

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

**Comprehensive Annual Financial Report
for the Fiscal Year Ended
December 31, 2014**

Prepared by the Charter Township of Plymouth

Charter Township of Plymouth

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September 22, 2015

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

With this letter, we formally transmit the Charter Township of Plymouth, Michigan Comprehensive Annual Financial Report (CAFR) for the 2014 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 27,301. 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, treasurer, and 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 1).

The Township also participates in two joint ventures, 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 1).

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 basis. 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 2014, the Township, with the assistance from the State of Michigan, continues to attract new businesses to the Township to fill unoccupied facilities or expand current facilities of current Township businesses. Demand for certain residential housing has continued through 2014 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 2.8% for December 2014 compared to 5.7% 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 manage accordingly without raising taxes. This will allow the Township to maintain most services it currently delivers while maintaining adequate reserves and an AA bond rating.

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 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 covers 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. As of December 31, 2014, the ratio of present assets to actuarial accrued liabilities is presented in Note 10 of the notes to the financial statements. The Charter Township of Plymouth also provides postretirement healthcare benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 39 retired employees receiving these benefits. Additional information pertaining to the Township's pension and post-employment benefits can be found in Notes 9, 10, and 11 of the notes 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 "unmodified opinion" on the Charter Township of Plymouth's financial statements for the 2014 calendar year.

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

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 Price, 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 style with a large, looping initial "R".

Ron Edwards
Treasurer

Charter Township of Plymouth

List of Principal Officials

Supervisor's Office

Supervisor
Human Resources Director

Richard Reaume
Joann Coobatis

Treasurer's Office

Treasurer
Deputy Treasurer

Ron Edwards
Amy Hammye

Clerk's Office

Clerk
Deputy Clerk

Nancy Conzelman
Michelle Lozier

Building Department

Mark Lewis

Fire Department

Fire Chief

Dan Philips

Information Services

Robert Janks

Public Services Division

Director of Public Works
Department of Public Works and Parks
Solid Waste/Recreation Coordinator
Water Department

Patrick Fellrath
Mary Bruce
Susan Vignoe
Mike Karrill

Police Department

Police Chief

Tom Tiderington

Charter Township of Plymouth

Summary of Personnel Positions December 31, 2014

	<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	8	3
Parks	-	16
Public Safety		
Fire	21	7
Police	<u>43</u>	<u>2</u>
Total employees	<u><u>89</u></u>	<u><u>37</u></u>

Charter Township of Plymouth

Labor Agreements December 31, 2014

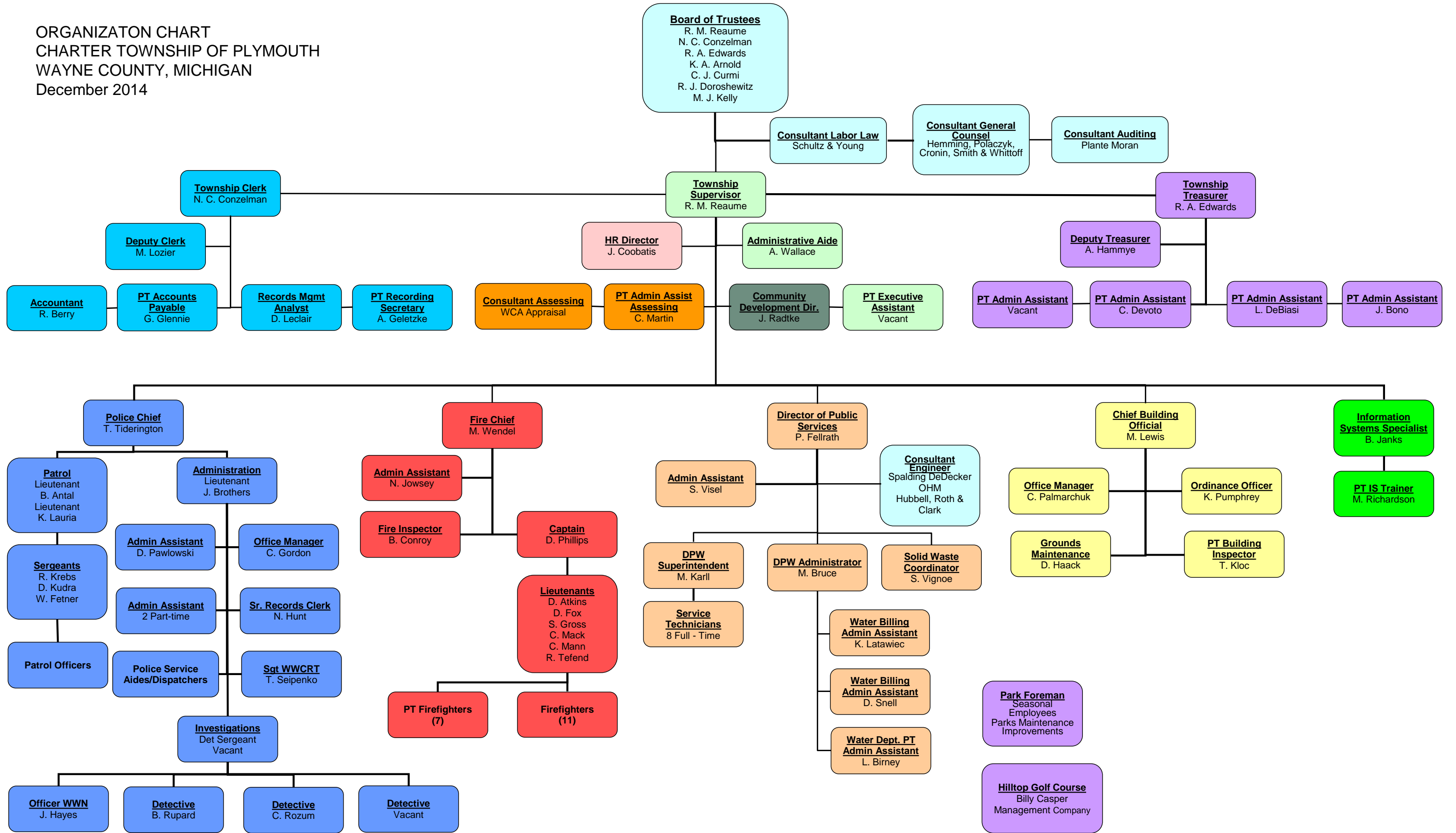
Bargaining Unit	Expiration Date	Number of Employees
Command Officers Association of Michigan - Sergeants	12/31/2014	4
Police Officers Association of Michigan - Police officers	12/31/2014	21
Dispatchers	12/31/2018	11
International Association of Firefighters - Represents firefighters	3/31/2016	18
Technical, Professional, and Officeworkers Association of Michigan - Represents administrative assistant, facilities maintenance employees, building inspectors, and ordinance officers	12/31/2015	23
Teamsters - Represents public works employees	12/31/2015	<u>7</u>
Total		<u><u>84</u></u>

Charter Township of Plymouth

Fund Organization Chart December 31, 2014 (Unaudited)

<u>Fund Name</u>	<u>Fund Number</u>
Governmental Funds	
General Fund	101
Capital Project Fund - Improvement Revolving	246
Special Revenue Fund - Federal Drug Forfeiture	265
Special Revenue Fund - State Drug Forfeiture	266
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
 December 2014



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, 2014 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Charter Township of Plymouth

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, 2014 and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 on pages 47-48 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 other supplemental information, as identified in the table of contents, and introductory section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2015 on our consideration of the Charter Township of Plymouth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township of Plymouth's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 22, 2015

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, 2014. 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, 2014:

- At the end of the 2014 fiscal year, the assets of the Charter Township of Plymouth exceeded its liabilities by \$58.2 million. Net investment in capital assets account for \$41.7 million or 72 percent of the total. The remaining net position of nearly \$16.5 million includes \$0.2 restricted for drug enforcement and \$16.3 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 \$1.2 million less than the amended budget.
- Water and Sewer Fund income for 2014 was approximately \$0.4 million. This is the fourth consecutive year with positive results. The increase is due to controlling water rates from the City of Detroit and the increase in Water/Sewer benefit fees.

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):

	2012	2013	2014	Change	Percent Change
Assets					
Current assets	\$ 13,477,000	\$ 17,528,000	\$ 18,110,000	\$ 582,000	3%
Capital assets	<u>17,927,000</u>	<u>17,521,000</u>	<u>17,314,000</u>	<u>(207,000)</u>	-1%
Total assets	31,404,000	35,049,000	35,424,000	375,000	1%
Liabilities					
Current liabilities	3,157,000	5,940,000	5,716,000	(224,000)	-4%
Long-term liabilities	<u>15,244,000</u>	<u>16,769,000</u>	<u>16,505,000</u>	<u>(264,000)</u>	-2%
Total liabilities	18,401,000	22,709,000	22,221,000	(488,000)	-2%
Deferred Inflows	<u>6,332,000</u>	<u>6,720,000</u>	<u>6,840,000</u>	<u>120,000</u>	2%
Net Position					
Net investment					
in capital assets	10,508,000	10,661,000	10,891,000	230,000	2%
Restricted	1,202,000	621,000	175,000	(446,000)	-72%
Unrestricted	<u>(5,039,000)</u>	<u>(5,662,000)</u>	<u>(4,703,000)</u>	<u>959,000</u>	-17%
Total net position	<u>\$ 6,671,000</u>	<u>\$ 5,620,000</u>	<u>\$ 6,363,000</u>	<u>\$ 743,000</u>	13%

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's governmental activities net position totals approximately \$6.4 million. This is an increase over 2013 of approximately \$0.7 million. The most significant change in assets and liabilities was due to the increase in other postemployment benefits liability of \$0.5 million.

	Governmental Activities			Change from Prior Year	
	2012	2013	2014	in Dollars	Percent
Revenue					
Program revenue:					
Charges for services	\$ 1,749,000	\$ 1,975,000	\$ 2,041,000	\$ 66,000	3%
Operating grants	1,896,000	128,000	636,000	508,000	397%
General revenue:					
Property taxes	6,848,000	6,684,000	6,770,000	86,000	1%
State-shared revenue	2,017,000	2,057,000	2,145,000	88,000	4%
Investment earnings	32,000	35,000	38,000	3,000	9%
Cable franchise agreement	593,000	593,000	635,000	42,000	7%
Other miscellaneous	-	-	158,000	158,000	100%
Gain on sale of assets and other	-	6,000	1,508,000	1,502,000	25033%
Total revenue	13,135,000	11,478,000	13,931,000	2,453,000	21%
Program Expenses					
General government	2,560,000	2,355,000	2,449,000	94,000	4%
Public safety	9,461,000	8,797,000	8,906,000	109,000	1%
Building inspections	398,000	421,000	433,000	12,000	3%
Public works	174,000	124,000	257,000	133,000	107%
Community services	103,000	35,000	169,000	134,000	383%
Planning and zoning	107,000	192,000	215,000	23,000	12%
Parks	455,000	385,000	545,000	160,000	42%
Interest on long-term debt	709,000	220,000	214,000	(6,000)	-3%
Total expenses	13,967,000	12,529,000	13,188,000	659,000	5%
Change in Net Position	\$ (832,000)	\$ (1,051,000)	\$ 743,000	\$ 1,794,000	-171%

The Township's total governmental revenue was \$13.9 million, which increased from 2013 by approximately \$2.5 million. This was due to increases in grant revenue of \$0.5 million and gain on sale of assets of \$1.5 million.

Expenses increased during the year by \$0.7 million. The increase in expenditures was due to various program expenditures.

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 position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	2012	2013	2014	Change	Percent Change
Assets					
Current assets	\$ 7,932,000	\$ 8,139,000	\$ 8,039,000	\$ (100,000)	-1%
Investment in joint venture	12,666,000	13,918,000	15,349,000	1,431,000	10%
Capital assets	<u>35,406,000</u>	<u>34,508,000</u>	<u>33,244,000</u>	<u>(1,264,000)</u>	-4%
Total assets	56,004,000	56,565,000	56,632,000	67,000	0%
Liabilities					
Current liabilities	1,469,000	1,236,000	1,192,000	(44,000)	-4%
Long-term liabilities	<u>3,221,000</u>	<u>3,888,000</u>	<u>3,588,000</u>	<u>(300,000)</u>	-8%
Total liabilities	<u>4,690,000</u>	<u>5,124,000</u>	<u>4,780,000</u>	<u>(344,000)</u>	-7%
Net Position					
Net investment					
in capital assets	32,776,000	31,919,000	30,802,000	(1,117,000)	-3%
Unrestricted	<u>18,538,000</u>	<u>19,522,000</u>	<u>21,050,000</u>	<u>1,528,000</u>	8%
Total net position	<u>\$ 51,314,000</u>	<u>\$ 51,441,000</u>	<u>\$ 51,852,000</u>	<u>\$ 411,000</u>	1%

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The net position of the Township's business-type activities total \$51.8 million. This is an increase over 2013 of \$0.4 million. The increase is attributable to water and sewer operations.

	Business-type Activities			Change from Prior Year	
	2012	2013	2014	in Dollars	Percent
Program Revenue					
Charges for services:					
Water and sewer	\$ 13,989,000	\$ 12,600,000	\$ 12,139,000	\$ (461,000)	-4%
Rubbish	1,141,000	1,374,000	1,374,000	-	0%
Golf	570,000	624,000	666,000	42,000	7%
Special assessments	126,000	1,252,000	1,423,000	171,000	14%
Capital contributions -					
Water and sewer	214,000	162,000	754,000	592,000	365%
General revenue:					
Interest income	30,000	23,000	86,000	63,000	274%
Gain on sale of assets	-	-	-	-	0%
Total revenue	16,070,000	16,035,000	16,442,000	407,000	3%
Program Expenses					
Water and sewer	12,352,000	12,564,000	12,524,000	40,000	0%
Rubbish	1,247,000	1,268,000	1,325,000	(57,000)	-4%
Golf	666,000	744,000	722,000	22,000	3%
Special assessments	53,000	1,332,000	1,460,000	(128,000)	-10%
Total program expenses	14,318,000	15,908,000	16,031,000	(123,000)	-1%
Change in Net Position	\$ 1,752,000	\$ 127,000	\$ 411,000	\$ 284,000	224%

In 2014, business-type activities revenue totaled \$16.4 million, an increase from 2013 of approximately \$0.4 million (primarily due to capital contributions). Expenses for business-type activities totaled \$16.0 million, an increase from 2013 of approximately \$0.1 million (primarily due to special assessments).

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 2014 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 \$1.2 million, resulting in total expenditures of \$12.3 million. This was an increase of \$1.3 million compared to 2013. Public safety expenditures increased \$0.7 million due to restoring six Firefighter positions.

Improvement Revolving Highlights

The Township amended the budget during the year due to capital outlays. The increase in net position of \$0.9 million is due to the sale of the former Township Hall site.

Business-type Funds

Water and Sewer Fund

The Water and Sewer Fund experienced a \$0.4 million increase in net position. The increase is due to controlling water rates with the City of Detroit and an increase in Water/Sewer benefit fees.

Capital Asset and Debt Administration

Capital Assets

As of the year end, the Township had \$50.6 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This represents a decrease from 2013 of approximately \$1.4 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 approximately \$10 million. This is a decrease of \$1.1 million compared to 2013.

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 2014, 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 2.8 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, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 6,917,361	\$ 2,807,908	\$ 9,725,269	\$ 1,670,120
Receivables:				
Property taxes receivable	4,059,576	159,417	4,218,993	248,516
Receivables from sales to customers on account	-	2,709,004	2,709,004	-
Other receivables	635	89,103	89,738	-
Due from other governmental units	5,378,615	-	5,378,615	-
Special assessments receivable	-	2,108,178	2,108,178	-
Advances to component units (Note 6)	175,000	-	175,000	-
Internal balances	501,185	(501,185)	-	-
Inventory	-	18,049	18,049	-
Prepaid expenses	128,028	79,859	207,887	-
Restricted cash - Unspent bond proceeds	950,032	568,312	1,518,344	-
Investment in joint ventures (Note 1)	-	15,348,724	15,348,724	-
Capital assets (Note 5):				
Assets not subject to depreciation	3,740,188	1,636,134	5,376,322	-
Assets subject to depreciation	13,573,348	31,608,305	45,181,653	-
Total assets	35,423,968	56,631,808	92,055,776	1,918,636
Liabilities				
Accounts payable	125,299	800,783	926,082	5,880
Advances from primary government (Note 6)	-	-	-	175,000
Accrued liabilities and other	378,052	47,408	425,460	-
Unearned revenue	4,060,807	-	4,060,807	-
Noncurrent liabilities:				
Due within one year (Note 7):				
Compensated absences	510,246	78,521	588,767	-
Current portion of long-term debt	640,585	264,850	905,435	-
Due in more than one year:				
Compensated absences (Note 7)	639,392	100,063	739,455	-
Net OPEB obligation (Note 12)	9,134,465	741,928	9,876,393	-
Long-term debt (Note 7)	6,731,701	2,746,423	9,478,124	-
Total liabilities	22,220,547	4,779,976	27,000,523	180,880
Deferred Inflows of Resources				
Property taxes levied for the following year (Note 4)	6,840,452	-	6,840,452	256,168
Net Position				
Net investment in capital assets	10,891,282	30,801,478	41,692,760	-
Restricted for drug enforcement	175,132	-	175,132	-
Unrestricted	(4,703,445)	21,050,354	16,346,909	1,481,588
Total net position	\$ 6,362,969	\$ 51,851,832	\$ 58,214,801	\$ 1,481,588

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	\$ 2,449,174	\$ 334,122	\$ -	\$ -
Public safety:				
Police	4,671,813	257,495	34,063	-
Fire	3,064,395	108,918	423,386	-
Building inspections	433,182	795,033	-	-
Dispatching	1,170,226	473,013	-	-
Public works	257,453	-	-	-
Community services	169,462	-	179,042	-
Planning and zoning	214,568	72,349	-	-
Parks	544,905	-	-	-
Interest on long-term debt	214,240	-	-	-
Total governmental activities	13,189,418	2,040,930	636,491	-
Business-type activities:				
Water and sewer	12,524,084	12,138,160	-	754,071
Rubbish disposal	1,324,570	1,374,298	-	-
Golf course	722,264	665,634	-	-
Special assessment projects	1,459,828	1,422,826	-	-
Total business-type activities	16,030,746	15,600,918	-	754,071
Total primary government	<u>\$ 29,220,164</u>	<u>\$ 17,641,848</u>	<u>\$ 636,491</u>	<u>\$ 754,071</u>
Component units:				
Downtown Development Authority	\$ 94,479	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	5,969	-	-	-
Total component units	<u>\$ 100,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Interest and rents				
Cable franchise fees				
Other miscellaneous income				
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, 2014

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,115,052)	\$ -	\$ (2,115,052)	\$ -
(4,380,255)	-	(4,380,255)	-
(2,532,091)	-	(2,532,091)	-
361,851	-	361,851	-
(697,213)	-	(697,213)	-
(257,453)	-	(257,453)	-
9,580	-	9,580	-
(142,219)	-	(142,219)	-
(544,905)	-	(544,905)	-
(214,240)	-	(214,240)	-
(10,511,997)	-	(10,511,997)	-
-	368,147	368,147	-
-	49,728	49,728	-
-	(56,630)	(56,630)	-
-	(37,002)	(37,002)	-
-	324,243	324,243	-
(10,511,997)	324,243	(10,187,754)	-
-	-	-	(94,479)
-	-	-	(5,969)
-	-	-	(100,448)
6,770,260	-	6,770,260	273,236
2,144,620	-	2,144,620	-
38,400	86,488	124,888	4,778
635,253	-	635,253	-
158,090	-	158,090	325
1,508,230	-	1,508,230	-
11,254,853	86,488	11,341,341	278,339
742,856	410,731	1,153,587	177,891
5,620,113	51,441,101	57,061,214	1,303,697
\$ 6,362,969	\$ 51,851,832	\$ 58,214,801	\$ 1,481,588

Charter Township of Plymouth

Governmental Funds Balance Sheet December 31, 2014

	General Fund	Improvement Revolving Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 5,481,035	\$ 1,249,292	\$ 187,034	\$ 6,917,361
Receivables:				
2014 property taxes	4,059,576	-	-	4,059,576
Other receivables	-	-	635	635
Due from other governmental units	5,378,615	-	-	5,378,615
Advances to component units (Note 6)	175,000	-	-	175,000
Due from other funds (Note 6)	18,587	3,714	14,487	36,788
Advances to other funds (Note 6)	500,000	-	-	500,000
Prepaid expenses	126,726	-	1,302	128,028
Restricted cash - Unspent bond proceeds	-	950,032	-	950,032
Total assets	\$15,739,539	\$ 2,203,038	\$ 203,458	\$18,146,035
Liabilities				
Accounts payable	\$ 99,136	\$ 2,368	\$ 23,795	\$ 125,299
Due to other funds (Note 6)	17,174	18,429	-	35,603
Accrued liabilities and other	299,286	-	3,896	303,182
Unearned revenue	4,060,172	-	635	4,060,807
Total liabilities	4,475,768	20,797	28,326	4,524,891
Deferred Inflows of Resources (Note 4)	7,453,471	-	-	7,453,471
Fund Balances				
Nonspendable:				
Prepays	126,726	-	1,302	128,028
Long-term advances	675,000	-	-	675,000
Restricted:				
Capital projects (unspent bond proceeds)	-	950,032	-	950,032
Drug enforcement	-	-	173,830	173,830
Assigned - Capital improvements	-	1,232,209	-	1,232,209
Unassigned	3,008,574	-	-	3,008,574
Total fund balances	3,810,300	2,182,241	175,132	6,167,673
Total liabilities, deferred inflows of resources, and fund balances	\$15,739,539	\$ 2,203,038	\$ 203,458	\$18,146,035

Charter Township of Plymouth

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2014

Fund Balance Reported in Governmental Funds	\$ 6,167,673
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	17,313,536
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	613,019
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(7,372,286)
Accrued interest is not due and payable in the current period and is not reported in the funds	(332)
Net OPEB obligation is not reported as a fund liability	(9,134,465)
Accrued longevity pay for employees is not reported as a fund liability until it is due and payable	(5,038)
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	(1,149,638)
Accrued insurance claims are not reported as a fund liability until the payment is due and payable	(69,500)
Net Position of Governmental Activities	<u>\$ 6,362,969</u>

Charter Township of Plymouth

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2014

	General Fund	Improvement Revolving Fund	Nonmajor Funds	Total
Revenue				
Property taxes	\$ 6,709,837	\$ -	\$ -	\$ 6,709,837
Licenses and permits	863,192	-	-	863,192
Federal grants	591,904	-	9,299	601,203
State-shared revenue and grants	2,106,621	-	8,232	2,114,853
Charges for services:				
Intragovernmental service charge	717,128	-	-	717,128
City of Plymouth	318,672	-	-	318,672
District court fines	196,410	-	-	196,410
Interest and rents	24,243	11,153	3,004	38,400
Other revenue:				
Cable franchise fees	635,253	-	-	635,253
Other charges for services	81,137	-	-	81,137
Other miscellaneous income	684,647	-	-	684,647
Total revenue	<u>12,929,044</u>	<u>11,153</u>	<u>20,535</u>	<u>12,960,732</u>
Expenditures				
Current:				
General government	2,999,749	-	-	2,999,749
Public safety	8,052,839	-	208,900	8,261,739
Building inspections	455,129	-	-	455,129
Community social services	169,462	-	-	169,462
Planning and zoning	147,687	-	-	147,687
Parks	430,804	-	-	430,804
Capital outlay	-	252,902	257,991	510,893
Debt service	-	837,460	-	837,460
Total expenditures	<u>12,255,670</u>	<u>1,090,362</u>	<u>466,891</u>	<u>13,812,923</u>
Excess of Revenue Over (Under)				
Expenditures	673,374	(1,079,209)	(446,356)	(852,191)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	1,497,350	-	1,497,350
Transfers in (Note 6)	-	523,951	-	523,951
Transfers out (Note 6)	(523,951)	-	-	(523,951)
Total other financing (uses) sources	<u>(523,951)</u>	<u>2,021,301</u>	<u>-</u>	<u>1,497,350</u>
Net Change in Fund Balances	149,423	942,092	(446,356)	645,159
Fund Balances - Beginning of year	<u>3,660,877</u>	<u>1,240,149</u>	<u>621,488</u>	<u>5,522,514</u>
Fund Balances - End of year	<u>\$ 3,810,300</u>	<u>\$ 2,182,241</u>	<u>\$ 175,132</u>	<u>\$ 6,167,673</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, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 645,159
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	921,998
Depreciation expense	(952,072)
Net book value of assets disposed of	(177,092)
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)	186,215
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)	622,220
Accrued interest, recorded in the statement of activities, decreased in the current year	1,001
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	(458,481)
Accrued longevity pay and employee compensated absences are recorded when earned in the statement of activities and these amounts defeased in the current year	(38,092)
Self-insurance liability, recorded in the statement of activities, increased in the current year	<u>(8,000)</u>
Change in Net Position of Governmental Activities	<u>\$ 742,856</u>

Charter Township of Plymouth

Proprietary Funds Statement of Net Position December 31, 2014

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Assets					
Current assets:					
Cash and cash equivalents (Note 3)	\$ 2,232,606	\$ 417,264	\$ 43,670	\$ 114,368	\$ 2,807,908
Receivables	2,730,811	221,347	2,589	2,110,955	5,065,702
Due from other funds (Note 6)	27,749	113,927	2,687	-	144,363
Inventory	-	-	18,049	-	18,049
Prepaid expenses	76,360	481	3,018	-	79,859
Total current assets	5,067,526	753,019	70,013	2,225,323	8,115,881
Noncurrent assets:					
Restricted assets - Unspent bond proceeds	229,526	-	338,786	-	568,312
Advances to other funds	1,831,055	-	-	-	1,831,055
Investment in WTUA (Note 1)	15,348,724	-	-	-	15,348,724
Capital assets:					
Assets not subject to depreciation (Note 5)	909,058	-	727,076	-	1,636,134
Assets subject to depreciation (Note 5)	31,104,045	6,521	497,739	-	31,608,305
Total noncurrent assets	49,422,408	6,521	1,563,601	-	50,992,530
Total assets	54,489,934	759,540	1,633,614	2,225,323	59,108,411
Liabilities					
Current liabilities:					
Accounts payable	556,880	100,128	4,490	139,285	800,783
Due to other funds (Note 6)	132,514	-	13,034	-	145,548
Accrued liabilities and other	33,473	2,002	11,933	-	47,408
Compensated absences - Due within one year (Note 7)	72,907	5,614	-	-	78,521
Current portion of long-term debt (Note 7)	167,637	-	97,213	-	264,850
Total current liabilities	963,411	107,744	126,670	139,285	1,337,110
Noncurrent liabilities:					
Advances from other funds (Note 6)	-	-	500,000	1,831,055	2,331,055
Compensated absences - Net of current portion (Note 7)	93,897	6,166	-	-	100,063
Net OPEB obligation (Note 12)	680,457	61,471	-	-	741,928
Long-term debt (Note 7)	2,281,056	-	465,367	-	2,746,423
Total noncurrent liabilities	3,055,410	67,637	965,367	1,831,055	5,919,469
Total liabilities	4,018,821	175,381	1,092,037	1,970,340	7,256,579
Net Position					
Net investment in capital assets	29,793,936	6,521	1,001,021	-	30,801,478
Unrestricted	20,677,177	577,638	(459,444)	254,983	21,050,354
Total net position	\$ 50,471,113	\$ 584,159	\$ 541,577	\$ 254,983	\$ 51,851,832

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

Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Operating Revenue					
Sale of water	\$ 4,040,827	\$ -	\$ -	\$ -	\$ 4,040,827
Sewage disposal charges	6,450,894	-	-	-	6,450,894
Meter charges	1,303,353	-	-	-	1,303,353
Solid waste charges	-	1,374,298	-	-	1,374,298
Special assessment charges	-	-	-	1,422,826	1,422,826
Installation fees	15,324	-	-	-	15,324
Golf course fees and sales	-	-	665,634	-	665,634
Other miscellaneous revenue	201,556	-	-	-	201,556
Charges to other funds	126,206	-	-	-	126,206
Total operating revenue	12,138,160	1,374,298	665,634	1,422,826	15,600,918
Operating Expenses					
Cost of water	3,587,379	-	-	-	3,587,379
Cost of sewage treatment	3,117,523	-	-	-	3,117,523
Solid waste disposal	-	1,224,366	-	-	1,224,366
Salaries and fringe benefits	1,009,185	84,899	290,645	-	1,384,729
Special assessment project costs	-	-	-	1,459,828	1,459,828
Intragovernmental service charges	717,128	-	-	-	717,128
Miscellaneous	183,149	10,154	93,927	-	287,230
Change in investment in WTUA	1,909,886	-	-	-	1,909,886
Professional service	5,079	4,090	-	-	9,169
Repair and maintenance	246,427	-	71,323	-	317,750
Administrative expense	283,714	-	152,489	-	436,203
Depreciation	1,362,554	1,061	98,884	-	1,462,499
Total operating expenses	12,422,024	1,324,570	707,268	1,459,828	15,913,690
Operating (Loss) Income	(283,864)	49,728	(41,634)	(37,002)	(312,772)
Nonoperating Revenue (Expenses)					
Investment income	20,405	-	2,088	63,995	86,488
Interest expense	(102,060)	-	(14,996)	-	(117,056)
Total nonoperating (expenses) revenue	(81,655)	-	(12,908)	63,995	(30,568)
(Loss) Income - Before contributions	(365,519)	49,728	(54,542)	26,993	(343,340)
Capital Contributions - Benefit fees	754,071	-	-	-	754,071
Change in Net Position	388,552	49,728	(54,542)	26,993	410,731
Net Position - Beginning of year	50,082,561	534,431	596,119	227,990	51,441,101
Net Position - End of year	\$ 50,471,113	\$ 584,159	\$ 541,577	\$ 254,983	\$ 51,851,832

Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 12,082,670	\$ 1,489,725	\$ 665,634	\$ 616,759	\$ 14,854,788
Receipts from interfund services and reimbursements	677,244	-	(2,687)	-	674,557
Payments to suppliers	(11,724,684)	(1,232,808)	(345,378)	(1,326,834)	(14,629,704)
Payments to employees	(991,300)	(80,950)	(287,247)	-	(1,359,497)
Internal activity - Payments to other funds	(386,878)	(115,662)	(4,085)	(69,995)	(576,620)
Other receipts	-	-	1,886	39,342	41,228
Net cash (used in) provided by operating activities	(342,948)	60,305	28,123	(740,728)	(995,248)
Cash Flows from Noncapital Financing Activities - Advances from other funds	(622,125)	-	-	622,125	-
Cash Flows from Capital and Related Financing Activities					
Benefit fees	754,071	-	-	-	754,071
Purchase of capital assets	(192,663)	(6,545)	-	-	(199,208)
Principal and interest paid on capital debt	(223,775)	-	(109,384)	-	(333,159)
Net cash provided by (used in) capital and related financing activities	337,633	(6,545)	(109,384)	-	221,704
Cash Flows from Investing Activities - Interest received on investments	20,405	-	2,088	63,995	86,488
Net (Decrease) Increase in Cash and Cash Equivalents	(607,035)	53,760	(79,173)	(54,608)	(687,056)
Cash and Cash Equivalents - Beginning of year	3,069,167	363,504	461,629	168,976	4,063,276
Cash and Cash Equivalents - End of year	<u>\$ 2,462,132</u>	<u>\$ 417,264</u>	<u>\$ 382,456</u>	<u>\$ 114,368</u>	<u>\$ 3,376,220</u>
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ 2,232,606	\$ 417,264	\$ 43,670	\$ 114,368	\$ 2,807,908
Restricted assets - Unspent bond proceeds	229,526	-	338,786	-	568,312
Total cash and cash equivalents	<u>\$ 2,462,132</u>	<u>\$ 417,264</u>	<u>\$ 382,456</u>	<u>\$ 114,368</u>	<u>\$ 3,376,220</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities					
Operating (loss) income	\$ (283,864)	\$ 49,728	\$ (41,634)	\$ (37,002)	\$ (312,772)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation	1,362,554	1,061	98,884	-	1,462,499
Changes in assets and liabilities:					
Receivables	70,716	115,427	1,886	(766,725)	(578,696)
Due from others	677,244	-	(2,687)	-	674,557
Inventories	-	-	(7,093)	-	(7,093)
Change in investment in WTUA	(1,430,902)	-	-	-	(1,430,902)
Prepaid and other assets	(7,429)	(365)	415	34,807	27,428
Accounts payable	(236,068)	4,967	(20,961)	98,187	(153,875)
Due to other funds	(513,084)	(115,662)	(4,085)	(69,995)	(702,826)
Accrued and other liabilities	17,885	5,149	3,398	-	26,432
Net cash (used in) provided by operating activities	<u>\$ (342,948)</u>	<u>\$ 60,305</u>	<u>\$ 28,123</u>	<u>\$ (740,728)</u>	<u>\$ (995,248)</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, 2014

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 2,313,263</u>
Liabilities	
Due to other governmental units	\$ 1,943,858
Refundable deposits and bonds	<u>369,405</u>
Total liabilities	<u>\$ 2,313,263</u>

Charter Township of Plymouth

Component Units Statement of Net Position December 31, 2014

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 78,013	\$ 1,592,107	\$ 1,670,120
Receivables - Property taxes	248,516	-	248,516
Total assets	326,529	1,592,107	1,918,636
Liabilities			
Accounts payable	826	5,054	5,880
Advances from primary government (Note 6)	175,000	-	175,000
Total liabilities	175,826	5,054	180,880
Deferred Inflows of Resources -			
Property taxes levied for the following year	248,516	7,652	256,168
Net Position - Unrestricted	\$ (97,813)	\$ 1,579,401	\$ 1,481,588

Charter Township of Plymouth

Component Units Statement of Activities Year Ended December 31, 2014

	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority - Public works	\$ 94,479	\$ (94,479)	\$ -	\$ (94,479)
Brownfield Redevelopment Authority	5,969	-	(5,969)	(5,969)
Total component units	<u>\$ 100,448</u>	(94,479)	(5,969)	(100,448)
General revenue:				
Property taxes		254,749	18,487	273,236
Interest and rents		246	4,532	4,778
Other miscellaneous income		-	325	325
Total general revenue		<u>254,995</u>	<u>23,344</u>	<u>278,339</u>
Change in Net Position		160,516	17,375	177,891
Net Position - Beginning of year		<u>(258,329)</u>	<u>1,562,026</u>	<u>1,303,697</u>
Net Position - End of year		<u>\$ (97,813)</u>	<u>\$ 1,579,401</u>	<u>\$ 1,481,588</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note I - Summary of 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, 2014

Note I - Summary of 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 \$3,341,000 for its operations, \$3,519,000 for its debt, and \$139,000 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 revenue. 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, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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, 2014

Note I - Summary of 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, 2014

Note I - Summary of 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, 2014

Note 1 - Summary of 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 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. In the fund financial statements, governmental fund types recognize bond premiums and discounts 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, 2014

Note I - Summary of 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, 2014

Note I - Summary of 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 2013 tax is levied and collectible on December 1, 2013 and is recognized as revenue in the year ended December 31, 2014, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2013 taxable valuation of the Township totaled \$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 \$1,375,000 for operating purposes and \$5,335,000 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, 2014

Note 1 - Summary of 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 \$459,444 and \$97,813, respectively, as of December 31, 2014. 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, 2014		\$ (1,013,692)
Current year permit revenue		863,192
Related expenses:		
Direct costs	\$ 455,129	
Estimated indirect costs	190,281	645,410
	<u> </u>	<u> </u>
Cumulative shortfall at December 31, 2014		\$ <u>(795,910)</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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 \$13,129,008 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 \$1,073,827. 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 Township had no investments in commercial paper.

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).

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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	\$ 6,840,452	\$ 6,840,452
Refunds and other payments (amounts not collected within 60 days)	<u>613,019</u>	<u>-</u>
Total deferred inflows	<u>\$ 7,453,471</u>	<u>\$ 6,840,452</u>

Note 5 - Capital Assets

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

	Balance January 1, 2014	Additions	Disposals	Balance December 31, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,732,029	\$ -	\$ (156,018)	\$ 3,576,011
Construction in progress	-	164,177	-	164,177
Subtotal	3,732,029	164,177	(156,018)	3,740,188
Capital assets being depreciated:				
Buildings and improvements	14,547,288	-	(750)	14,546,538
Sidewalks	1,205,525	-	-	1,205,525
Road improvements	815,902	-	-	815,902
Furnishings, vehicles, and equipment	7,502,829	757,821	(416,014)	7,844,636
Subtotal	24,071,544	757,821	(416,764)	24,412,601
Accumulated depreciation:				
Buildings and improvements	4,072,943	398,335	-	4,471,278
Sidewalks	432,552	48,221	-	480,773
Road improvements	101,985	20,397	-	122,382
Furnishings, vehicles, and equipment	5,675,391	485,119	(395,690)	5,764,820
Subtotal	10,282,871	952,072	(395,690)	10,839,253
Net capital assets being depreciated	<u>13,788,673</u>	<u>(194,251)</u>	<u>(21,074)</u>	<u>13,573,348</u>
Net capital assets	<u>\$ 17,520,702</u>	<u>\$ (30,074)</u>	<u>\$ (177,092)</u>	<u>\$ 17,313,536</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance	Additions	Disposals	Balance
	January 1, 2014			December 31, 2014
Capital assets not being depreciated - Land	\$ 1,636,134	\$ -	\$ -	\$ 1,636,134
Capital assets being depreciated:				
Water and sewer transportation lines	53,499,918	45,127	-	53,545,045
Buildings and improvements	4,815,482	-	-	4,815,482
Meters and supplies	1,868,658	-	-	1,868,658
Equipment and other	2,436,851	154,081	-	2,590,932
Subtotal	62,620,909	199,208	-	62,820,117
Accumulated depreciation:				
Water and sewer transportation lines	25,366,390	1,058,629	-	26,425,019
Buildings and improvements	2,116,124	107,205	-	2,223,329
Meters and supplies	1,090,734	86,052	-	1,176,786
Equipment and other	1,176,065	210,613	-	1,386,678
Subtotal	29,749,313	1,462,499	-	31,211,812
Net capital assets being depreciated	32,871,596	(1,263,291)	-	31,608,305
Net capital assets	\$ 34,507,730	\$ (1,263,291)	\$ -	\$ 33,244,439

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

Governmental activities:

General government	\$ 254,914
Police	249,720
Fire	168,056
Dispatching	74,439
Building inspections	15,893
Planning and zoning	2,284
Public works	68,618
Parks	118,148
Total governmental activities	<u>\$ 952,072</u>

Business-type activities:

Water and sewer	\$ 1,362,554
Solid waste disposal	1,061
Golf	98,884
Total business-type activities	<u>\$ 1,462,499</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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	Water and Sewer Fund	\$ 18,587
Improvement Revolving Fund	Golf Fund	3,714
Drug Forfeiture Fund	General Fund	14,487
Water and Sewer Fund	Improvement Revolving Fund	18,429
	Golf Fund	<u>9,320</u>
	Total Water and Sewer Fund	27,749
Solid Waste Disposal Fund	Water and Sewer Fund	113,927
Golf Fund	General Fund	<u>2,687</u>
	Total	<u>\$ 181,151</u>

Receivable Fund	Payable Fund	Amount
Advances to Other Funds		
General Fund	Golf Fund	\$ 500,000
Water and Sewer Fund	Special Assessment Fund	1,831,055

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 debt payments.

Advances - The long-term advance from the General Fund to the Golf Fund is to cover operations and debt payments. Repayment of the loan will began in 2015 with an interest rate of 4 percent being charged to the Golf Fund. The long-term advance from the Water and Sewer Fund to the Special Assessment Fund is to cover the cost of special assessment projects and will be repaid with an interest rate of 4 percent.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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. Repayment of the loan began 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 of \$59,640 due in 2015	\$ 59,640
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 \$50,000 to \$100,000, maturing in 2026	800,000
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 \$14,000 to \$28,000, maturing in 2030, shown net of bond discount and issue costs	315,000
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 \$58,091 to \$67,790, maturing in 2021	429,275
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 2025	4,710,634
2013 general obligation limited tax capital improvement bonds, used for various Township park improvements, bearing interest at 2.16%, with principal maturity ranges from \$103,342 to \$133,736, maturing in 2024	<u>1,057,737</u>
Total governmental activities	<u>\$ 7,372,286</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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 \$86,000 to \$172,000, maturing in 2030, shown net of bond discount and issue costs	\$ 1,935,000
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	156,534
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	237,477
2013 general obligation limited tax bonds, used for various water and sewer system improvements, bearing interest at 2.16%, with principal maturity ranges from \$34,895 to \$45,158, maturing in 2024	357,158
2013 general obligation limited tax capital improvement bonds, used for various golf course improvements, bearing interest at 2.16%, with principal maturity ranges from \$31,763 to \$41,105, maturing in 2024	325,104
Total business-type activities	<u>\$ 3,011,273</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligations	\$ 7,688,360	\$ -	\$ 596,708	\$ 7,091,652	\$ 615,073
Unamortized bond premium	306,146	-	25,512	280,634	25,512
Total bonds payable	7,994,506	-	622,220	7,372,286	640,585
Compensated absences	1,113,323	525,834	489,519	1,149,638	510,246
Total governmental activities	<u>\$ 9,107,829</u>	<u>\$ 525,834</u>	<u>\$ 1,111,739</u>	<u>\$ 8,521,924</u>	<u>\$ 1,150,831</u>
Business-type Activities					
General obligations	\$ 3,226,373	\$ -	\$ 215,100	\$ 3,011,273	\$ 264,850
Compensated absences	159,267	88,729	69,412	178,584	78,521
Total business-type activities	<u>\$ 3,385,640</u>	<u>\$ 88,729</u>	<u>\$ 284,512</u>	<u>\$ 3,189,857</u>	<u>\$ 343,371</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

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
2015	\$ 615,073	\$ 217,967	\$ 833,040	\$ 264,850	\$ 111,721	\$ 376,571
2016	555,294	200,809	756,103	269,946	104,242	374,188
2017	610,213	186,420	796,633	275,131	96,393	371,524
2018	605,190	172,153	777,343	206,470	88,206	294,676
2019	655,228	156,413	811,641	160,500	82,512	243,012
2020-2024	3,233,654	469,922	3,703,576	931,377	313,234	1,244,611
2025-2029	789,000	41,085	830,085	731,000	140,180	871,180
2030-2031	28,000	700	28,700	171,999	4,300	176,299
Total	\$ 7,091,652	\$ 1,445,469	\$ 8,537,121	\$ 3,011,273	\$ 940,788	\$ 3,952,061

* Excludes the \$280,634 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, 2014

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>2014</u>	<u>2013</u>
Unpaid claims - Beginning of year	\$ 61,500	\$ 16,050
Incurred claims (including claims incurred but not reported and adjustments of prior years' estimates)	105,523	99,549
Claim payments and expenses paid	<u>(97,523)</u>	<u>(54,099)</u>
Unpaid claims - End of year	<u>\$ 69,500</u>	<u>\$ 61,500</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 \$2,197,463, resulting in an employer contribution of \$329,620 and employee contributions of \$79,534.

Note 10 - Defined Benefit Pension Plan

Plan Description - The Township participates 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, 2014

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 agreement requires 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. The fire and dispatch agreements require the first 10 percent contribution to be paid by the employee, and any excess by the employer.

Annual Pension Cost - For the year ended December 31, 2014, the Township's annual pension cost of \$583,883 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, 2012.

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, (c) additional projected salary increases of 0 percent to 13.0 percent per year, attributable to seniority/merit, and (d) no cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 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 20-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		
	2012	2013	2014
Annual pension cost (APC)	\$ 554,612	\$ 489,480	\$ 583,883
Percentage of APC contributed	100 %	100 %	100 %
	2012	2013	2014
Police and fire unions combined:			
Actuarial value of assets	\$ 18,328,028	\$ 19,341,273	\$ 20,197,256
Actuarial accrued liability (AAL)	\$ 24,236,207	\$ 25,975,895	\$ 26,382,843
Unfunded AAL (UAAL)	\$ 5,908,179	\$ 6,634,622	\$ 6,185,587
Funded ratio	75.6%	74.5%	76.6
Covered payroll	\$ 3,778,240	\$ 3,814,924	\$ 3,887,319
UAAL as a percentage of covered payroll	156.4%	173.9%	159.1%

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note 11 - Defined Contribution Retiree Health care

The Township provides a health savings account to all of its full-time employees hired after certain dates (which vary by employee group). For eligible employees hired after those dates, the Township provides a defined benefit retiree healthcare plan, as discussed in the following note. This is a defined contribution plan administered by the Township. The benefits are provided under collective bargaining agreements. The Township is required to contribute \$50 per pay period for each participating employee; the participants are not required to contribute. Plan members are fully vested after 10 years.

During the year ended December 31, 2014, the Township made contributions of \$17,700 to the plan.

Note 12 - Defined Benefit Retiree Health Care

Plan Description - The Township provides retiree healthcare benefits to eligible employees hired prior to certain dates (which vary from 2009 to 2012, dependent on employee group), 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 December 31, 2014, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. 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)	\$ 1,339,551
Interest on the prior year's net OPEB obligation	375,984
Less adjustment to the annual required contribution	<u>(613,268)</u>
Annual OPEB cost	1,102,267
Amounts contributed - Payments of current premiums	<u>(625,445)</u>
Increase in net OPEB obligation	476,822
OPEB obligation - Beginning of year	<u>9,399,571</u>
OPEB obligation - End of year	<u>\$ 9,876,393</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note 12 - Defined Benefit Retiree Health Care (Continued)

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
12/31/12	12/31/12	\$ 1,576,591	39.0 %	\$ 8,452,166
12/31/13	12/31/13	1,553,101	39.0	9,399,571
12/31/14	12/31/14	1,102,267	57.0	9,876,393

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
12/31/12	\$ -	\$ 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
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

The decline in AAL is attributable primarily to two factors: integration of retiree health-care benefits with Medicare after age 65, and general premium reductions.

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

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note 12 - Defined Benefit Retiree Health Care (Continued)

In the December 31, 2014 actuarial valuation, the level dollar 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, 2014 was 24 years.

Note 13 - Commitments - Brownfield Redevelopment Authority

Brownfield redevelopment costs of approximately \$66,000 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.

Note 14 - Upcoming Accounting Pronouncements

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

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted, during the Township's 2016 fiscal year.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2014

Note 14 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Township to recognize on the face of the financial statements its net OPEB liability. 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 the Township's financial statements for the year ending December 31, 2018.

Required Supplemental Information

Charter Township of Plymouth

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

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 6,700,000	\$ 6,700,000	\$ 6,709,837	\$ 9,837
Licenses and permits	702,000	767,000	863,192	96,192
Federal grants	223,000	849,025	591,904	(257,121)
State-shared revenue and grants	2,188,000	2,188,000	2,106,621	(81,379)
Charges for services:				
Intragovernmental service charge	670,000	693,450	717,128	23,678
City of Plymouth	305,000	325,000	318,672	(6,328)
District court fines	200,000	200,000	196,410	(3,590)
Interest and rents	45,000	85,000	24,243	(60,757)
Other revenue:				
Cable franchise fees	650,000	650,000	635,253	(14,747)
Other charges for services	125,000	100,000	81,137	(18,863)
Other miscellaneous income	765,000	915,000	684,647	(230,353)
Total revenue	12,573,000	13,472,475	12,929,044	(543,431)
Expenditures - Current				
General government	3,083,873	3,263,961	2,999,749	264,212
Public safety	7,930,906	8,792,927	8,052,839	740,088
Public works	410,197	469,784	455,129	14,655
Community services	95,000	175,000	169,462	5,538
Planning and zoning	165,172	169,722	147,687	22,035
Parks	506,773	558,938	430,804	128,134
Total expenditures	12,191,921	13,430,332	12,255,670	1,174,662
Excess of Revenue Over Expenditures	381,079	42,143	673,374	631,231
Other Financing Uses -				
Transfers out	(723,951)	(523,951)	(523,951)	-
Net Change in Fund Balance	(342,872)	(481,808)	149,423	631,231
Fund Balance - Beginning of year	3,660,877	3,660,877	3,660,877	-
Fund Balance - End of year	<u>\$ 3,318,005</u>	<u>\$ 3,179,069</u>	<u>\$ 3,810,300</u>	<u>\$ 631,231</u>

Charter Township of Plymouth

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Improvement Revolving Fund Year Ended December 31, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Grants and other	\$ 524,059	\$ 224,059	\$ -	\$ (224,059)
Interest and rents	6,000	12,000	11,153	(847)
Total revenue	530,059	236,059	11,153	(224,906)
Expenditures - Current				
Capital outlay	1,765,000	765,000	252,902	512,098
Debt service	790,000	799,000	837,460	(38,460)
Total expenditures	2,555,000	1,564,000	1,090,362	473,638
Excess of Expenditures Over Revenue	(2,024,941)	(1,327,941)	(1,079,209)	248,732
Other Financing Sources				
Proceeds from sale of capital assets	1,500,000	1,500,000	1,497,350	(2,650)
Transfers in	523,951	523,951	523,951	-
Total other financing sources	2,023,951	2,023,951	2,021,301	(2,650)
Net Change in Fund Balance	(990)	696,010	942,092	246,082
Fund Balance - Beginning of year	1,240,149	1,240,149	1,240,149	-
Fund Balance - End of year	<u>\$ 1,239,159</u>	<u>\$ 1,936,159</u>	<u>\$ 2,182,241</u>	<u>\$ 246,082</u>

Charter Township of Plymouth

Note to Required Supplemental Information Year Ended December 31, 2014

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, 2014 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

Charter Township of Plymouth

Required Supplemental Information OPEB System Schedule Year Ended December 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
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
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

Charter Township of Plymouth

Required Supplemental Information Pension System Schedule - Police Officers and Firefighters Retirement System Year Ended June 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/09	\$ 13,109,811	\$ 19,305,672	\$ 6,195,861	67.9 %	\$ 4,781,800	129.6 %
12/31/10	14,448,776	19,048,692	4,599,916	75.9	4,757,684	96.7
12/31/11	15,864,293	20,469,237	4,604,944	77.5	4,142,812	111.2
12/31/12	18,328,028	24,236,207	5,908,179	75.6	3,778,240	156.4
12/31/13	19,341,273	25,975,895	6,634,622	74.5	3,814,924	173.9
12/31/14	20,197,256	26,382,843	6,185,587	76.6	3,887,319	159.1

The schedule of employer contributions is as follows:

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
12/31/09	\$ 637,764	100.0 %
12/31/10	663,468	100.0
12/31/11	577,569	100.0
12/31/12	554,612	100.0
12/31/13	489,480	100.0
12/31/14	583,883	100.0

The information presented above was determined as part of the actuarial valuations as of December 31, 2014. Additional information on assumptions used in the study is as follows:

Actuarial cost method	Entry age
Amortization method	Level percent, closed
Amortization period (perpetual)	20
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return*	8.0%
Projected salary increases*	4.5%
*Includes inflation at	4.5%
Additional salary increases attributable to seniority/merit	0% to 13.0%

Other Supplemental Information

Charter Township of Plymouth

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	
Assets			
Cash and cash equivalents	\$ 161,355	\$ 25,679	\$ 187,034
Receivables - Other	635	-	635
Due from other funds	14,487	-	14,487
Prepaid expenses	1,302	-	1,302
Total assets	<u>\$ 177,779</u>	<u>\$ 25,679</u>	<u>\$ 203,458</u>
Liabilities			
Accounts payable	\$ 23,795	\$ -	\$ 23,795
Accrued liabilities and other	3,896	-	3,896
Unearned revenue	635	-	635
Total liabilities	28,326	-	28,326
Fund Balances			
Nonspendable - Prepays	1,302	-	1,302
Restricted - Drug enforcement	148,151	25,679	173,830
Total fund balances	149,453	25,679	175,132
Total liabilities and fund balances	<u>\$ 177,779</u>	<u>\$ 25,679</u>	<u>\$ 203,458</u>

Charter Township of Plymouth

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	
Revenue			
Federal grants	\$ 9,299	\$ -	\$ 9,299
State-shared revenue and grants	-	8,232	8,232
Interest and rents	2,633	371	3,004
Total revenue	11,932	8,603	20,535
Expenditures			
Current - Public safety	208,900	-	208,900
Capital outlay	257,991	-	257,991
Total expenditures	466,891	-	466,891
Net Change in Fund Balances	(454,959)	8,603	(446,356)
Fund Balances - Beginning of year	604,412	17,076	621,488
Fund Balances - End of year	\$ 149,453	\$ 25,679	\$ 175,132

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Balance Sheet/Statement of Net Position December 31, 2014

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 78,013	\$ -	\$ 78,013
Receivables - Property taxes receivable	248,516	-	248,516
Total assets	<u>\$ 326,529</u>	<u>\$ -</u>	<u>\$ 326,529</u>
Liabilities			
Accounts payable	\$ 826	\$ -	\$ 826
Advance from primary government	-	175,000	175,000
Total liabilities	826	175,000	175,826
Deferred Inflows of Resources -			
Property taxes levied for the following year	248,516	-	248,516
Equity			
Fund balance - Unassigned	77,187	(77,187)	-
Net position (deficit) - Unrestricted	-	(97,813)	(97,813)
Total liabilities, deferred inflows of resources, and equity	<u>\$ 326,529</u>	<u>\$ -</u>	<u>\$ 326,529</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, 2014

	Modified Accrual	Full Accrual Adjustments	Total
Revenue			
Property taxes	\$ 254,749	\$ -	\$ 254,749
Interest and rents	246	-	246
Total revenue	254,995	-	254,995
Expenditures - Current - Other contract services	219,479	(125,000)	94,479
Change in Fund Balance/Net Position	35,516	125,000	160,516
Fund Balance/Net Position (Deficit) - Beginning of year	41,671	(300,000)	(258,329)
Fund Balance/Net Position (Deficit) - End of year	<u>\$ 77,187</u>	<u>\$ (175,000)</u>	<u>\$ (97,813)</u>

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Net Position December 31, 2014

	Modified Accrual	Full Accrual Adjustments	Total
Assets - Cash and cash equivalents	<u>\$ 1,592,107</u>	<u>\$ -</u>	<u>\$ 1,592,107</u>
Liabilities - Accounts payable	\$ 5,054	\$ -	\$ 5,054
Deferred Inflows of Resources - Property taxes levied for the following year	7,652	-	7,652
Equity			
Fund balance - Unassigned	1,579,401	(1,579,401)	
Net position - Unrestricted	<u>-</u>	<u>1,579,401</u>	<u>1,579,401</u>
Total liabilities, deferred inflows of resources, and equity	<u>\$ 1,592,107</u>	<u>\$ -</u>	<u>\$ 1,592,107</u>

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, 2014

	Modified Accrual	Full Accrual Adjustments	Total
Revenue - General revenue			
Property taxes	\$ 18,487	\$ -	\$ 18,487
Interest earnings	4,532	-	4,532
Other revenue	325	-	325
Total revenue	23,344	-	23,344
Expenditures - Current - Environmental remediation	5,969	-	5,969
Change in Fund Balance/Net Position	17,375	-	17,375
Fund Balance/Net Position - Beginning of year	1,562,026	-	1,562,026
Fund Balance/Net Position - End of year	\$ 1,579,401	\$ -	\$ 1,579,401

Charter Township of Plymouth

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

	Agency Funds		
	General Agency	Tax Collection Fund	Total Agency Funds
Assets - Cash and cash equivalents	\$ 369,405	\$ 1,943,858	\$ 2,313,263
Liabilities			
Due to other governmental units	\$ -	\$ 1,943,858	\$ 1,943,858
Refundable deposits - Bonds	369,405	-	369,405
Total liabilities	\$ 369,405	\$ 1,943,858	\$ 2,313,263

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2014

	Balance at January 1, 2014	Additions	Reductions	Balance at December 31, 2014
<u>Agency Funds</u>				
Assets - Cash and investments	\$ 220,246	\$ 555,691	\$ (406,532)	\$ 369,405
Liabilities				
Due to other governmental units	\$ 1,317	\$ 126,454	\$ (126,824)	\$ 947
Refundable deposits and bonds	218,929	480,355	(330,826)	368,458
Total liabilities	\$ 220,246	\$ 606,809	\$ (457,650)	\$ 369,405
<u>Tax Collection Fund</u>				
Assets - Cash and investments	\$ 4,478,168	\$ 59,452,116	\$ (61,986,426)	\$ 1,943,858
Liabilities - Due to other governmental units	\$ 4,478,168	\$ 59,452,116	\$ (61,986,426)	\$ 1,943,858
<u>Total - All Trust and Agency Funds</u>				
Assets - Cash and investments	\$ 4,698,414	\$ 60,008,807	\$ (62,392,958)	\$ 2,314,263
Liabilities				
Due to other governmental units	\$ 4,478,168	\$ 59,453,116	\$ (61,986,426)	\$ 1,944,858
Refundable deposits, bonds, etc.	220,246	606,809	(457,650)	369,405
Total liabilities	\$ 4,698,414	\$ 60,059,925	\$ (62,444,076)	\$ 2,314,263

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							
	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities								
Net investment in capital assets	\$ 13,623,525	\$ 12,960,487	\$ 12,633,385	\$ 12,198,479	\$ 11,260,220	\$ 10,508,264	\$ 10,661,482	\$ 10,891,282
Restricted	82,492	56,980	76,590	22,214	146,670	1,201,897	621,488	175,132
Unrestricted	<u>1,996,377</u>	<u>(666,990)</u>	<u>(2,625,443)</u>	<u>(3,104,484)</u>	<u>(3,903,498)</u>	<u>(5,038,669)</u>	<u>(5,662,857)</u>	<u>(4,703,445)</u>
Total net position	<u>\$ 15,702,394</u>	<u>\$ 12,350,477</u>	<u>\$ 10,084,532</u>	<u>\$ 9,116,209</u>	<u>\$ 7,503,392</u>	<u>\$ 6,671,492</u>	<u>\$ 5,620,113</u>	<u>\$ 6,362,969</u>
Business-type Activities								
Net investment in capital assets	\$ 35,854,625	\$ 34,827,878	\$ 34,581,799	\$ 32,838,075	\$ 33,329,976	\$ 32,775,744	\$ 31,918,653	\$ 30,801,478
Unrestricted	<u>17,020,233</u>	<u>15,622,880</u>	<u>13,321,819</u>	<u>15,259,984</u>	<u>16,231,665</u>	<u>18,537,561</u>	<u>19,522,448</u>	<u>21,050,354</u>
Total net position	<u>\$ 52,874,858</u>	<u>\$ 50,450,758</u>	<u>\$ 47,903,618</u>	<u>\$ 48,098,059</u>	<u>\$ 49,561,641</u>	<u>\$ 51,313,305</u>	<u>\$ 51,441,101</u>	<u>\$ 51,851,832</u>
Primary Government in Total								
Net investment in capital assets	\$ 49,478,150	\$ 47,788,365	\$ 47,215,184	\$ 45,036,554	\$ 44,590,196	\$ 43,284,008	\$ 42,580,135	\$ 41,692,760
Restricted	82,492	56,980	76,590	22,214	146,670	1,201,897	621,488	175,132
Unrestricted	<u>19,016,610</u>	<u>14,955,890</u>	<u>10,696,376</u>	<u>12,155,500</u>	<u>12,328,167</u>	<u>13,498,892</u>	<u>13,859,591</u>	<u>16,346,909</u>
Total net position	<u>\$ 68,577,252</u>	<u>\$ 62,801,235</u>	<u>\$ 57,988,150</u>	<u>\$ 57,214,268</u>	<u>\$ 57,065,033</u>	<u>\$ 57,984,797</u>	<u>\$ 57,061,214</u>	<u>\$ 58,214,801</u>

Charter Township of Plymouth

Financial Trends Changes in Governmental Net Position (Unaudited)

	Fiscal Year Ended December 31							
	2007	2008	2009	2010	2011	2012	2013	2014
Expenses								
General government	\$ 2,897,089	\$ 3,109,494	\$ 3,271,591	\$ 2,488,528	\$ 2,330,524	\$ 2,560,466	\$ 2,354,981	\$ 2,449,174
Fire services	4,106,463	4,892,427	4,742,587	4,848,334	3,867,588	3,689,812	3,232,956	3,064,395
Dispatch services	1,060,695	1,250,727	1,215,837	1,101,460	1,101,180	1,070,985	922,855	1,170,226
Police services	4,322,320	5,648,558	4,550,648	4,322,490	3,958,634	4,699,495	4,640,547	4,671,813
Building inspections and related	493,407	472,205	441,429	384,457	394,286	397,577	420,566	433,182
Planning and zoning	333,075	375,523	153,106	183,481	208,964	106,656	192,496	214,568
Public works	223,464	273,368	302,614	172,363	459,226	173,534	124,294	257,453
Community services	163,010	109,324	141,392	33,420	29,621	102,913	35,104	169,462
Parks	412,821	461,683	410,883	458,276	404,407	455,480	385,328	544,905
Interest on long-term debt	344,458	317,623	315,101	318,701	317,894	709,341	220,173	214,240
Total governmental activities	14,356,802	16,910,932	15,545,188	14,311,510	13,072,324	13,966,259	12,529,300	13,189,418
Program revenue:								
Charges for services:								
General government	214,051	197,916	250,423	514,819	187,286	202,382	478,036	334,122
Fire services	1,054,601	1,180,589	1,032,730	1,027,083	1,164,927	138,127	71,687	108,918
Dispatch services	488,848	401,081	433,951	417,675	493,083	553,018	435,517	473,013
Police services	226,477	292,152	377,869	238,256	142,756	201,878	241,364	257,495
Building inspections and related services	438,934	394,110	416,970	455,486	402,561	601,824	639,687	795,033
Other activities	199,580	47,807	47,623	308,431	172,387	51,550	108,907	72,349
Total charges for services	2,622,491	2,513,655	2,559,566	2,961,750	2,563,000	1,748,779	1,975,198	2,040,930
Operating grants and contributions	312,080	190,303	364,110	440,986	428,078	1,896,115	127,974	636,491
Capital grants and contributions	-	-	-	-	-	-	-	-
Total program revenue	2,934,571	2,703,958	2,923,676	3,402,736	2,991,078	3,644,894	2,103,172	2,677,421
Net expense	(11,422,231)	(14,206,974)	(12,621,512)	(10,908,774)	(10,081,246)	(10,321,365)	(10,426,128)	(10,511,997)
General Revenue								
Property taxes	7,946,654	8,113,054	8,052,290	7,631,094	6,884,658	6,847,947	6,684,251	6,770,260
State-shared revenue	2,017,997	2,070,429	1,785,365	1,749,463	1,951,837	2,017,173	2,056,963	2,144,620
Golf course	-	-	-	-	-	-	-	-
Investment earnings	567,348	318,608	70,031	68,302	50,811	31,742	34,817	38,400
Franchise fees	368,834	373,532	451,074	486,251	524,616	592,603	592,527	635,253
Gain (loss) on sale of assets	4,671	(20,566)	(3,193)	5,341	5,260	-	6,191	1,508,230
Other miscellaneous income	-	-	-	-	-	-	-	158,090
Investment in joint venture - District court	24,000	-	-	-	-	-	-	-
Total general revenue	10,929,504	10,855,057	10,355,567	9,940,451	9,417,182	9,489,465	9,374,749	11,254,853
Transfers	-	-	-	-	(948,753)	-	-	-
Change in net position	\$ (492,727)	\$ (3,351,917)	\$ (2,265,945)	\$ (968,323)	\$ (1,612,817)	\$ (831,900)	\$ (1,051,379)	\$ 742,856

Charter Township of Plymouth

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

	Fiscal Year Ended December 31							
	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenue								
Sale of water	\$ 4,061,196	\$ 3,809,188	\$ 3,379,074	\$ 3,773,169	\$ 4,724,703	\$ 4,998,104	\$ 4,249,817	\$ 4,040,827
Sewage disposal charges	5,161,768	4,876,822	5,016,391	6,296,491	6,749,204	7,301,188	6,668,099	6,450,894
Meter charges	1,301,909	1,298,078	1,300,332	1,302,685	1,307,436	1,307,914	1,312,810	1,303,353
Solid waste charges	1,323,239	1,348,643	1,353,840	1,360,603	1,364,872	1,140,738	1,373,822	1,374,298
Installation fees	9,823	15,292	6,628	15,378	6,006	9,064	14,444	15,324
Golf course fees and sales	-	-	-	-	398,984	570,241	623,862	665,634
Other charges for services	274,382	245,607	320,510	360,609	483,281	499,204	1,609,033	1,750,588
Total operating revenue	12,132,317	11,593,630	11,376,775	13,108,935	15,034,486	15,826,453	15,851,887	15,600,918
Operating Expenses								
Cost of water produced/purchased	2,663,073	3,407,406	2,839,245	3,082,089	3,494,226	3,778,017	3,467,927	3,589,379
Cost of sewage treatment	3,386,084	4,444,202	6,234,801	5,284,129	5,719,358	3,297,624	2,862,230	3,117,523
Solid waste disposal	1,119,463	1,169,261	1,241,751	1,189,001	1,167,045	1,150,373	1,176,808	1,224,366
Operation costs	2,603,456	2,749,078	2,458,978	2,138,166	2,697,492	4,535,486	6,824,179	6,519,923
Depreciation	1,182,862	1,221,139	1,247,090	1,297,510	1,436,228	1,378,046	1,452,874	1,462,499
Total operating expenses	10,954,938	12,991,086	14,021,865	12,990,895	14,514,349	14,139,546	15,784,018	15,913,690
Operating Income (Loss)	1,177,379	(1,397,456)	(2,645,090)	118,040	520,137	1,686,907	67,869	(312,772)
Nonoperating Revenue (Expenses)								
Investment income	515,948	316,030	68,211	64,677	43,185	29,703	22,933	86,488
Interest expense	(1,683,138)	(1,597,559)	(12,941)	(105,683)	(117,488)	(178,911)	(124,896)	(117,056)
Gain on sale of assets	-	-	18,575	-	5,280	-	-	-
Income (Loss) - Before contributions	10,189	(2,678,985)	(2,571,245)	77,034	451,114	1,537,699	(34,094)	(343,340)
Capital Contributions								
Benefit fees	348,352	254,885	24,105	117,407	63,715	213,965	161,890	754,071
Lines constructed by developers	93,309	-	-	-	948,753	-	-	-
Total capital contributions	441,661	254,885	24,105	117,407	1,012,468	213,965	161,890	754,071
Change in net position	\$ 451,850	\$ (2,424,100)	\$ (2,547,140)	\$ 194,441	\$ 1,463,582	\$ 1,751,664	\$ 127,796	\$ 410,731

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

	2005	2006	2007	2008	2009
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-
Reserved	759,178	997,706	761,996	538,752	291,446
Unreserved	<u>2,377,019</u>	<u>996,713</u>	<u>1,605,861</u>	<u>1,887,757</u>	<u>2,060,432</u>
 Total General Fund	 3,136,197	 1,994,419	 2,367,857	 2,426,509	 2,351,878
 All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted - Drug forfeitures	-	-	-	-	-
Restricted - Capital improvements	-	-	-	-	-
Assigned - Capital improvements	-	-	-	-	-
Reserved	1,489,607	975,297	1,700,232	52,852	76,590
Unreserved, reported in special revenue funds	<u>1,545,558</u>	<u>1,037,627</u>	<u>128,197</u>	<u>754,851</u>	<u>431,792</u>
 Total all other governmental funds	 <u>3,035,165</u>	 <u>2,012,924</u>	 <u>1,828,429</u>	 <u>807,703</u>	 <u>508,382</u>
 Total fund balance, all governmental funds	 <u>\$ 6,171,362</u>	 <u>\$ 4,007,343</u>	 <u>\$ 4,196,286</u>	 <u>\$ 3,234,212</u>	 <u>\$ 2,860,260</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)

2010	2011*	2012*	2013*	2014*
\$ -	\$ 115,746	\$ 590,940	\$ 910,037	\$ 801,726
-	3,350,696	2,705,260	2,750,840	3,008,574
95,708	-	-	-	-
<u>3,007,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,102,764	3,466,442	3,296,200	3,660,877	3,810,300
-	116	122	67	1,302
-	146,554	1,201,775	621,421	173,830
-	188,027	229,762	1,135,286	950,032
-	-	-	104,863	1,232,209
22,214	-	-	-	-
<u>335,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
358,073	334,697	1,431,659	1,861,637	2,357,373
<u>\$ 3,460,837</u>	<u>\$ 3,801,139</u>	<u>\$ 4,727,859</u>	<u>\$ 5,522,514</u>	<u>\$ 6,167,673</u>

Charter Township of Plymouth

	Year Ended December 31			
	2005	2006	2007	2008
Revenue				
Property taxes	\$ 6,027,556	\$ 7,644,192	\$ 7,946,654	\$ 8,113,054
Licenses and permits	1,123,472	953,336	502,153	471,250
Federal grants	403,257	51,763	143,962	90,949
State-shared revenue and grants	2,029,620	2,008,623	2,017,997	2,070,429
City of Plymouth contribution	1,155,681	1,139,588	1,268,226	1,301,050
Intergovernmental charges for services	502,196	534,369	108,127	167,700
Fines and forfeitures	143,516	124,379	609,730	378,570
Interest and rentals	760,860	659,548	518,495	497,794
Other	2,927,894	1,172,264	1,200,980	999,476
Total revenue	15,074,052	14,288,062	14,316,324	14,090,272
Expenditures				
Current:				
General government	2,995,556	2,992,189	3,106,860	3,561,006
Public safety	8,341,650	8,615,415	8,989,323	8,892,444
Planning and building	899,607	895,970	780,490	680,880
Public works	-	-	-	-
Community social services	162,366	65,669	84,635	83,199
Parks	353,065	271,395	286,625	306,713
Capital outlay	6,084,903	6,043,256	244,125	961,910
Debt service principal	174,105	257,175	290,893	248,571
Debt service interest	315,704	306,012	344,458	317,623
Total expenditures	19,326,956	19,447,081	14,127,409	15,052,346
Excess of Revenue (Under) Over Expenditures	(4,252,904)	(5,159,019)	188,915	(962,074)
Other Financing Sources (Uses)				
Issuance of debt	-	995,000	-	-
Sale of fixed assets	-	2,000,000	28	-
Transfers in	1,159,946	2,342,680	473,745	473,651
Transfers out	(1,159,946)	(2,342,680)	(473,745)	(473,651)
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources	-	2,995,000	28	-
Net Change in Fund Balances	(4,252,904)	(2,164,019)	188,943	(962,074)
Fund Balances - Beginning of year	10,424,266	6,171,362	4,007,343	4,196,286
Fund Balances - End of year	\$ 6,171,362	\$ 4,007,343	\$ 4,196,286	\$ 3,234,212
Debt service as a percentage of noncapital expenditures	2.4%	2.5%	2.9%	4.5%

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

Year Ended December 31					
2009	2010	2011	2012	2013	2014
\$ 7,989,775	\$ 7,568,643	\$ 6,822,298	\$ 6,785,512	\$ 6,621,720	\$ 6,709,837
448,178	473,989	459,854	642,541	730,384	863,192
20,652	393,087	96,833	1,865,571	88,321	601,203
1,785,365	1,749,463	1,951,837	2,017,173	2,056,963	2,114,853
1,260,721	1,225,909	1,275,653	673,296	636,089	717,128
510,007	451,973	467,783	311,799	152,504	318,672
75,715	149,998	91,778	96,576	189,509	196,410
558,501	583,434	681,967	31,742	34,817	38,400
850,995	1,100,468	1,180,629	1,320,780	1,602,262	1,401,037
13,499,909	13,696,964	13,028,632	13,744,990	12,112,569	12,960,732
3,405,503	2,812,725	2,653,991	2,855,866	2,859,697	2,999,749
8,644,016	8,717,146	8,050,395	7,925,466	7,571,673	8,261,739
581,198	530,214	516,493	522,177	551,758	455,129
-	-	-	-	-	-
141,392	33,420	29,621	102,913	35,104	317,149
291,675	319,751	279,790	337,071	265,347	430,804
557,429	58,091	1,097,184	422,546	416,732	510,893
277,361	317,772	353,721	448,048	553,639	
326,287	312,743	317,440	303,479	255,814	837,460
14,224,861	13,101,862	13,298,635	12,917,566	12,509,764	13,812,923
(724,952)	595,102	(270,003)	827,424	(397,195)	(852,191)
350,000	-	606,150	4,881,658	1,155,000	-
1,000	5,475	4,155	2,389	36,850	1,497,350
473,951	583,991	823,991	723,951	723,951	523,951
(473,951)	(583,991)	(823,991)	(723,951)	(723,951)	(523,951)
-	-	-	(4,784,751)	-	-
351,000	5,475	610,305	99,296	1,191,850	1,497,350
(373,952)	600,577	340,302	926,720	794,655	645,159
3,234,212	2,860,260	3,460,837	3,801,139	4,727,859	5,522,514
\$ 2,860,260	\$ 3,460,837	\$ 3,801,139	\$ 4,727,859	\$ 5,522,514	\$ 6,167,673
3.8%	4.8%	5.0%	5.8%	6.5%	6.1%

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					
Fiscal Year		Real Property				Personal	Total Value
Tax Year	Ended December 31	Residential	Commercial	Industrial	Tax Abated	Property	
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
2013	2014	1,112,367,546	151,181,420	221,347,831	87,542,270	211,970,290	1,784,409,357

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	\$ 4,499,231,672	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
4.0000	3,800,063,340	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
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
2014	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
2014	4.0100	0.0000

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

Intermediate School District	Overlapping Tax Rates			Total Tax Rate	
	School Debt	School - Homestead	School - Non- homestead	Homestead	Non- homestead
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
3.4643	4.1000	6.0000	18.0000	29.4074	47.4074

Charter Township of Plymouth

Revenue Capacity Principal Taxpayers (Unaudited)

	2014 Taxable Value	2014 Rank	Percentage of Total	2005 Taxable Value	2005 Rank	Percentage of Total
Johnson Controls	\$ 29,815,300	1	1.71%	\$ 34,916,535	3	2.28%
Robert Bosch Corporation	17,036,660	2	0.98%	-	-	-
Detroit Edison	16,365,960	3	0.94%	13,938,550	5	0.86%
DeMattia Group	11,801,930	4	0.68%	31,469,730	4	1.34%
Alidade Capital LLC	11,290,550	5	0.65%	-	-	-
Absopure Water	11,201,430	6	0.64%	-	-	-
Consumers Power	9,237,630	7	0.53%	-	-	-
Catholic Archdiocese of Detroit	8,848,600	8	0.51%	-	-	-
Tower Automotive	8,765,755	9	0.50%	47,876,420	1	1.48%
Comcast	8,316,220	10	0.48%	-	-	-
Dembs Roth	-	-	-	11,935,706	6	0.97%
Federal Mogul	-	-	-	7,141,590	10	1.08%
AFL-CIO	-	-	-	9,396,980	7	0.68%
Compuware Sport	-	-	-	9,281,820	8	0.67%
Unisys	-	-	-	8,243,480	9	0.63%
Visteon	-	-	-	39,160,890	2	2.97%
Total	\$ 132,680,035		7.62%	\$ 213,361,701		12.96%

Charter Township of Plymouth

Revenue Capacity Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Current Collections (1)	Percent Collected		Amount	Percent of Levy
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	150,916	6,768,664	99.64
2014	6,962,328	6,808,007	97.78	-	6,962,328	97.78

(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

	2005	2006	2007	2008
Governmental Activities				
General obligation bonds	\$ 6,190,000	\$ 7,015,000	\$ 6,820,000	\$ 6,670,000
Installment purchase agreements	<u>969,028</u>	<u>881,853</u>	<u>807,401</u>	<u>708,829</u>
Total	7,159,028	7,896,853	7,627,401	7,378,829
Business-type Activities				
General obligation bonds	33,917,924	32,445,511	30,973,098	29,193,188
Installment purchase agreements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>33,917,924</u>	<u>32,445,511</u>	<u>30,973,098</u>	<u>29,193,188</u>
Total debt of the government	<u>\$ 41,076,952</u>	<u>\$ 40,342,364</u>	<u>\$ 38,600,499</u>	<u>\$ 36,572,017</u>
Taxable value	\$ 1,997,427,281	\$ 2,049,801,903	\$ 2,162,628,360	\$ 2,140,702,506
Ratio of total debt to taxable value	2.06%	1.97%	1.78%	1.71%
Total population	28,170	27,107	26,980	26,979
Total debt per capita	\$ 1,458	\$ 1,488	\$ 1,431	\$ 1,356

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)**

	2009	2010	2011	2012	2013	2014
\$	6,845,000	\$ 6,622,351	\$ 6,385,897	\$ 6,259,000	\$ 7,026,995	\$ 6,602,737
	606,468	500,163	989,046	827,998	661,365	488,915
	7,451,468	7,122,514	7,374,943	7,086,998	7,688,360	7,091,652
	2,150,000	2,041,584	2,001,939	2,021,000	2,723,000	2,617,262
	-	-	712,573	609,295	503,373	394,011
	2,150,000	2,041,584	2,714,512	2,630,295	3,226,373	3,011,273
\$	9,601,468	9,164,098	10,089,455	9,717,293	10,914,733	10,102,925
\$	2,076,056,296	\$ 1,878,439,675	\$ 1,784,805,974	\$ 1,740,913,722	\$ 1,740,927,722	\$ 1,784,409,357
	0.46%	0.49%	0.57%	0.56%	0.63%	0.57%
	26,800	27,532	27,479	27,234	27,195	27,301
\$	358	\$ 333	\$ 367	\$ 357	\$ 401	\$ 370

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
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
2014	6,602,737	488,915	7,091,652	1,784,409,357	0.40	27,301	259.76

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	\$ 216,049,000	32.18	\$ 69,524,568
Wayne County	321,261,926	4.35	13,974,894
Western Township Utilities Authority	17,226,090	100.00	17,226,090
Plymouth District Library	950,000	78.51	745,845
35th District Court	333,750	100.00	333,750
Schoolcraft Community College	17,030,000	13.34	<u>2,271,802</u>
Total overlapping debt			<u>104,076,949</u>
Direct Charter Township of Plymouth debt			<u>10,102,925</u>
Total direct and overlapping debt			<u>\$ 114,179,874</u>

Charter Township of Plymouth

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Calculation of Debt Limit				
State equalized valuation	\$ 2,319,366,236	\$ 2,418,625,355	\$ 2,503,877,130	\$ 2,402,608,260
10 percent of taxable value	231,936,624	241,862,536	250,387,713	240,260,826
Calculation of Debt Subject to Limit				
Total debt	41,076,952	40,342,364	38,600,499	36,572,017
Less debt not subject to limit:				
Installment purchase	969,028	881,853	807,401	708,829
Water and sewer, Golf contractual obligations	<u>33,917,924</u>	<u>32,445,511</u>	<u>30,973,098</u>	<u>29,193,188</u>
Net debt subject to limit	<u>6,190,000</u>	<u>7,015,000</u>	<u>6,820,000</u>	<u>6,670,000</u>
Legal Debt Margin	<u>\$ 225,746,624</u>	<u>\$ 234,847,536</u>	<u>\$ 243,567,713</u>	<u>\$ 233,590,826</u>
Net Debt Subject to Limit as Percent of Debt Limit	2.74%	2.99%	2.80%	2.86%

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)**

2009	2010	2011	2012	2013	2014
\$ 2,218,351,237	\$ 1,971,005,145	\$ 1,839,571,694	\$ 1,784,805,974	\$ 1,798,339,471	\$ 1,900,031,670
221,835,124	197,100,515	183,957,169	178,480,597	179,833,947	190,003,167
9,601,468	9,164,098	10,089,455	9,717,293	10,914,733	10,102,925
600,775	500,163	1,701,619	1,437,293	1,164,738	882,926
<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>2,617,262</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>6,602,737</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>	<u>\$ 183,400,430</u>
3.19%	3.48%	3.60%	3.63%	4.07%	3.60%

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
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
2014	27,301	(I)	(I)	2.80

(I) Not available

Charter Township of Plymouth

Demographic and Economic Information Principal Employers (Unaudited)

Employer	2014 Employees	Percentage of Total	2005 Employees	Percentage of Total
1 Johnson Controls	2,000	39.60	(I)	(I)
2 Robert Bosch	900	13.86	(I)	(I)
3 Plymouth Canton Community Schools	700	10.89	(I)	(I)
4 AVL North America Inc	550	6.93	(I)	(I)
5 Tower Automotive	350	5.94	(I)	(I)
6 Master Automatic	300	5.45	(I)	(I)
7 Durr Industries	275	4.95	(I)	(I)
8 Frudenberg NOK	250	4.46	(I)	(I)
9 Plastipak	225	3.96	(I)	(I)
10 Absopure	200	3.96	(I)	(I)
Total	<u>5,750</u>	<u>100.00</u>		

(I) Not available

Charter Township of Plymouth

Function/Program	2005	2006	2007	2008	2009
General government:					
Supervisor's office	3.0	3.0	3.0	3.0	2.0
Human resources	1.0	1.0	1.0	1.0	1.0
Information services	3.0	3.0	2.0	2.5	1.5
Assessing	1.0	1.0	1.0	1.0	1.0
Clerk's office	5.5	5.5	6.5	6.5	5.0
Treasurer's office	3.5	3.5	3.5	3.5	3.5
Total general government	17.0	17.0	17.0	17.5	14.0
Public safety:					
Police	45.5	45.0	45.0	45.0	45.0
Fire and EMS	30.0	28.0	26.0	28.0	27.0
Building department	6.0	6.0	4.0	3.5	4.0
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	9.5
Public services	2.0	2.0	2.0	2.0	2.0
Community and economic development	1.0	1.0	1.0	1.0	-
Parks and recreation	2.7	2.7	3.0	3.5	3.5
Total	115.7	113.2	109.5	112.0	106.0

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

2010	2011	2012	2013	2014
2.0	2.0	2.5	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	14.5	14.5	14.5
44.0	43.0	44.0	43.0	44.0
24.0	24.0	19.0	19.0	21.0
4.0	4.0	4.5	4.5	4.5
1.0	1.0	1.0	1.0	1.0
9.5	9.0	10.5	11.5	11.5
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
<u>102.0</u>	<u>100.5</u>	<u>99.0</u>	<u>99.0</u>	<u>102.0</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	2005	2006	2007	2008
Election data - Registered voters	(1)	20,399	20,332	20,609
District court:				
Number of court cases	4,944	4,993	5,802	5,913
Police incidents	10,393	10,652	10,222	11,088
Fire:				
Fire runs	771	762	944	912
Emergency medical runs	2,301	2,248	2,440	2,424
Water:				
Number of customers billed	9,602	9,648	9,679	9,720
Water consumed in gallons	1,610,929,000	1,512,705,000	1,549,699,000	1,443,051,287
Water and sewer rate (per 1,000 gallons)	\$ 4.86	\$ 5.42	\$ 6.34	\$ 6.34
Building, other permits, and licenses issued	2,390	1,932	1,845	1,716

(1) Not available

Operating Information
Operating Indicators
(Unaudited)

2010	2011	2012	2013	2014
21,564	22,079	21,793	22,384	20,946
4,836	5,032	5,784	5,254	5,203
10,570	10,532	11,018	10,516	10,650
956	988	762	768	700
2,316	2,625	1,805	1,781	1,837
9,762	9,770	9,780	9,797	9,527
1,380,784,000	1,345,804,000	1,474,687,061	1,192,139,000	1,146,365,000
\$ 8.35	\$ 9.05	\$ 8.60	\$ 9.05	\$ 9.30
905	1,300	1,598	1,884	3,062

Charter Township of Plymouth

Function/Program	2005	2006	2007	2008	2009
Police:					
Stations	1	1	1	1	1
Patrol units	20	18	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	140.0	140.0	140.5	140.5
Unpaved	4.0	3.0	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)	175	176	176	176	176
Sewer - Miles of sanitary sewers	140	141	141	141	141

(1) Not available

Operating Information
Capital Asset Statistics
(Unaudited)

2010	2011	2012	2013	2014
1	1	1	1	1
18	18	18	18	18
3	3	2	2	2
5	5	4	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	435.5	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