$ -	\$ 4,478,168	\$ 4,478,168
Refundable deposits, bonds	218,929	-	218,929
Total liabilities	\$ 218,929	\$ 4,478,168	\$ 4,697,097

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Changes in Assets and Liabilities Fiduciary Funds - Agency Funds Year Ended December 31, 2013

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013
<u>Agency Funds</u>				
Assets - Cash and investments	\$ 232,881	\$ 296,432	\$ (309,067)	\$ 220,246
Liabilities				
Due to other governmental units	\$ 347	\$ 137,190	\$ (136,220)	\$ 1,317
Refundable deposits and bonds	232,534	210,447	(224,052)	218,929
Total liabilities	\$ 232,881	\$ 347,637	\$ (360,272)	\$ 220,246
<u>Tax Collection Fund</u>				
Assets - Cash and investments	\$ 5,995,160	\$ 58,922,922	\$ (60,439,914)	\$ 4,478,168
Liabilities - Due to other governmental units	\$ 5,995,160	\$ 58,922,922	\$ (60,439,914)	\$ 4,478,168
<u>Total - All Trust and Agency Funds</u>				
Assets - Cash and investments	\$ 6,228,041	\$ 59,219,354	\$ (60,748,981)	\$ 4,698,414
Liabilities				
Due to other governmental units	\$ 5,995,160	\$ 58,922,922	\$ (60,439,914)	\$ 4,478,168
Refundable deposits, bonds, etc.	232,881	347,637	(360,272)	220,246
Total liabilities	\$ 6,228,041	\$ 59,270,559	\$ (60,800,186)	\$ 4,698,414

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Balance Sheet/Statement of Net Position December 31, 2013

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 58,600	\$ -	\$ 58,600
Receivables - Property taxes receivable	235,052	-	235,052
Total assets	<u>\$ 293,652</u>	<u>\$ -</u>	<u>\$ 293,652</u>
Liabilities			
Accounts payable	\$ 11,675	\$ -	\$ 11,675
Advance from primary government	-	306,160	306,160
Deferred revenue	234,146	-	234,146
Total liabilities	245,821	306,160	551,981
Equity			
Fund balance - Unassigned	47,831	(47,831)	-
Net position - Unrestricted	-	(258,329)	(258,329)
Total liabilities and equity	<u>\$ 293,652</u>	<u>\$ -</u>	<u>\$ 293,652</u>

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Statement of Revenue, Expenditures, and Changes in Fund Balances/Statement of Activities Year Ended December 31, 2013

	Modified Accrual	Full Accrual Adjustments	Total
Revenue			
Property taxes	\$ 250,906	\$ -	\$ 250,906
Interest and rents	1,344	-	1,344
Total revenue	252,250	-	252,250
Expenditures - Current - Other contract services	1,002,325	-	1,002,325
Proceeds from Issuance of Long-term Obligations	306,160	(306,160)	-
Change in Fund Balance/Net Position	(443,915)	(306,160)	(750,075)
Fund Balance/Net Position - Beginning of year	491,746	-	491,746
Fund Balance/Net Position - End of year	<u>\$ 47,831</u>	<u>\$ (306,160)</u>	<u>\$ (258,329)</u>

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Balance Sheet/Statement of Net Position December 31, 2013

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 1,554,975	\$ -	\$ 1,554,975
Receivables - Property taxes receivable	28,135	-	28,135
Total assets	\$ 1,583,110	\$ -	\$ 1,583,110
Liabilities - Due to other governmental units	\$ 13,226	\$ -	\$ 13,226
Deferred Inflows of Resources	7,858	-	7,858
Equity			
Fund balance - Unassigned	1,562,026	(1,562,026)	-
Net position	-	1,562,026	1,562,026
Total liabilities, deferred inflows of resources, and equity	\$ 1,583,110	\$ -	\$ 1,583,110

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2013

	Modified Accrual	Full Accrual Adjustments	Total
Revenue - General revenue			
Property taxes	\$ (6,175)	\$ -	\$ (6,175)
Interest earnings	4,426	-	4,426
Total revenue	(1,749)	-	(1,749)
Expenditures - Current - Environmental remediation	8,648	-	8,648
Change in Fund Balance/Net Position	(10,397)	-	(10,397)
Fund Balance/Net Position - Beginning of year	1,572,423	-	1,572,423
Fund Balance/Net Position - End of year	<u>\$ 1,562,026</u>	<u>\$ -</u>	<u>\$ 1,562,026</u>

Statistical Section

This part of the Charter Township of Plymouth's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Township's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

Financial Trends

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

Charter Township of Plymouth

Financial Trends Net Position by Component (Unaudited)

	As of December 31							
	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities								
Invested in capital assets - Net of related debt	\$ 12,197,449	\$ 13,623,525	\$ 12,960,487	\$ 12,633,385	\$ 12,198,479	\$ 11,260,220	\$ 10,508,264	\$ 10,661,482
Restricted	50,417	82,492	56,980	76,590	22,214	146,670	1,201,897	621,488
Unrestricted	3,090,573	1,996,377	(666,990)	(2,625,443)	(3,104,484)	(3,903,498)	(5,038,669)	(5,662,857)
Total net assets	\$ 15,338,439	\$ 15,702,394	\$ 12,350,477	\$ 10,084,532	\$ 9,116,209	\$ 7,503,392	\$ 6,671,492	\$ 5,620,113
Business-type Activities								
Invested in capital assets - Net of related debt	\$ 35,941,504	\$ 35,854,625	\$ 34,827,878	\$ 34,581,799	\$ 32,838,075	\$ 33,329,976	\$ 32,775,744	\$ 31,918,653
Unrestricted	16,481,504	17,020,233	15,622,880	13,321,819	15,259,984	16,231,665	18,537,561	19,522,448
Total net assets	\$ 52,423,008	\$ 52,874,858	\$ 50,450,758	\$ 47,903,618	\$ 48,098,059	\$ 49,561,641	\$ 51,313,305	\$ 51,441,101
Primary Government in Total								
Invested in capital assets - Net of related debt	\$ 48,138,953	\$ 49,478,150	\$ 47,788,365	\$ 47,215,184	\$ 45,036,554	\$ 44,590,196	\$ 43,284,008	\$ 42,580,135
Restricted	50,417	82,492	56,980	76,590	22,214	146,670	1,201,897	621,488
Unrestricted	19,572,077	19,016,610	14,955,890	10,696,376	12,155,500	12,328,167	13,498,892	13,859,591
Total net assets	\$ 67,761,447	\$ 68,577,252	\$ 62,801,235	\$ 57,988,150	\$ 57,214,268	\$ 57,065,033	\$ 57,984,797	\$ 57,061,214

Charter Township of Plymouth

Financial Trends Changes in Governmental Net Position (Unaudited)

	Fiscal Year Ended December 31							
	2006	2007	2008	2009	2010	2011	2012	2013
Expenses								
General government	\$ 2,400,235	\$ 2,897,089	\$ 3,109,494	\$ 3,271,591	\$ 2,488,528	\$ 2,330,524	\$ 2,560,466	\$ 2,354,981
Fire services	3,580,155	4,106,463	4,892,427	4,742,587	4,848,334	3,867,588	3,689,812	3,232,956
Dispatch services	910,488	1,060,695	1,250,727	1,215,837	1,101,460	1,101,180	1,070,985	922,855
Police services	3,903,781	4,322,320	5,648,558	4,550,648	4,322,490	3,958,634	4,699,495	4,640,547
Building inspections and related	506,651	493,407	472,205	441,429	384,457	394,286	397,577	420,566
Planning and zoning	423,532	333,075	375,523	153,106	183,481	208,964	106,656	192,496
Public works	853,971	223,464	273,368	302,614	172,363	459,226	173,534	124,294
Community services	33,294	163,010	109,324	141,392	33,420	29,621	102,913	35,104
Parks	420,850	412,821	461,683	410,883	458,276	404,407	455,480	385,328
Interest on long-term debt	305,061	344,458	317,623	315,101	318,701	317,894	709,341	220,173
Total governmental activities	13,338,018	14,356,802	16,910,932	15,545,188	14,311,510	13,072,324	13,966,259	12,529,300
Program revenue:								
Charges for services:								
General government	179,639	214,051	197,916	250,423	514,819	187,286	202,382	478,036
Fire services	1,044,466	1,054,601	1,180,589	1,032,730	1,027,083	1,164,927	138,127	71,687
Dispatch services	382,319	488,848	401,081	433,951	417,675	493,083	553,018	435,517
Police services	160,569	226,477	292,152	377,869	238,256	142,756	201,878	241,364
Building inspections and related services	793,343	438,934	394,110	416,970	455,486	402,561	601,824	639,687
Other activities	167,019	199,580	47,807	47,623	308,431	172,387	51,550	108,907
Total charges for services	2,727,355	2,622,491	2,513,655	2,559,566	2,961,750	2,563,000	1,748,779	1,975,198
Operating grants and contributions	214,732	312,080	190,303	364,110	440,986	428,078	1,896,115	127,974
Capital grants and contributions	12,792	-	-	-	-	-	-	-
Total program revenues	2,954,879	2,934,571	2,703,958	2,923,676	3,402,736	2,991,078	3,644,894	2,103,172
Net expense	(10,383,139)	(11,422,231)	(14,206,974)	(12,621,512)	(10,908,774)	(10,081,246)	(10,321,365)	(10,426,128)
General Revenue								
Property taxes	7,644,192	7,946,654	8,113,054	8,052,290	7,631,094	6,884,658	6,847,947	6,684,251
State-shared revenue	2,008,623	2,017,997	2,070,429	1,785,365	1,749,463	1,951,837	2,017,173	2,056,963
Golf course	111,319	-	-	-	-	-	-	-
Investment earnings	493,779	567,348	318,608	70,031	68,302	50,811	31,742	34,817
Franchise fees	343,335	368,834	373,532	451,074	486,251	524,616	592,603	592,527
Gain (loss) on sale of assets	-	4,671	(20,566)	(3,193)	5,341	5,260	-	6,191
Investment in joint venture - District court	1,444,905	24,000	-	-	-	-	-	-
Total general revenue	12,046,153	10,929,504	10,855,057	10,355,567	9,940,451	9,417,182	9,489,465	9,374,749
Transfers	-	-	-	-	-	(948,753)	-	-
Change in net position	\$ 1,663,014	\$ (492,727)	\$ (3,351,917)	\$ (2,265,945)	\$ (968,323)	\$ (1,612,817)	\$ (831,900)	\$ (1,051,379)

Charter Township of Plymouth

Financial Trends Changes in Business-type Net Position (Unaudited)

	Fiscal Year Ended December 31							
	2006	2007	2008	2009	2010	2011	2012	2013
Operating Revenue								
Sale of water	\$ 3,344,392	\$ 4,061,196	\$ 3,809,188	\$ 3,379,074	\$ 3,773,169	\$ 4,724,703	\$ 4,998,104	\$ 4,249,817
Sewage disposal charges	4,159,796	5,161,768	4,876,822	5,016,391	6,296,491	6,749,204	7,301,188	6,668,099
Meter charges	1,264,460	1,301,909	1,298,078	1,300,332	1,302,685	1,307,436	1,307,914	1,312,810
Solid waste charges	1,268,210	1,323,239	1,348,643	1,353,840	1,360,603	1,364,872	1,140,738	1,373,822
Installation fees	26,747	9,823	15,292	6,628	15,378	6,006	9,064	14,444
Golf course fees and sales	-	-	-	-	-	398,984	570,241	623,862
Other charges for services	452,605	274,382	245,607	320,510	360,609	483,281	499,204	1,609,033
Total operating revenue	10,516,210	12,132,317	11,593,630	11,376,775	13,108,935	15,034,486	15,826,453	15,851,887
Operating Expenses								
Cost of water produced/purchased	2,112,171	2,663,073	3,407,406	2,839,245	3,082,089	3,494,226	3,778,017	3,467,927
Cost of sewage treatment	2,960,922	3,386,084	4,444,202	6,234,801	5,284,129	5,719,358	3,297,624	2,862,230
Solid waste disposal	1,089,088	1,119,463	1,169,261	1,241,751	1,189,001	1,167,045	1,150,373	1,176,808
Operation costs	2,757,151	2,603,456	2,749,078	2,458,978	2,138,166	2,697,492	4,535,486	6,824,179
Depreciation	1,144,233	1,182,862	1,221,139	1,247,090	1,297,510	1,436,228	1,378,046	1,452,874
Total operating expenses	10,063,565	10,954,938	12,991,086	14,021,865	12,990,895	14,514,349	14,139,546	15,784,018
Operating Income (Loss)	452,645	1,177,379	(1,397,456)	(2,645,090)	118,040	520,137	1,686,907	67,869
Nonoperating Revenue (Expenses)								
Investment income	632,542	515,948	316,030	68,211	64,677	43,185	29,703	22,933
Interest expense	(1,735,584)	(1,683,138)	(1,597,559)	(12,941)	(105,683)	(117,488)	(178,911)	(124,896)
Gain on sale of assets	-	-	-	18,575	-	5,280	-	-
(Loss) Income - Before contributions	(650,397)	10,189	(2,678,985)	(2,571,245)	77,034	451,114	1,537,699	(34,094)
Capital Contributions								
Benefit fees	475,750	348,352	254,885	24,105	117,407	63,715	213,965	161,890
Lines constructed by developers	671,930	93,309	-	-	-	948,753	-	-
Total capital contributions	1,147,680	441,661	254,885	24,105	117,407	1,012,468	213,965	161,890
Change in net position	\$ 497,283	\$ 451,850	\$ (2,424,100)	\$ (2,547,140)	\$ 194,441	\$ 1,463,582	\$ 1,751,664	\$ 127,796

Note: Prior to 2009, the Township reported its allocation of the debt issued by WTUA as a liability, separately from its reporting of its share of WTUA's total assets. During 2009, it began reporting the net investment in the joint venture. As a result, the amounts reported in prior years as interest expense are now reported as part of the change in investment in WTUA, which is a component of the cost of sewage disposal.

Charter Township of Plymouth

	2004	2005	2006	2007	2008
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-
Reserved	494,894	759,178	997,706	761,996	538,752
Unreserved	<u>3,665,457</u>	<u>2,377,019</u>	<u>996,713</u>	<u>1,605,861</u>	<u>1,887,757</u>
Total General Fund	4,160,351	3,136,197	1,994,419	2,367,857	2,426,509
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted - Drug forfeitures	-	-	-	-	-
Restricted - Capital improvements	-	-	-	-	-
Assigned - Capital improvements	-	-	-	-	-
Reserved	4,077,673	1,489,607	975,297	1,700,232	52,852
Unreserved, reported in special revenue funds	<u>2,186,242</u>	<u>1,545,558</u>	<u>1,037,627</u>	<u>128,197</u>	<u>754,851</u>
Total all other governmental funds	<u>6,263,915</u>	<u>3,035,165</u>	<u>2,012,924</u>	<u>1,828,429</u>	<u>807,703</u>
Total fund balance, all governmental funds	<u>\$ 10,424,266</u>	<u>\$ 6,171,362</u>	<u>\$ 4,007,343</u>	<u>\$ 4,196,286</u>	<u>\$ 3,234,212</u>

* Fund balance classifications were changed as a result of the implementation of GASB Statement No. 54

Financial Trends
Fund Balances - Governmental Funds - Last Ten Years
(Unaudited)

2009	2010	2011*	2012*	2013*
\$ -	\$ -	\$ 115,746	\$ 590,940	\$ 910,037
-	-	3,350,696	2,705,260	2,750,840
291,446	95,708	-	-	-
<u>2,060,432</u>	<u>3,007,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,351,878	3,102,764	3,466,442	3,296,200	3,660,877
-	-	116	122	67
-	-	146,554	1,201,775	621,421
-	-	188,027	229,762	1,135,286
76,590	22,214	-	-	104,863
<u>431,792</u>	<u>335,859</u>	<u>-</u>	<u>-</u>	<u>-</u>
508,382	358,073	334,697	1,431,659	1,861,637
<u>\$ 2,860,260</u>	<u>\$ 3,460,837</u>	<u>\$ 3,801,139</u>	<u>\$ 4,727,859</u>	<u>\$ 5,522,514</u>

Charter Township of Plymouth

	Year Ended December 31			
	2004	2005	2006	2007
Revenue				
Property taxes	\$ 5,641,737	\$ 6,027,556	\$ 7,644,192	\$ 7,946,654
Licenses and permits	818,361	1,123,472	953,336	502,153
Federal grants	276,872	403,257	51,763	143,962
State-shared revenue and grants	2,048,750	2,029,620	2,008,623	2,017,997
City of Plymouth contribution	1,116,037	1,155,681	1,139,588	1,268,226
Intergovernmental charges for services	478,545	502,196	534,369	108,127
Fines and forfeitures	104,108	143,516	124,379	609,730
Interest and rentals	624,359	760,860	659,548	518,495
Other	2,429,905	2,927,894	1,172,264	1,200,980
Total revenue	13,538,674	15,074,052	14,288,062	14,316,324
Expenditures				
Current:				
General government	2,914,831	2,995,556	2,992,189	3,106,860
Public safety	8,001,008	8,341,650	8,615,415	8,989,323
Planning and building	1,016,087	899,607	895,970	780,490
Public works	-	-	-	-
Community social services	225,623	162,366	65,669	84,635
Parks	287,328	353,065	271,395	286,625
Capital outlay	2,652,003	6,084,903	6,043,256	244,125
Debt service principal	166,146	174,105	257,175	290,893
Debt service interest	205,784	315,704	306,012	344,458
Total expenditures	15,468,810	19,326,956	19,447,081	14,127,409
Excess of Revenue (Under) Over Expenditures	(1,930,136)	(4,252,904)	(5,159,019)	188,915
Other Financing Sources (Uses)				
Issuance of debt	6,000,000	-	995,000	-
Sale of fixed assets	-	-	2,000,000	28
Transfers in	1,737,001	1,159,946	2,342,680	473,745
Transfers out	(1,737,001)	(1,159,946)	(2,342,680)	(473,745)
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources	6,000,000	-	2,995,000	28
Net Change in Fund Balances	4,069,864	(4,252,904)	(2,164,019)	188,943
Fund Balances - Beginning of year	6,354,402	10,424,266	6,171,362	4,007,343
Fund Balances - End of year	\$ 10,424,266	\$ 6,171,362	\$ 4,007,343	\$ 4,196,286
Debt service as a percentage of noncapital expenditures	1.2%	2.4%	2.5%	2.9%

Financial Trends
Changes in Fund Balances - Governmental Funds
(Unaudited)

Year Ended December 31					
2008	2009	2010	2011	2012	2013
\$ 8,113,054	\$ 7,989,775	\$ 7,568,643	\$ 6,822,298	\$ 6,785,512	\$ 6,621,720
471,250	448,178	473,989	459,854	642,541	730,384
90,949	20,652	393,087	96,833	1,865,571	88,321
2,070,429	1,785,365	1,749,463	1,951,837	2,017,173	2,056,963
1,301,050	1,260,721	1,225,909	1,275,653	673,296	636,089
167,700	510,007	451,973	467,783	311,799	152,504
378,570	75,715	149,998	91,778	96,576	189,509
497,794	558,501	583,434	681,967	31,742	34,817
999,476	850,995	1,100,468	1,180,629	1,320,780	1,602,262
<u>14,090,272</u>	<u>13,499,909</u>	<u>13,696,964</u>	<u>13,028,632</u>	<u>13,744,990</u>	<u>12,112,569</u>
3,561,006	3,405,503	2,812,725	2,653,991	2,855,866	2,859,697
8,892,444	8,644,016	8,717,146	8,050,395	7,925,466	7,571,673
680,880	581,198	530,214	516,493	522,177	551,758
-	-	-	-	-	-
83,199	141,392	33,420	29,621	102,913	35,104
306,713	291,675	319,751	279,790	337,071	265,347
961,910	557,429	58,091	1,097,184	422,546	416,732
248,571	277,361	317,772	353,721	448,048	553,639
317,623	326,287	312,743	317,440	303,479	255,814
<u>15,052,346</u>	<u>14,224,861</u>	<u>13,101,862</u>	<u>13,298,635</u>	<u>12,917,566</u>	<u>12,509,764</u>
(962,074)	(724,952)	595,102	(270,003)	827,424	(397,195)
-	350,000	-	606,150	4,881,658	1,155,000
-	1,000	5,475	4,155	2,389	36,850
473,651	473,951	583,991	823,991	723,951	723,951
(473,651)	(473,951)	(583,991)	(823,991)	(723,951)	(723,951)
-	-	-	-	(4,784,751)	-
<u>-</u>	<u>351,000</u>	<u>5,475</u>	<u>610,305</u>	<u>99,296</u>	<u>1,191,850</u>
(962,074)	(373,952)	600,577	340,302	926,720	794,655
<u>4,196,286</u>	<u>3,234,212</u>	<u>2,860,260</u>	<u>3,460,837</u>	<u>3,801,139</u>	<u>4,727,859</u>
<u>\$ 3,234,212</u>	<u>\$ 2,860,260</u>	<u>\$ 3,460,837</u>	<u>\$ 3,801,139</u>	<u>\$ 4,727,859</u>	<u>\$ 5,522,514</u>
4.5%	3.8%	4.8%	5.0%	5.8%	6.5%

Revenue Capacity

These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.

Charter Township of Plymouth

		Taxable Value by Property Type					
Tax Year	Fiscal Year Ended December 31	Real Property				Personal Property	Total Value
		Residential	Commercial	Industrial	Tax Abated		
2003	2004	\$ 1,116,965,790	\$ 116,748,599	\$ 267,492,187	\$ 89,628,270	\$ 218,590,040	\$ 1,809,424,886
2004	2005	1,164,579,849	125,033,365	284,295,261	103,778,700	230,142,858	1,907,830,033
2005	2006	1,213,596,955	134,280,330	298,255,476	107,306,010	243,988,510	1,997,427,281
2006	2007	1,264,079,620	145,375,770	319,265,268	110,838,210	210,243,035	2,049,801,903
2007	2008	1,309,575,980	152,280,150	340,353,880	139,612,750	220,805,600	2,162,628,360
2008	2009	1,287,158,260	157,509,086	357,190,990	130,010,050	208,869,880	2,140,738,266
2009	2010	1,223,966,176	160,251,020	355,403,830	120,875,390	215,255,900	2,075,752,316
2010	2011	1,104,733,062	155,433,510	309,233,033	121,617,510	187,422,560	1,878,439,675
2011	2012	1,095,272,255	149,434,344	266,075,155	94,560,250	179,463,970	1,784,805,974
2012	2013	1,099,994,810	140,765,888	232,486,674	86,036,740	181,643,610	1,740,927,722

Note: Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Revenue Capacity
Taxable Value of Township Property
(Unaudited)

Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
3.2694	\$ 4,244,724,192	42.6
3.2694	4,499,231,672	42.4
4.0000	4,638,732,472	43.1
4.0000	4,837,250,710	42.4
4.0000	5,007,754,260	43.2
4.0000	4,803,164,940	44.6
4.0000	4,435,687,794	46.8
4.0000	3,942,010,290	47.7
4.0000	3,679,143,388	48.5
4.0000	3,589,222,534	48.5

Charter Township of Plymouth

Tax Year	Direct Tax Rates			Overlapping Tax Rates					
	Operating	Debt	Total Direct Taxes	County	Plymouth District Library	Huron Clinton Metro Parks	Wayne County Zoo Authority	DIA Authority	Community College
2004	3.2694	0.0000	3.2694	7.8220	1.7778	0.2154	0.0000	0.0000	1.7967
2005	4.0000	0.0000	4.0000	7.8220	1.7549	0.2146	0.0000	0.0000	1.7967
2006	4.0000	0.0000	4.0000	7.8220	1.5156	0.2146	0.0000	0.0000	1.7967
2007	4.0000	0.0000	4.0000	7.8220	1.9696	0.2146	0.0000	0.0000	1.7967
2008	4.0000	0.0000	4.0000	7.8220	1.7218	0.2146	0.1000	0.0000	1.7967
2009	4.0000	0.0000	4.0000	7.8220	1.7178	0.2146	0.1000	0.0000	1.7967
2010	4.0000	0.0000	4.0000	7.8220	1.7283	0.2146	0.1000	0.0000	1.7967
2011	4.0000	0.0000	4.0000	7.8220	1.7258	0.2146	0.1000	0.0000	1.7967
2012	4.0000	0.0000	4.0000	7.8220	1.7258	0.2146	0.1000	0.2000	1.7967
2013	4.0000	0.0000	4.0000	7.8220	1.7098	0.2146	0.1000	0.2000	1.7967

Note: Michigan law restricts the maximum millage that may be levied by the Charter Township of Plymouth without a vote of our residents, as follows:

	Operating	Debt
2013	4.0100	0.0000

Revenue Capacity
Tax Rate History of Direct and Overlapping Governments
(Unaudited)

Overlapping Tax Rates				Total Tax Rate	
Intermediate School District	School Debt	School - Homestead	School - Non- homestead	Homestead	Non- homestead
3.4643	3.1000	6.0000	18.0000	27.4456	45.4456
3.4643	3.4300	6.0000	18.0000	28.4825	46.4825
3.4643	3.1500	6.0000	18.0000	27.9632	45.9632
3.4643	3.1500	6.0000	18.0000	28.4172	46.4172
3.4643	3.1500	6.0000	18.0000	28.2694	46.2694
3.4643	3.2600	6.0000	18.0000	28.3754	46.3754
3.4643	3.7600	6.0000	18.0000	28.8859	46.8859
3.4643	3.9600	6.0000	18.0000	29.0834	47.0834
3.4643	4.1000	6.0000	18.0000	29.4234	47.4234
3.4643	4.1000	6.0000	18.0000	29.4074	47.4074

Charter Township of Plymouth

Revenue Capacity Principal Taxpayers (Unaudited)

	2013 Taxable Value	2012 Rank	Percentage of Total	2004 Taxable Value	2003 Rank	Percentage of Total
Johnson Controls	21,235,320	1	1.22%	\$ 30,362,820	2	2.28%
Robert Bosch Corporation	16,913,295	2	0.97%	-		
DeMattia Group	\$ 16,348,360	3	0.94%	17,806,710	4	1.34%
Detroit Edison	14,585,430	4	0.84%	11,323,320	7	0.86%
Automotive Components Holdings LLC	9,878,955	5	0.57%			
Consumers Power	9,530,760	6	0.55%			
Catholic Archdiocese of Detroit	8,709,260	7	0.50%			
Isuzu Motors	8,451,105	8	0.49%			
Tower Automotive	7,715,265	9	0.44%	30,747,110	3	1.48%
Absopure Water	7,650,995	10	0.44%			
Dembs Roth				12,750,571	6	0.97%
EFG Loan Funding	-		-	14,329,240	5	1.08%
AFL-CIO	-		-	8,979,190	7	0.68%
Compuware Sport	-		-	8,941,850	8	0.67%
Unisys	-		-	8,399,970	9	0.63%
Visteon	-		-	39,504,800	10	2.97%
Total	\$ 121,018,745		8%	\$ 183,145,581		12.96%

Charter Township of Plymouth

Revenue Capacity General Fund Governmental Revenue by Function Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy			Total Collections to Date		
		Current Collections (1)	Percent Collected	Collections in Subsequent Years (2)	Amount	Percent of Levy	
2004	\$ 6,067,630	\$ 5,839,457	96.24	\$ 143,544	\$ 5,983,001	98.61	
2005	7,774,815	7,558,601	97.22	186,766	7,745,367	99.62	
2006	7,977,289	7,702,891	96.56	245,869	7,948,760	99.64	
2007	8,371,040	8,065,911	96.35	292,334	8,358,245	99.85	
2008	8,302,541	7,895,779	95.10	394,679	8,290,458	99.90	
2009	8,062,240	7,736,666	95.96	282,927	8,019,593	99.47	
2010	7,270,289	6,955,670	95.67	274,768	7,230,438	99.45	
2011	6,949,869	6,725,621	96.77	220,151	6,945,772	99.94	
2012	6,791,348	6,614,441	97.40	161,664	6,776,105	99.78	
2013	6,792,926	6,617,748	97.42	-	6,617,748	97.42	

- (1) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the County
- (2) Represents all collections after the final distribution date through the current date

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

Charter Township of Plymouth

	2004	2005	2006	2007
Governmental Activities				
General obligation bonds	\$ 6,280,000	\$ 6,190,000	\$ 7,015,000	\$ 6,820,000
Installment purchase agreements	1,053,133	969,028	881,853	807,401
Total	7,333,133	7,159,028	7,896,853	7,627,401
Business-type Activities				
General obligation bonds	35,146,661	33,917,924	32,445,511	30,973,098
Installment purchase agreements	-	-	-	-
Total	35,146,661	33,917,924	32,445,511	30,973,098
Total debt of the government	<u>\$ 42,479,794</u>	<u>\$ 41,076,952</u>	<u>\$ 40,342,364</u>	<u>\$ 38,600,499</u>
Taxable value	\$ 1,907,830,033	\$ 1,997,427,281	\$ 2,049,801,903	\$ 2,162,628,360
Ratio of total debt to taxable value	2.23%	2.06%	1.97%	1.78%
Total population	28,033	28,170	27,107	26,980
Total debt per capita	\$ 1,515	\$ 1,458	\$ 1,488	\$ 1,431

Note: Prior to 2009, the Township reported its allocation of the debt issued by WTUA as a liability, separately from its reporting of its share of WTUA's total assets. During 2009, it began reporting the net investment in the joint venture. As a result, the amounts reported in prior years as business-type activities' general obligation bonds include the Township's allocation of the WTUA-issued debt. This amount is not included in the 2009 amounts.

**Debt Capacity
Ratios of Outstanding Debt
(Unaudited)**

2008	2009	2010	2011	2012	2013
\$ 6,670,000	\$ 6,845,000	\$ 6,622,351	\$ 6,385,897	\$ 6,259,000	\$ 7,026,995
708,829	606,468	500,163	989,046	827,998	661,365
7,378,829	7,451,468	7,122,514	7,374,943	7,086,998	7,688,360
29,193,188	2,150,000	2,041,584	2,001,939	2,021,000	2,723,000
-	-	-	712,573	609,295	503,373
29,193,188	2,150,000	2,041,584	2,714,512	2,630,295	3,226,373
<u>\$ 36,572,017</u>	<u>\$ 9,601,468</u>	<u>\$ 9,164,098</u>	<u>\$ 10,089,455</u>	<u>\$ 9,717,293</u>	<u>\$ 10,914,733</u>
\$ 2,140,702,506	\$ 2,076,056,296	\$ 1,878,439,675	\$ 1,784,805,974	\$ 1,740,913,722	\$ 1,740,927,722
1.71%	0.46%	0.49%	0.57%	0.56%	0.63%
26,979	26,800	27,532	27,479	27,234	27,195
\$ 1,356	\$ 358	\$ 333	\$ 367	\$ 357	\$ 401

Charter Township of Plymouth

Debt Capacity Ratios of General Bonded Debt Outstanding (Unaudited)

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Other General Obligation Debt	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2004	\$ 6,280,000	\$ 1,053,133	\$ 7,333,133	\$ 1,907,830,033	0.38	28,033	261.59
2005	6,190,000	969,028	7,159,028	1,997,427,281	0.36	28,170	254.14
2006	7,015,000	881,853	7,896,853	2,049,801,903	0.39	27,107	291.32
2007	6,820,000	807,401	7,627,401	2,162,628,360	0.35	26,980	282.71
2008	6,670,000	708,829	7,378,829	2,140,702,506	0.34	26,979	273.50
2009	6,845,000	606,468	7,451,468	2,076,056,296	0.36	26,800	278.04
2010	6,622,351	500,163	7,122,514	1,878,439,675	0.36	27,532	258.70
2011	6,385,897	989,046	7,374,943	1,784,805,974	0.41	27,479	268.38
2012	6,259,000	827,997	7,086,997	1,740,913,722	0.43	27,234	260.23
2013	7,026,995	661,365	7,688,360	1,740,590,734	0.44	27,195	282.71

Charter Township of Plymouth

Debt Capacity Direct and Overlapping Debt (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Plymouth-Canton Schools	\$ 228,971,000	32.18	\$ 73,682,868
Wayne County	346,705,567	4.35	15,081,692
Western Township Utilities Authority	19,661,295	100.00	19,661,295
Plymouth District Library	1,425,000	78.51	1,118,768
35th District Court	410,000	100.00	410,000
Schoolcraft Community College	18,000,000	13.34	<u>2,401,200</u>
Total overlapping debt			<u>112,355,823</u>
Direct Charter Township of Plymouth debt			<u>10,914,733</u>
Total direct and overlapping debt			<u>\$ 123,270,556</u>

Charter Township of Plymouth

	2004	2005	2006	2007
Calculation of Debt Limit				
State equalized valuation	\$ 2,249,615,836	\$ 2,319,366,236	\$ 2,418,625,355	\$ 2,503,877,130
10 percent of taxable value	224,961,584	231,936,624	241,862,536	250,387,713
Calculation of Debt Subject to Limit				
Total debt	42,479,794	41,076,952	40,342,364	38,600,499
Less debt not subject to limit:				
Installment purchase	1,053,133	969,028	881,853	807,401
Water and sewer, Golf contractual obligations	<u>35,146,661</u>	<u>33,917,924</u>	<u>32,445,511</u>	<u>30,973,098</u>
Net debt subject to limit	<u>6,280,000</u>	<u>6,190,000</u>	<u>7,015,000</u>	<u>6,820,000</u>
Legal Debt Margin	<u>\$ 218,681,584</u>	<u>\$ 225,746,624</u>	<u>\$ 234,847,536</u>	<u>\$ 243,567,713</u>
Net Debt Subject to Limit as Percent of Debt Limit	2.87%	2.74%	2.99%	2.80%

Note: Prior to 2009, the Township reported its allocation of the debt issued by WTUA as a liability, separately from its reporting of its share of WTUA's total assets. During 2009, it began reporting the net investment in the joint venture. As a result, the amounts reported in prior years as water and sewer contractual obligations include the Township's allocation of the WTUA-issued debt. This amount is not included in the 2009 amounts.

**Debt Capacity
Legal Debt Margin
(Unaudited)**

2008	2009	2010	2011	2012	2013
\$ 2,402,608,260	\$ 2,218,351,237	\$ 1,971,005,145	\$ 1,839,571,694	\$ 1,784,805,974	\$ 1,798,339,471
240,260,826	221,835,124	197,100,515	183,957,169	178,480,597	179,833,947
36,572,017	9,601,468	9,164,098	10,089,455	9,717,293	10,914,733
708,829	600,775	500,163	1,701,619	1,437,293	1,164,738
<u>29,193,188</u>	<u>2,150,000</u>	<u>2,041,584</u>	<u>2,001,939</u>	<u>2,021,000</u>	<u>2,723,000</u>
<u>6,670,000</u>	<u>6,850,693</u>	<u>6,622,351</u>	<u>6,385,897</u>	<u>6,259,000</u>	<u>7,026,995</u>
<u>\$ 233,590,826</u>	<u>\$ 214,984,431</u>	<u>\$ 190,478,164</u>	<u>\$ 177,571,272</u>	<u>\$ 172,221,597</u>	<u>\$ 172,806,952</u>
2.86%	3.19%	3.48%	3.60%	3.63%	4.07%

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.

Charter Township of Plymouth

Demographic and Economic Information Demographic and Economic Statistics (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
2004	28,033	(I)	(I)	3.40
2005	28,170	(I)	(I)	2.90
2006	27,107	(I)	(I)	2.10
2007	26,980	(I)	(I)	2.30
2008	26,979	(I)	(I)	2.60
2009	26,800	(I)	(I)	4.30
2010	27,532	(I)	(I)	3.90
2011	27,479	(I)	(I)	2.80
2012	27,234	(I)	(I)	3.00
2013	27,195	(I)	(I)	2.30

(I) Not available

Charter Township of Plymouth

Principal Employers Demographic and Economic Statistics (Unaudited)

Employer	2013 Employees	Percentage of Total	2004 Employees	Percentage of Total
1 Johnson Controls	2,000	36.00	(I)	(I)
2 Automotive Components Holding	800	15.00	(I)	(I)
3 Plymouth Canton Community Schools	700	13.00	(I)	(I)
4 AVL North America Inc	550	10.00	(I)	(I)
5 Master Automatic	300	6.00	(I)	(I)
6 Durr Industries	275	4.50	(I)	(I)
7 Frudenberg NOK	250	4.50	(I)	(I)
8 Plastipak	225	4.00	(I)	(I)
9 Burroughs Payment Services	200	3.50	(I)	(I)
10 Absopure	200	3.50	(I)	(I)
Total	5,500	100.00		

(I) Not available

Charter Township of Plymouth

Function/Program	2004	2005	2006	2007	2008
General government:					
Supervisor's office	3.0	3.0	3.0	3.0	3.0
Human resources	1.0	1.0	1.0	1.0	1.0
Information services	3.0	3.0	3.0	2.0	2.5
Assessing	1.0	1.0	1.0	1.0	1.0
Clerk's office	6.5	5.5	5.5	6.5	6.5
Treasurer's office	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
Total general government	18.0	17.0	17.0	17.0	17.5
Public safety:					
Police	46.5	45.5	45.0	45.0	45.0
Fire and EMS	31.0	30.0	28.0	26.0	28.0
Building department	6.0	6.0	6.0	4.0	3.5
Public works:					
Waste management	1.0	1.0	1.0	1.0	1.0
Water and sewer	10.5	10.5	10.5	10.5	10.5
Public services	2.0	2.0	2.0	2.0	2.0
Community and economic development	1.0	1.0	1.0	1.0	1.0
Parks and recreation	<u>2.7</u>	<u>2.7</u>	<u>2.7</u>	<u>3.0</u>	<u>3.5</u>
Total	<u>118.7</u>	<u>115.7</u>	<u>113.2</u>	<u>109.5</u>	<u>112.0</u>

Demographic and Economic Information
Full-time Equivalent Government Employees
(Unaudited)

2009	2010	2011	2012	2013
2.0	2.0	2.0	2.5	2.5
1.0	1.0	1.0	1.0	1.0
1.5	1.5	1.5	1.5	1.5
1.0	1.0	1.0	1.0	1.0
5.0	5.0	5.0	5.0	5.0
<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
14.0	14.0	14.0	14.5	14.5
45.0	44.0	43.0	44.0	43.0
27.0	24.0	24.0	19.0	19.0
4.0	4.0	4.0	4.5	4.5
1.0	1.0	1.0	1.0	1.0
9.5	9.5	9.0	10.5	11.5
2.0	2.0	2.0	2.0	2.0
-	1.0	1.0	1.0	1.0
<u>3.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
<u>106.0</u>	<u>102.0</u>	<u>100.5</u>	<u>99.0</u>	<u>99.0</u>

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.

Charter Township of Plymouth

Function/Program	2004	2005	2006	2007
Election data - Registered voters	21,175	(1)	20,399	20,332
District court:				
Number of court cases	5,531	4,944	4,993	5,802
Police incidents	11,696	10,393	10,652	10,222
Fire:				
Fire runs	794	771	762	944
Emergency medical runs	2,297	2,301	2,248	2,440
Water:				
Number of customers billed	9,548	9,602	9,648	9,679
Water consumed in gallons	1,463,046,000	1,610,929,000	1,512,705,000	1,549,699,000
Water and sewer rate (per 1,000 gallons)	\$ 4.86	\$ 4.86	\$ 5.42	\$ 6.34
Building, other permits, and licenses issued	(1)	2,390	1,932	1,845

(1) Not available

Operating Information
Operating Indicators
(Unaudited)

2008	2009	2010	2011	2012	2013
20,609	21,490	21,564	22,079	21,793	22,384
5,913	4,314	4,836	5,032	5,784	5,254
11,088	10,077	10,570	10,532	11,018	10,516
912	846	956	988	762	768
2,424	2,272	2,316	2,625	1,805	1,781
9,720	9,737	9,762	9,770	9,780	9,797
1,443,051,287	1,284,079,000	1,380,784,000	1,345,804,000	1,474,687,061	1,192,139,000
\$ 6.34	\$ 7.35	\$ 8.35	\$ 9.05	\$ 8.60	\$ 9.05
1,716	1,668	905	1,300	1,598	1,884

Charter Township of Plymouth

Function/Program	2004	2005	2006	2007	2008
Police:					
Stations	1	1	1	1	1
Patrol units	20	20	18	18	18
Fire:					
Stations	3	3	3	3	3
Fire response vehicles	5	5	5	5	5
Emergency response vehicles	4	4	4	4	4
Public works:					
Streets (miles):	143.5	143.5	143.5	143.5	143.5
Paved	139.5	139.5	140.0	140.0	140.5
Unpaved	4.0	4.0	3.0	3.0	3.0
Sidewalks	(1)	(1)	(1)	(1)	(1)
Parks and recreation:					
Acreage	112.5	112.5	112.5	112.5	112.5
Developed parks/playgrounds	5	5	5	5	5
Developed fields (soccer, baseball, etc.)	6	6	6	6	6
Golf course	1	1	1	1	1
Water - Mains (miles)	174	175	176	176	176
Sewer - Miles of sanitary sewers	140	140	141	141	141

(1) Not available

Operating Information
Capital Asset Statistics
(Unaudited)

2009	2010	2011	2012	2013
1	1	1	1	1
18	18	18	18	18
3	3	3	2	2
5	5	5	4	4
4	4	4	4	4
143.5	143.5	143.5	143.5	143.5
140.5	140.5	140.5	140.5	140.5
3.0	3.0	3.0	3.0	3.0
(1)	(1)	(1)	(1)	(1)
112.5	112.5	435.5	435.5	435.5
5	5	5	5	5
6	6	6	6	6
1	1	1	1	1
176	176	176	176	176
141	141	141	141	141