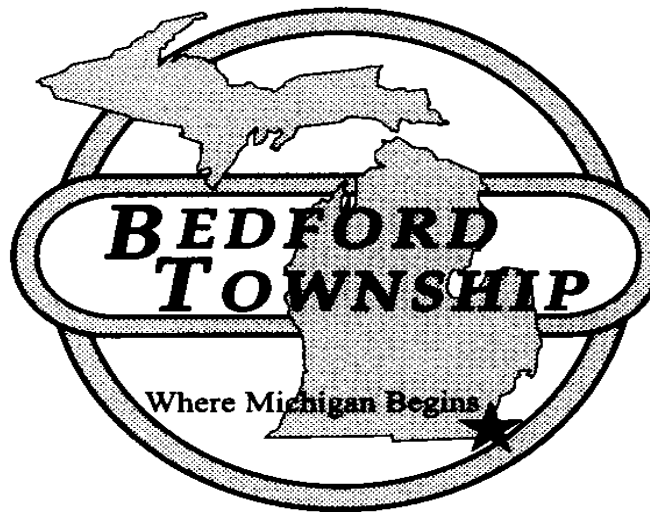


BEDFORD TOWNSHIP

Monroe County, Michigan

FINANCIAL STATEMENTS

For The Year Ended June 30, 2014



BEDFORD TOWNSHIP

Monroe County, Michigan

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

Bedford Township
Annual Financial Report
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BEDFORD TOWNSHIP

ELECTED OFFICIALS

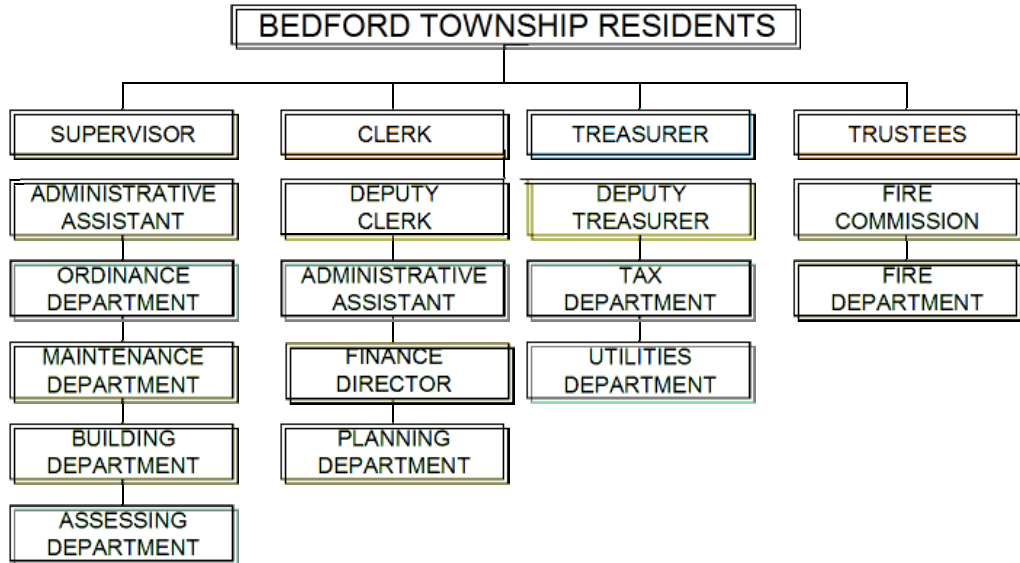
Greg Stewart
Trudy Hershberger
Paul R. Francis

Supervisor
Clerk
Treasurer

Paul Pirrone
Lawrence R. O'Dell
Rick Steiner
Nancy Tienvieri

Trustee
Trustee
Trustee
Trustee

BEDFORD TOWNSHIP
ORGANIZATION CHART





INDEPENDENT AUDITORS' REPORT

Township Board
Bedford Township
Temperance, MI 48182

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 Bedford Township, Monroe County, Michigan, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively compromise the Township'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. 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 depends 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 Township'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 Township'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 basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented, component units, each major fund, and the aggregate remaining fund information of the Bedford Township, Monroe County, Michigan, as June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires that the management's discussion and analysis and the budgetary comparison information on pages 5 through 9 and 37 through 39 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 who 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 supplementary 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bedford's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were 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 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 accompanying supplementary information, as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole

McGuire & McDole

McGuire & McDole
Certified Public Accountants

November 10, 2014

As management of Bedford Township, we offer readers of Bedford Township's financial statements this narrative overview and analysis of the financial activities of Bedford Township for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here.

Financial Highlights

The assets of Bedford Township exceeded its liabilities at the close of the most recent fiscal year by \$43,600,605 (*net assets*). Of this amount, \$4,110,753 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets decreased by \$161,952 for the year ended June 30, 2014.

As of the close of the current fiscal year, Bedford Township's governmental funds reported combined ending fund balances of \$8,695,640, an increase of \$486,078 in comparison with the prior year. Approximately 38 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. Approximately 61 percent is restricted within each particular fund, which is available for spending at the government's discretion in each fund. Approximately .3 percent is assigned for the Park Fund, which can also be spent at the Township's discretion within the fund.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,325,575, or 91 percent of total General Fund expenditures.

Bedford Township's total debt decreased by \$328,445 (3.2 percent) during the current fiscal year. New debt incurred by the Township for the year ended June 30, 2014, totaled \$413,821.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bedford Township's basic financial statements. Bedford Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Bedford Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Bedford Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Bedford Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Bedford Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Bedford Township include general government, public safety, highways and streets, economic development, and community enrichment and recreation. The business type activities of Bedford Township include sewer activities.

The government-wide financial statements include not only Bedford Township itself (known as the primary government), but also a legally separate Downtown Development Authority and an Economic Development Authority for which Bedford Township is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bedford Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bedford Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bedford Township maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire, Water and Greenhills and Enchanted Forest Debt Funds, which are considered to be major funds. Data from the ten other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Bedford Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-13 of this report.

Proprietary funds. Bedford Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Bedford Township accounts for the Sewer Fund operations in an enterprise fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer operations, which is considered to be a major fund of Bedford Township.

The basic proprietary fund financial statements can be found on pages 14-16 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Bedford Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 17-18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is found on pages 37-39 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds can be found on pages 40-47 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bedford Township, assets exceeded liabilities by \$43,600,605 at the close of the most recent fiscal year.

By far the largest portion of Bedford Township's net assets (57.4 percent) reflects its investment in capital assets (e.g., land, building, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Bedford Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bedford Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

June 30, 2014

Bedford Township's Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 11,264,633	\$ 11,738,940	\$ 10,693,233	\$ 10,485,496	\$ 21,957,866	\$ 22,224,436
Capital assets	12,147,866	12,419,342	20,287,093	20,858,231	32,434,959	33,277,573
Total assets	<u>23,412,499</u>	<u>24,158,282</u>	<u>30,980,326</u>	<u>31,343,727</u>	<u>54,392,825</u>	<u>55,502,009</u>
Long-term liabilities						
outstanding	3,892,135	3,993,125	5,305,000	5,635,000	9,197,135	9,628,125
Other liabilities	1,097,349	1,652,104	497,736	457,986	1,595,085	2,110,090
Total liabilities	<u>4,989,484</u>	<u>5,645,229</u>	<u>5,802,736</u>	<u>6,092,986</u>	<u>10,792,220</u>	<u>11,738,215</u>
Net assets:						
Invested in capital assets,						
net of related debt	10,362,511	10,904,342	14,652,093	14,903,231	25,014,604	25,807,573
Restricted	4,529,999	4,269,075	9,945,249	9,945,249	14,475,248	14,214,324
Unrestricted	3,530,505	3,339,636	580,248	402,261	4,110,753	3,741,897
Total net position	<u>\$ 18,423,015</u>	<u>\$ 18,513,053</u>	<u>\$ 25,177,590</u>	<u>\$ 25,250,741</u>	<u>\$ 43,600,605</u>	<u>\$ 43,763,794</u>

An additional portion of Bedford Township's net position (33 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (4,110,753) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Bedford Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was neither an increase or decrease in restricted net position reported in connection with the Bedford Township's business-type activities.

The government's net position decreased by \$163,189 during the current fiscal year.

Governmental activities. Governmental activities decreased Bedford Township's net position by \$88,801.

Key elements of this increase are as follows:

Bedford Township's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 285,506	\$ 291,953	\$ 3,213,518	\$ 3,255,286	\$ 3,499,024	\$ 3,547,239
Operating grants and contributions	118,619	118,541			118,619	118,541
Capital grants and contributions	-	1,308,209	-	-	-	1,308,209
General revenues:						
Property taxes	2,638,132	2,499,345	-	-	2,638,132	2,499,345
State shared revenues	2,332,041	2,280,584	-	-	2,332,041	2,280,584
Franchise fees and permits	360,341	330,588	-	-	360,341	330,588
Interest and other	579,445	550,175	16,898	39,463	596,343	589,638
Total revenues	<u>6,314,084</u>	<u>7,379,395</u>	<u>3,230,416</u>	<u>3,294,749</u>	<u>9,544,500</u>	<u>10,674,144</u>
Expenses:						
General government	2,246,356	2,256,907	-	-	2,246,356	2,256,907
Public safety	2,427,226	2,429,784	-	-	2,427,226	2,429,784
Public works	952,675	1,988,809	-	-	952,675	1,988,809
Culture and recreation	613,800	636,789	-	-	613,800	636,789
Interest on long-term debt	162,828	134,872	-	-	162,828	134,872
Sewer	-	-	3,303,567	3,582,051	3,303,567	3,582,051
Total expenses	<u>6,402,885</u>	<u>7,447,161</u>	<u>3,303,567</u>	<u>3,582,051</u>	<u>9,706,452</u>	<u>11,029,212</u>
Increase in net position	(88,801)	(67,766)	(73,151)	(287,302)	(161,952)	(355,068)
Net position - beginning	18,511,816	18,579,582	25,250,741	25,538,043	43,762,557	44,117,625
Net position - ending	<u>\$ 18,423,015</u>	<u>\$ 18,511,816</u>	<u>\$ 25,177,590</u>	<u>\$ 25,250,741</u>	<u>\$ 43,600,605</u>	<u>\$ 43,762,557</u>

Property taxes increased by \$138,787 during the year.

State shared revenues increased 1.8 percent from the prior year.

Expenses decreased overall from the prior year by 14.0% primarily due to the decrease in Public Works expenses.

Business-type activities. Business-type activities decreased Bedford Township's net assets by \$73,151. Key elements of this decrease are as follows:

* Charges for services for business-type activities decreased by 1.3 percent. The Sewer system accounts for all of the decrease, which was primarily the result of an decrease in use charges. Interest and other revenue also decreased by 57.2 percent.

*Expenses decreased overall by \$278,484, and expenses exceed revenues for the current year.

Financial Analysis of the Government's Funds

As noted earlier Bedford Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Bedford Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Bedford Township's governmental funds reported combined ending fund balances of \$8,695,640, an increase of \$487,314 in comparison with the prior year. Approximately 40.5 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. Approximately 38.7 percent is restricted within each particular fund, which is available for spending at the government's discretion in each fund. Approximately 8.1 percent is assigned for next years budget and the Park Fund. The remainder of fund balance, 12.7 percent is restricted for prepaid expenditures, to pay debt service, and cemetery services for indigent residents.

The General Fund is the chief operating fund of Bedford Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,325,575, while total fund balance reached \$3,745,442. As a measure of the General Fund's liquidity, it may be useful to combine assigned and unassigned fund balance then compare both assigned/unassigned fund balance and total fund balance to total fund expenditures. Assigned/unassigned fund balance represents 99.1 percent of total General Fund expenditures, while total fund balance represents 102 percent of that same amount. As stated earlier, the Park Fund has been rolled into the General Fund for reporting purposes, therefore it is appropriate to combine assigned Park Fund balance with the unassigned General Fund balance since the expenditures of the Park Fund are included within the General Fund.

The fund balance of Bedford Township's General Fund increased by \$794,351 during the current fiscal year. Key factors are as follows:

*A increase in property taxes of \$18.556.

*All other revenues of the general fund increased by \$144,783.

*Expenditures decreased by \$223,479 attributable to an decrease of \$11,190 in general government; a decrease in public safety of \$17,745; increase in recreation and cultural of \$2,575, which includes the Park Fund; a decrease in public works of \$110,072; an increase in capital outlay of \$12,725; and a decrease in principal and interest payments of \$99,772.

The Fire Fund has a total fund balance of \$940,386. Of this amount, none is assigned for next year's budget and \$36,037 is nonspendable for prepaid expenditures. This is an overall increase in fund balance of \$105,064.

The Water Fund has a total fund balance of \$2,229,496. The net increase for the year was \$45,301.

Proprietary fund. Bedford Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer system at the end of the year amounted to \$580,248. The total decrease in net assets was \$73,151. Other factors concerning the finances of this fund has already been addressed in the discussion of Bedford Township's business-type activities.

Management's Discussion and Analysis

June 30, 2014

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately 3.5 percent and changes can briefly be summarized as follows:

- * \$103,006 in miscellaneous increases in general government activities
- * \$32,685 in increases allocated to public safety
- * \$9,300 in increases allocated to public works

Capital Asset and Debt Administration

Capital assets. Bedford Township's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$32,434,959 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and park facilities,.

Major capital asset events during the current fiscal year included the following:

- * Construction in progress sewer plant.

**Bedford Township's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 532,035	\$ 532,035	\$ 40,000	\$ 40,000	\$ 572,035	\$ 572,035
Buildings and system	7,085,790	7,417,718	15,111,755	15,838,869	22,197,545	23,256,587
Improvements other than buildings	704,446	783,613	-	-	704,446	783,613
Machinery and equipment	1,351,186	1,140,088	280,032	125,731	1,631,218	1,265,819
Infrastructure	2,467,009	2,545,888	-	-	2,467,009	2,545,888
Construction in progress	7,400	-	4,855,306	4,853,631	4,862,706	4,853,631
Total	\$ 12,147,866	\$ 12,419,342	\$ 20,287,093	\$ 20,858,231	\$ 32,434,959	\$ 33,277,573

Additional information on Bedford Township's capital assets can be found in note 7 on pages 30-31 of this report.

Long-term debt. At the end of the current fiscal year, Bedford Township had total bonded debt and bank loans outstanding of \$9,859,005. Of this amount, \$5,778,650 comprises county contracts, \$3,725,00 is limited tax general obligation debt and \$355,355 is from banking institutions.

**Bedford Township's Outstanding Debt
County Contracts and Limited Tax General Obligation**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
County Contractual Obligations	\$ 143,650	\$ 177,450	\$ 5,635,000	\$ 5,955,000	\$ 5,778,650	\$ 6,132,450
Bank Loan Obligations	355,355	-	-	-	355,355	-
Limited Tax General Obligation						
Bonds	3,725,000	4,055,000	-	-	3,725,000	4,055,000
Total	\$ 4,224,005	\$ 4,232,450	\$ 5,635,000	\$ 5,955,000	\$ 9,859,005	\$ 10,187,450

Bedford Township's total debt decreased by \$328,445 during the current fiscal year.

The Township acquired new debt from a local banking institution in the amount of \$413,821 to fund the purchase of a new fire truck.

Additional information on Bedford Township's long-term debt can be found in note 10 on page 32 of this report.

Economic Factors and Next Year's Budgets and Rates

The General Fund tax revenues and taxable values are anticipated to increase marginally for the 2014-15 year. State shared revenues are forecasted to increase approximately 3%. The budget for 2014-15 anticipates excess expenses over revenues of approximately \$258,000.

Requests for Information

This financial report is designed to provide a general overview of the Bedford Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 8100 Jackman Road, PO Box H, Temperance, MI 48182.

BEDFORD TOWNSHIP
 GOVERNMENT WIDE STATEMENT OF NET POSITION
 JUNE 30, 2014

	<i>Primary Government</i>			<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business - Type Activities</i>	<i>Total</i>	
Assets				
Cash and Cash Equivalents	\$ 9,060,496	\$ 2,276,500	\$ 11,336,996	\$ 1,143,948
Receivables (Net of Allowance for Uncollectibles):				
Accounts	108,853	1,337,618	1,446,471	-
Assessments	1,919,343	205,633	2,124,976	-
Loans	82,010	-	82,010	-
Grants	5,201	-	5,201	-
Prepaid Expenses	109,516	11,311	120,827	73
Due From State of Michigan	399,256	-	399,256	-
Internal Balances	(420,042)	420,042	-	-
Restricted Cash With Fiscal Agent	-	6,442,129	6,442,129	-
Capital Assets:				
Land	532,035	40,000	572,035	-
Construction in Progress	-	4,855,306	4,855,306	-
Buildings and System	10,843,564	36,355,693	47,199,257	-
Improvements Other than Buildings	1,020,585	-	1,020,585	376,556
Machinery and Equipment	5,475,214	872,748	6,347,962	-
Infrastructure	3,331,230	-	3,331,230	32,672
Construction in Progress	7,400	-	7,400	-
Less Accumulated Depreciation	(9,062,162)	(21,836,654)	(30,898,816)	(201,716)
Total Assets	<u>23,412,499</u>	<u>30,980,326</u>	<u>54,392,825</u>	<u>1,351,533</u>
Liabilities				
Accounts Payable	537,938	130,830	668,768	8,053
Inspection Fees Payable	-	-	-	-
Accrued Wages	20,160	1,335	21,495	-
Accrued Compensated Absences	62,734	6,813	69,547	-
Accrued Interest Payable	22,597	27,008	49,605	-
Due to County	-	1,750	1,750	-
Noncurrent Liabilities:				
Due Within One Year	453,920	330,000	783,920	-
Due in More Than One Year	3,770,085	5,305,000	9,075,085	-
Net OPEB Obligation	122,050	-	122,050	-
Total Liabilities	<u>4,989,484</u>	<u>5,802,736</u>	<u>10,792,220</u>	<u>8,053</u>
Net Position				
Net Investment in Capital Assets	10,362,511	14,652,093	25,014,604	207,512
Restricted for:				
System Replacement	-	8,331,071	8,331,071	-
Debt Service	511,411	1,614,178	2,125,589	-
Fire Operations	904,349	-	904,349	-
Water	2,229,496	-	2,229,496	-
Transit System	97,366	-	97,366	-
Rehabilitation	46,128	-	46,128	-
Metro Act	56,300	-	56,300	-
Law Enforcement	199,200	-	199,200	-
Library	485,749	-	485,749	-
Roads	-	-	-	-
Unrestricted	<u>3,530,505</u>	<u>580,248</u>	<u>4,110,753</u>	<u>1,135,968</u>
Total Net Position	<u>\$ 18,423,015</u>	<u>\$ 25,177,590</u>	<u>\$ 43,600,605</u>	<u>\$ 1,343,480</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 2,246,356	\$ 42,441	\$ -	\$ -	\$ (2,203,915)	\$ -	\$ (2,203,915)	\$ -
Public Safety	2,427,226	243,065	118,619	-	(2,065,542)	-	(2,065,542)	-
Public Works	952,675	-	-	-	(952,675)	-	(952,675)	-
Culture and Recreation	613,800	-	-	-	(613,800)	-	(613,800)	-
Interest on Long-Term Debt	162,828	-	-	-	(162,828)	-	(162,828)	-
Total Governmental Activities	6,402,885	285,506	118,619	-	(5,998,760)	-	(5,998,760)	-
Business-Type Activities:								
Sewer	3,303,567	3,213,518	-	-	-	(90,049)	(90,049)	-
Total Business-type Activities	3,303,567	3,213,518	-	-	-	(90,049)	(90,049)	-
Component Units	66,305	-	-	-	-	-	-	(66,305)
Total Primary Government	<u>\$ 9,772,757</u>	<u>\$ 3,499,024</u>	<u>\$ 118,619</u>	<u>\$ -</u>	<u>(5,998,760)</u>	<u>(90,049)</u>	<u>(6,088,809)</u>	<u>(66,305)</u>
General Revenues:								
Property Taxes					2,638,132	-	2,638,132	188,405
State Shared Revenues					2,332,041	-	2,332,041	-
Franchise Fees					360,341	-	360,341	-
Unrestricted Investment Earnings					104,185	16,898	121,083	1,246
Miscellaneous					475,260	-	475,260	18,916
Total General Revenues and Transfers					5,909,959	16,898	5,926,857	208,567
Change in Net Position					(88,801)	(73,151)	(161,952)	142,262
Net Position - Beginning					18,511,816	25,250,741	43,762,557	1,201,218
Net Position - Ending					<u>\$ 18,423,015</u>	<u>\$ 25,177,590</u>	<u>\$ 43,600,605</u>	<u>\$ 1,343,480</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General</u>	<u>Fire</u>	<u>Water</u>	<u>Greenhill Debt</u>	<u>Enchanted Forest</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and Cash Equivalents	\$ 3,930,512	\$ 927,421	\$ 2,243,191	\$ 255,374	\$ 119,386	\$ 1,584,612	\$ 9,060,496
Accounts Receivable	108,853	-	-	-	-	-	108,853
Prepaid Costs	70,918	36,037	-	-	-	2,561	109,516
Loans Receivable	-	-	-	-	-	82,010	82,010
Grants Receivable	-	-	-	-	-	5,201	5,201
Tap-Ins Receivable	-	-	-	-	-	-	-
Assessments Receivable	-	-	15,647	608,837	770,668	524,191	1,919,343
Due From Other Funds	-	-	-	-	-	-	-
Due From State of Michigan	399,256	-	-	-	-	-	399,256
Restricted Cash	-	-	-	-	-	-	-
Total Assets	<u>\$ 4,509,539</u>	<u>\$ 963,458</u>	<u>\$ 2,258,838</u>	<u>\$ 864,211</u>	<u>\$ 890,054</u>	<u>\$ 2,198,575</u>	<u>\$ 11,684,675</u>
Liabilities							
Accounts Payable	\$ 324,119	\$ 18,507	\$ 13,695	\$ -	\$ 499	\$ 181,118	\$ 537,938
Accrued Wages	16,936	3,224	-	-	-	-	20,160
Accrued Payroll Taxes	-	-	-	-	-	-	-
Compensated Absences Payable	3,000	1,341	-	-	-	-	4,341
Due to Other Funds	420,042	-	-	-	-	-	420,042
Total Liabilities	<u>764,097</u>	<u>23,072</u>	<u>13,695</u>	<u>-</u>	<u>499</u>	<u>181,118</u>	<u>982,481</u>
Deferred Inflow of Resources:							
Unavailable Revenue - Loans and Grants	-	-	15,647	608,837	770,668	87,211	87,211
Unavailable Revenue - Special Assessments	-	-	15,647	608,837	770,668	524,191	1,919,343
	<u>-</u>	<u>-</u>	<u>15,647</u>	<u>608,837</u>	<u>770,668</u>	<u>611,402</u>	<u>2,006,554</u>
Fund Balances:							
Nonspendable - Prepaid	70,918	36,037	-	-	-	2,992	109,947
Restricted							
Capital Improvements	-	-	-	-	-	-	-
Debt	-	-	-	213,624	118,187	179,600	511,411
Fire Operations	-	904,349	-	-	-	-	904,349
Water	-	-	2,229,496	-	-	-	2,229,496
Transit System	-	-	-	-	-	97,366	97,366
Cemetery Indegent	6,558	-	-	-	-	-	6,558
Rehabilitation	-	-	-	-	-	46,128	46,128
Metro Act	-	-	-	-	-	56,300	56,300
Law Enforcement	-	-	-	-	-	199,200	199,200
Library	-	-	-	-	-	485,749	485,749
Roads	-	-	-	-	-	-	-
Assigned:							
Parks	27,874	-	-	-	-	-	27,874
Subsequent Year's Budget	314,517	-	-	41,750	700	338,720	695,687
Unassigned	3,325,575	-	-	-	-	-	3,325,575
Total Fund Balances	<u>3,745,442</u>	<u>940,386</u>	<u>2,229,496</u>	<u>255,374</u>	<u>118,887</u>	<u>1,406,055</u>	<u>8,695,640</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 4,509,539</u>	<u>\$ 963,458</u>	<u>\$ 2,258,838</u>	<u>\$ 864,211</u>	<u>\$ 890,054</u>	<u>\$ 2,198,575</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 12,147,866

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 2,006,554

Long-term liabilities, including bonds payable and net OPEB obligations, are not due and payable in the current period and therefore are not reported in the funds. (4,427,045)

Net Assets of Governmental Activities **\$ 18,423,015**

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Fire</u>	<u>Water</u>	<u>Greenhill Debt</u>	<u>Enchanted Forest</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxes	\$ 1,068,964	\$ 952,998	\$ -	\$ -	\$ -	\$ 616,170	\$ 2,638,132
Licenses and Permits	579,596	-	-	-	-	23,810	603,406
Intergovernmental:							
State Grants	2,332,041	-	-	-	-	-	2,332,041
Charges for Services	42,441	-	-	-	-	-	42,441
Assessments	-	118,619	32,276	103,448	80,294	83,982	418,619
Fines and Forfeits	21,898	-	-	-	-	-	21,898
Interest	8,212	593	5,175	35,996	27,771	26,438	104,185
Other Revenues	412,728	26,774	11,800	-	-	12,555	463,857
Total Revenues	4,465,880	1,098,984	49,251	139,444	108,065	762,955	6,624,579
Expenditures:							
Current:							
General Government	1,769,179	-	-	-	-	307,844	2,077,023
Public Safety	880,117	895,705	-	-	-	454,820	2,230,642
Public Works	692,739	-	3,950	-	112,916	67,877	877,482
Recreational and Cultural	163,457	-	-	-	-	150,344	313,801
Other	-	-	-	-	-	-	-
Capital Outlay	18,725	445,583	-	-	-	4,690	468,998
Debt Service:							
Principal	85,000	58,466	-	130,000	62,400	86,400	422,266
Interest and Fiscal Charges	62,312	7,987	-	42,000	22,110	26,465	160,874
Total Expenditures	3,671,529	1,407,741	3,950	172,000	197,426	1,098,440	6,551,086
Excess of Revenue Over (Under) Expenditures	794,351	(308,757)	45,301	(32,556)	(89,361)	(335,485)	73,493
Other Financing Sources (Uses):							
Proceeds from Borrowing	-	413,821	-	-	-	-	413,821
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	413,821	-	-	-	-	413,821
Net Change in Fund Balances	794,351	105,064	45,301	(32,556)	(89,361)	(335,485)	487,314
Fund Balance - Beginning	2,951,091	835,322	2,184,195	287,930	208,248	1,741,540	
Fund Balance - Ending	<u>\$ 3,745,442</u>	<u>\$ 940,386</u>	<u>\$ 2,229,496</u>	<u>\$ 255,374</u>	<u>\$ 118,887</u>	<u>\$ 1,406,055</u>	

Amounts reported for governmental activities in the statement of activities are different because:

-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(271,476)
-Special assessment and similar revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(310,495)
-Increases in net OPEB obligation expense reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,425
-Issuance of debt is not reported as financing sources in the statement of activities.	(413,821)
-Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	422,266
-Increases in accumulated employee vacation pay and similar expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(5,014)
Change in Net Assets of Governmental Activities	<u>\$ (88,801)</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer</i>	<i>Sewer</i>
	<i>Fund</i>	<i>Fund</i>
	<i>Current Year</i>	<i>Prior Year</i>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,276,500	\$ 1,975,248
Accounts Receivable	1,337,618	1,305,068
Current Portion - Assessments Receivable	23,000	25,000
Due From Other Funds	420,042	529,642
Prepaid Expense	11,311	10,331
Total Current Assets	4,068,471	3,845,289
Noncurrent Assets		
Cash With Fiscal Agent	6,442,129	6,439,168
Long-Term Portion - Assessments Receivable	182,633	203,481
Capital Assets		
Land	40,000	40,000
Construction in Progress	4,855,306	4,853,631
Buildings and System	36,355,693	36,355,693
Machinery and Equipment	872,748	673,439
Less Accumulated Depreciation	(21,836,654)	(21,064,532)
Total Assets	30,980,326	31,346,169
Liabilities		
Current Liabilities:		
Accounts Payable	130,830	98,321
Accrued Wages	1,335	2,213
Compensated Absences	6,813	6,813
Accrued Interest Payable	27,008	28,939
Due to Other Funds	-	2,442
Due to County	1,750	1,700
Current Portion of Noncurrent Liabilities	330,000	320,000
Total Current Liabilities	497,736	460,428
Noncurrent Liabilities		
Bonds Payable	5,305,000	5,635,000
Total Liabilities	5,802,736	6,095,428
Net Position:		
Net Investment in Capital Assets	14,652,093	14,903,231
Restricted For Replacement	8,331,071	8,331,071
Restricted For Debt Retirement	1,614,178	1,614,178
Unrestricted	580,248	402,261
Total Net Position	\$ 25,177,590	\$ 25,250,741

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer Fund Current Year</i>	<i>Sewer Fund Prior Year</i>
Operating Revenue:		
Use Charges	\$ 3,133,362	\$ 3,166,045
Tap-In Fees	20,870	36,263
Penalties	59,286	52,978
Total Operating Revenue	<u>3,213,518</u>	<u>3,255,286</u>
Operating Expenses:		
Contracted Operations and Maintenance	2,047,396	2,354,227
Depreciation	772,122	748,504
Office Salaries	108,302	99,166
Office Supplies	11,413	9,850
Insurance	4,902	5,985.00
Professional Fees	46,033	10,382
Employees' Fringe Benefits	93,763	86,846
Administrative Expense	12,730	15,594
Maintenance	7,681	44,060
Other	17,392	16,483
Total Operating Expenses	<u>3,121,734</u>	<u>3,391,097</u>
Operating Income	<u>91,784</u>	<u>(135,811)</u>
Non-Operating Revenue:		
Interest Revenue	16,898	39,463
Non-Operating Expenses:		
Interest Expense	<u>(181,833)</u>	<u>(190,954)</u>
Net Income	(73,151)	(287,302)
Total Net Position - Beginning	<u>25,250,741</u>	<u>25,538,043</u>
Total Net Position - Ending	<u>\$ 25,177,590</u>	<u>\$ 25,250,741</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer Fund Current Year</i>	<i>Sewer Fund Prior Year</i>
	<u>Current Year</u>	<u>Prior Year</u>
<i>Cash Flows from Operating Activities:</i>		
Receipts from customers and users	\$ 3,180,968	\$ 3,182,048
Payments to suppliers	(2,010,741)	(2,507,764)
Payments to employees	(202,943)	(193,205)
	<u>967,284</u>	<u>481,079</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Assessment Collections	22,848	34,814
Purchase of Capital Assets	(200,984)	(411,973)
Principal Paid on Bonds	(320,000)	(465,000)
Interest Paid on Bonds	(181,833)	(190,954)
	<u>(679,969)</u>	<u>(1,033,113)</u>
<i>Cash Flows from Investing Activities:</i>		
Interest on Investments	16,898	39,463
	<u>16,898</u>	<u>39,463</u>
Net Increase In Cash and Cash Equivalents	304,213	(512,571)
Cash and Cash Equivalents - Beginning	8,414,416	8,926,987
Cash and Cash Equivalents - Ending	<u>\$ 8,718,629</u>	<u>\$ 8,414,416</u>
<i>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</i>		
Operating Income	\$ 91,784	\$ (135,811)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	772,122	748,504
Changes in Current Assets and Liabilities:		
Accounts Receivable	(32,550)	(92,488)
Due from Other Funds	109,600	29,400
Prepaid Expense	(980)	(7,277)
Accounts Payable	32,509	(47,704)
Accrued Interest	(1,931)	(2,757)
Accrued Wages	(878)	422
Compensated Absences	-	(7,402)
Accrued Payroll Taxes	-	(213)
Due to Other Funds	(2,442)	(4,157)
Due to Monroe County	50	562
	<u>875,500</u>	<u>616,890</u>
Total Adjustments and Changes	<u>875,500</u>	<u>616,890</u>
Net Cash Provided By Operating Activities	<u>\$ 967,284</u>	<u>\$ 481,079</u>
Cash Interest Paid	<u>\$ 183,764</u>	<u>\$ 193,711</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Pension Fund</u>
Assets	
Cash and Cash Equivalents	\$ -
Investments at Fair Value:	
Mutual Funds	<u>1,348,431</u>
Total Assets	1,348,431
Liabilities	
Due to Others	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ 1,348,431</u></u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Pension Fund</u>
Additions:	
Contributions:	
Employer	\$ 111,715
Plan Members	<u>9,333</u>
Total Contributions	121,048
Investment Earnings	<u>110,698</u>
Total Additions	<u>231,746</u>
Deductions:	
Administrative Expenses	9,825
Benefits	<u>48,075</u>
Total Deductions	<u>57,900</u>
Net Change	173,846
Net Position - Beginning	<u>1,174,585</u>
Net Position - Ending	<u><u>\$ 1,348,431</u></u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
STATEMENT OF NET POSITION - COMPONENT UNITS
JUNE 30, 2014

	<i>Economic Development Corporation</i>	<i>Downtown Development Authority</i>	<i>Total Component Units</i>
Assets			
Cash and Cash Equivalents	\$ 56,844	\$ 1,087,104	\$ 1,143,948
Investments	-	-	-
Receivables (Net of Allowance for Uncollectibles):			
Assessments	-	-	-
Accounts	-	-	-
Prepaid Expenses	-	73	73
Capital Assets:			
Improvements Other than Buildings	5,200	371,356	376,556
Infrastructure	-	32,672	32,672
Construction In Progress	-	-	-
Less Accumulated Depreciation	<u>(5,200)</u>	<u>(196,516)</u>	<u>(201,716)</u>
Total Assets	<u>56,844</u>	<u>1,294,689</u>	<u>1,351,533</u>
Liabilities			
Accounts Payable	3,794	4,259	8,053
Accrued Interest Payable	-	-	-
Noncurrent Liabilities:			
Due Within One Year	-	-	-
Due in More Than One Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,794</u>	<u>4,259</u>	<u>8,053</u>
Net Position			
Net Investment in Capital Assets	-	207,512	207,512
Restricted for Prepaid	49	8	57
Unrestricted	<u>53,001</u>	<u>1,082,910</u>	<u>1,135,911</u>
Total Net Position	<u>\$ 53,050</u>	<u>\$ 1,290,430</u>	<u>\$ 1,343,480</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP

**STATEMENT OF ACTIVITIES - COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Economic Development Authority</u>	<u>Downtown Development Authority</u>	<u>Total</u>
<i>Economic Development Authority</i>							
General Government	\$ 8,735	\$ -	\$ -	\$ -	\$ (8,735)	\$ -	\$ (8,735)
<i>Downtown Development Authority</i>							
General Government	17,167	-	-	-	-	(17,167)	(17,167)
Public Works	40,403	-	-	-	-	(40,403)	(40,403)
	<u>57,570</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Total Component Units	<u>\$ 66,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,735)</u>	<u>(57,570)</u>	<u>(66,305)</u>
General Revenues:							
Property Taxes					-	188,405	188,405
Miscellaneous					18,916	-	18,916
Unrestricted Investment Earnings					53	1,193	1,246
Transfers					-	-	-
Total General Revenues and Transfers					<u>18,969</u>	<u>189,598</u>	<u>208,567</u>
Change in Net Assets					10,234	132,028	142,262
Net Position - Beginning					<u>42,816</u>	<u>1,158,402</u>	<u>1,201,218</u>
Net Position - Ending					<u>\$ 53,050</u>	<u>\$ 1,290,430</u>	<u>\$ 1,343,480</u>

See Accompanying Notes to the Financial Statements

BEDFORD TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS

- NOTE 1 - *Summary of Significant Accounting Policies*
- NOTE 2 - *Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - *Stewardship, Compliance and Accountability*
- NOTE 4 - *Deposits and Investments*
- NOTE 5 - *Receivables*
- NOTE 6 - *Budgetary and other Fund Balance Differences*
- NOTE 7 - *Capital Assets*
- NOTE 8 - *Interfund Receivables, Payables, and Transfers*
- NOTE 9 - *Leases*
- NOTE 10 - *Long-term Debt*
- NOTE 11 - *Other Post-Employment Benefits*
- NOTE 12 - *Employee Retirement Plan*
- NOTE 13 - *Compensated Absences*
- NOTE 14 - *Deferred Compensation Plan*
- NOTE 15 - *Monroe County Joint Powers Water Contracts
(South County Water System)*
- NOTE 16 - *Pending Litigation*
- NOTE 17 - *Restricted Assets*
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- NOTE 19 - *Required Supplementary Information*
- NOTE 20 - *Conduit Debt*
- NOTE 21 - *Building Department*

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Bedford 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 Bedford Township:

A - Reporting Entity

Bedford Township is a municipal corporation governed by an elected seven member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Unit - The Township has no blended component units.

Discretely Presented Component Units -The Economic Development Corporation is used to issue bonds to promote commercial and industrial growth. All bonds are issued in accordance with the provisions of Act No. 270 and were to be repaid solely from net revenues received from the project under contract and the bonds shall never constitute a general obligation of the Economic Development Corporation of the Township of Bedford. The Township appoints the governing body of the Corporation, approves budgets, tax levies and debt issues. The Corporation is reported as a governmental fund.

The Downtown Development Authority is a tax increment district that provides infrastructure to promote development or redevelopment. The Authority may issue debt which is repaid from assessments or tax increment captures. The Township appoints the governing body of the Authority, approves budgets, tax levies and debt issues. The Authority is reported as a governmental fund.

B - Government-Wide and Fund Financial Statements

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

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

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

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered available only when cash is received by the government.

Bedford Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in Bedford Township as of the preceding December 31st. Although Bedford Township's 2013 ad valorem tax is levied and collectible on December 1, 2013, it is Bedford Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means Collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (within 60 days). The 2013 taxable valuation of Bedford Township totaled \$987.6 million, on which advalorem taxes levied consisted of .7918 mills for Bedford Township's operating purposes, 1.0 mills for fire protection, .2464 mills for bus transportation, and .400 mills for law enforcement. The taxes generated are recognized in the respective General, Special Revenue and Debt Service Fund financial statements as taxes receivable - current or as tax revenue.

The government reports the following major governmental funds:

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

The Fire Fund accounts for tax and assessment revenues specifically dedicated to fire protection.

The Water Fund accounts for tap and assessment revenues, water system construction, and related debt service.

The Greenhills Debt Fund accounts for assessment revenue and related debt service for a road project.

The Enchanted Forest Fund accounts for assessment revenue and related debt service for a road project.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection and treatment system.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund types:

The Pension Trust Fund accounts for the activities of the township employees retirement system which accumulates resources for pension benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue 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. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes tap fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be 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.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

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.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets--The bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of Bedford Township's water and sewer lines.

Capital Assets--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. 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. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Improvements Other than Buildings	5 to 20 years
Machinery and Equipment	3 to 15 years
Water and Sewer Lines	30 to 50 years
Infrastructure	20 to 50 years

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick leave 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.

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources -- In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then.

Subsequent Events - The Township has evaluated events and transactions for potential recognition or disclosure through November 10, 2014, which is the same date the financial statements were available to be issued.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity -- The following classifications describe the relative strength of the spending constraints placed on the purposes for which re- sources can be used:

Nonspendable Fund Balance - amounts that are not in a spendable form or legally or contractually required to maintain intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - intent to spend resources on specific purposes expressed by the governing body or official to which the governing body has delegated the authority to assign amounts.

Unassigned Fund Balance - amounts that are available for any purpose. Amounts remaining after all funds have been allocated based on the above classifications. Positive amounts are reported only in the general fund.

Comparative Data/Reclassifications --Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$4,427,045 are as follows:

Bonds payable	\$ (4,224,005)
Accrued interest payable	(22,597)
Net OPEB Obligation	(122,050)
Compensated absences	(58,393)
	<u> </u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ (4,427,045)</u>

B Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$271,476 are as follows:

Capital outlay	\$ 460,364
Depreciation	<u>(731,840)</u>
	<u>\$ (271,476)</u>

Another element of this reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$5,014 are as follows:

Compensated Absences	\$ (1,954)
Accrued interest	<u>(3,060)</u>
	<u>\$ (5,014)</u>

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds. All annual appropriations lapse at fiscal year end. On or before the 1st day of April the Supervisor shall prepare and submit to the Township Board a recommended budget within the tax limit and other revenue sources of the Township covering the next fiscal year. A public hearing on the budget shall be held before its final adoption. On or before the end of the fiscal year, the Township Board shall adopt a budget for the ensuing fiscal year. The budget document presents information by fund, function, activity, and line items. The legal level of budgetary control adopted by the governing body is the activity level. (i.e., The level at which expenditures may not legally exceed appropriations).

Amounts encumbered for purchase orders, contracts, etc ., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds -- During the year, Bedford Township incurred one expenditure in excess of the amounts appropriated.

<u>Budget Item</u>	<u>Actual Expenditure</u>	<u>Budget Appropriation</u>
Transit System Fund	\$ 304,880	\$ 280,000

NOTE 4--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office 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; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature 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 which are legal for direct investment by local units of government in Michigan.

NOTE 4--DEPOSITS AND INVESTMENTS (Continued)

The Local Governmental Unit Board has designated banks for the deposit of Local Unit 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 Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits were reported in the basic financial statements in the following categories:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	\$ 9,060,496	\$ 2,276,500	\$ -	\$ 11,336,996	\$ 11,503,482
Restricted Cash	-	6,442,129	-	6,442,129	6,442,129
Total	<u>\$ 9,060,496</u>	<u>\$ 8,718,629</u>	<u>\$ -</u>	<u>\$ 17,779,125</u>	<u>\$ 17,945,611</u>
					<u>Federal Depository Insurance Coverage</u>
					<u>\$ 500,000</u>
<u>Component Units</u>	<u>Economic Development Corporation</u>	<u>Downtown Development Authority</u>	<u>Total</u>	<u>Bank Balance</u>	
Cash and Cash Equivalents	<u>\$ 56,844</u>	<u>\$ 1,087,104</u>	<u>\$ 1,143,948</u>	<u>\$ 1,140,160</u>	
					<u>Federal Depository Insurance Coverage</u>
					<u>\$ 308,781</u>

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township evaluates each financial institution and assesses the risk level of each one, those with adequate risk levels are used for deposits. The Township has no policy for this risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not recover the value of its investments or collateral securities that are in the custody of an outside party. The Township has investments in mutual funds in the amount of \$1,348,431 which are uninsured, unregistered, and held by counterparties for the particular securities. The Township has no policy for this risk.

Interest Rate Risk

Interest rate risk is the risk that the value on investments will decrease as a result of a rise in interest rates. The Township has no policy for this risk. The Township has no policy with respect to investment maturities.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating originations. The Township follows the state guidelines and has no investments in this category. The Township has no policy for this risk.

NOTE 5--RECEIVABLES

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

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Greenhills Debt Fund</u>	<u>Enchanted Forest</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts	\$ 108,853	\$ 1,337,618	\$ -	\$ -	\$ -	\$ -	\$ 1,446,471
Special Assessments	-	205,633	15,647	608,837	770,668	524,191	2,124,976
Tap-Ins	-	-	-	-	-	-	-
Grants and Loans	-	-	-	-	-	87,211	87,211
Gross Receivables	108,853	1,543,251	15,647	608,837	770,668	611,402	3,658,658
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-
Net Receivables	<u>\$ 108,853</u>	<u>\$ 1,543,251</u>	<u>\$ 15,647</u>	<u>\$ 608,837</u>	<u>\$ 770,668</u>	<u>\$ 611,402</u>	<u>\$ 3,658,658</u>

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

	<u>Unavailable</u>
Loans and Grants	\$ 87,211
Special Assessments	1,919,343
Total	<u>\$ 2,006,554</u>

NOTE 6--BUDGETARY AND OTHER FUND BALANCE DIFFERENCES

The Township's Park Fund is maintained for accounting purposes but does not qualify to be reported as a separate special revenue fund. The Park Fund has been rolled into the General Fund which has caused a budgetary difference as stated below:

	<u>Fund Balance Ending</u>	<u>Net Change in Fund Balances</u>
General Fund Schedule of Revenue and Expenditures - Budget	\$ 3,657,633	\$ 792,721
Statement of Revenues, Expenditures and Changes in Fund Balances	<u>3,745,442</u>	<u>794,351</u>
Park Fund	<u>\$ 87,809</u>	<u>\$ 1,630</u>

During the year, the Cemetery Fund and Springbrook Fund were closed. The beginning fund balance to these two funds have been included with the beginning balance of the General Fund which is the cause of the discrepancy of last years ending fund balance of the General Fund compared to this years beginning balance. This has no impact on previously reported net assets for changes in net assets.

NOTE 7--CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<u>Primary Government</u>	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 532,035	\$ -	\$ -	\$ 532,035
Construction in Progress	-	7,400	-	7,400
Subtotal	<u>532,035</u>	<u>7,400.00</u>	<u>-</u>	<u>539,435</u>
Capital Assets Being Depreciated :				
Buildings	10,843,564	-	-	10,843,564
Improvements Other Than Buildings	1,020,585	-	-	1,020,585
Infrastructure	3,331,230	-	-	3,331,230
Machinery and Equipment	5,437,979	452,964	(415,729)	5,475,214
Subtotal	<u>20,633,358</u>	<u>452,964</u>	<u>(415,729)</u>	<u>20,670,593</u>
Less Accumulated Depreciation for :				
Buildings	3,425,846	331,928	-	3,757,774
Improvements Other Than Buildings	236,972	79,167	-	316,139
Infrastructure	785,342	78,879	-	864,221
Machinery and Equipment	4,297,891	241,866	(415,729)	4,124,028
Subtotal	<u>8,746,051</u>	<u>731,840</u>	<u>(415,729)</u>	<u>9,062,162</u>
Net Capital Assets Being Depreciated	<u>11,887,307</u>	<u>(278,876)</u>	<u>-</u>	<u>11,608,431</u>
Governmental Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 12,419,342</u>	<u>\$ (271,476)</u>	<u>\$ -</u>	<u>\$ 12,147,866</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	4,853,631	1,675	-	4,855,306
Subtotal	<u>4,893,631</u>	<u>1,675</u>	<u>-</u>	<u>4,895,306</u>
Capital Assets Being Depreciated :				
Buildings and System	36,355,693	-	-	36,355,693
Machinery and Equipment	673,439	199,309	-	872,748
Subtotal	<u>37,029,132</u>	<u>199,309</u>	<u>-</u>	<u>37,228,441</u>
Less Accumulated Depreciation for :				
Buildings and System	20,516,824	727,114	-	21,243,938
Machinery and Equipment	547,708	45,008	-	592,716
Subtotal	<u>21,064,532</u>	<u>772,122</u>	<u>-</u>	<u>21,836,654</u>
Net Capital Assets Being Depreciated	<u>15,964,600</u>	<u>(572,813)</u>	<u>-</u>	<u>15,391,787</u>
Business-Type Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 20,858,231</u>	<u>\$ (571,138)</u>	<u>\$ -</u>	<u>\$ 20,287,093</u>

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

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 160,064	Sewer	\$ 772,122
Public Safety	196,584		
Public Works	75,193		
Recreation and Culture	299,999		
Total Governmental Activities	<u>\$ 731,840</u>		

NOTE 7--CAPITAL ASSETS (Continued)

Construction Commitments

The Township has no construction contract commitments at June 30, 2014.

Discretely Presented Component Units

Capital asset activity of the Economic Development Corporation for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated :				
Improvements Other Than Buildings	\$ 5,200	\$ -	\$ -	\$ 5,200
Less Accumulated Depreciation for :				
Improvements Other Than Buildings	<u>5,200</u>	<u>-</u>	<u>-</u>	<u>5,200</u>
Economic Development Corporation Capital Assets - Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital asset activity of the Downtown Development Authority for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated :				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Capital Assets Being Depreciated :				
Infrastructure	32,672	-	-	32,672
Improvements Other than Buildings	371,356	-	-	371,356
Less Accumulated Depreciation for :				
Infrastructure	<u>156,113</u>	<u>40,403</u>	<u>-</u>	<u>196,516</u>
Downtown Development Authority Capital Assets - Net	<u>\$ 247,915</u>	<u>\$ (40,403)</u>	<u>\$ -</u>	<u>\$ 207,512</u>

NOTE 8--INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	General	<u>\$ 420,042</u>

Interfund Transfers

The Township had no interfund transfers for the year.

NOTE 9--LEASES

Bedford Township had no lease obligations at June 30, 2014.

NOTE 10--LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	<i>Interest Rate</i>	<i>Principal Matures</i>	<i>Beginning Balance</i>	<i>Additions (Reductions)</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Governmental Activities						
County Contractual Obligations						
Road Bonds-2005	4.50%	2017-18	\$ 177,450	\$ (33,800)	\$ 143,650	\$ 33,800
Bank Loan Obligations						
Fire Truck	2.57%	2013-18	-	355,355	355,355	80,120
Limited Tax General Obligation						
Township Hall	3.5-4.2%	2026-27	1,515,000	(85,000)	1,430,000	90,000
Road Bonds-2006	4.00%	2021-22	1,050,000	(130,000)	920,000	130,000
Roads-Water-2008	4.0-4.5%	2021-22	315,000	(35,000)	280,000	35,000
Roads Bonds 2013	2.0-2.5%	2026-27	1,175,000	(80,000)	1,095,000	85,000
Total Governmental Activities			<u>\$ 4,232,450</u>	<u>\$ (8,445)</u>	<u>\$ 4,224,005</u>	<u>\$ 453,920</u>
Business-Type Activities						
County Contractual Obligations						
Sewer System-2005	3.8-4.05%	2020-21	\$ 955,000	\$ (105,000)	\$ 850,000	\$ 115,000
Sewer 2010 Series	2.1-5.5%	2029-30	5,000,000	(215,000)	4,785,000	215,000
Total Business-Type Activities			<u>\$ 5,955,000</u>	<u>\$ (320,000)</u>	<u>\$ 5,635,000</u>	<u>\$ 330,000</u>

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

<i>Year Ending June 30,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2015	\$ 453,920	\$ 144,344	\$ 330,000	\$ 183,439
2016	466,014	129,133	340,000	176,510
2017	468,197	113,391	345,000	164,258
2018	483,867	97,386	350,000	160,260
2019	387,007	82,142	360,000	151,042
2020 and after	1,965,000	260,103	3,910,000	804,982
Total	<u>\$ 4,224,005</u>	<u>\$ 826,499</u>	<u>\$ 5,635,000</u>	<u>\$ 1,640,491</u>

NOTE 11--OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The Township has post-employment health and dental benefits provided to eligible employees, spouses, and dependents. The plan currently has 8 members, including retirees, survivors, and active members.

The Bedford Township Post-Retirement Plan is a single employer post-retirement plan administered by Bedford Township. Benefits are provided in accordance with labor contracts and policies approved by the Township Board. The plan does not issue stand-alone financial statements. Administrative costs are paid by the plan through employer contributions. The plan is established by the Bedford Township Board and can be amended at its discretion.

Funding Policy - Contributions will be made at the discretion of Bedford Township as able. There is no long-term contract for contributions to the plan and the plan has no legally required reserves.

Funding Progress - For the year ended June 30, 2014, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2014. The valuation calculates an annual required contribution, if paid on an ongoing basis, is estimated to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's estimated contribution and actual funding are presented below:

	<u>Governmental Activities</u>
Annual required contribution (ARC)	\$ 43,814
Interest on Net OPEB obligation	4,979
Adjustments to ARC	(5,440)
Amounts contributed (current year)	<u>(45,778)</u>
Increase(Decrease) in net OPEB obligation	(2,425)
OPEB obligation - beginning of year	<u>124,475</u>
OPEB obligation - end of year	<u><u>\$ 122,050</u></u>

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year are as follows:

	<u>Year Ended June 30, 2014</u>
Annual OPEB costs	\$ 43,814
Percentage contributed	104%
Net OPEB obligation	\$ 122,050

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of June 30, 2014:	
Market value of assets	\$ -
Actuarial accrued liability (AAL)	\$ 725,952
Unfunded AAL (UAAL)	\$ 725,952
Funded ratio	0.00%
Annual covered payroll	\$ 124,514
Ratio of UAAL to covered payroll	583.03%

NOTE 11--OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial methods and assumptions - 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. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility and actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the alternate cost method was used. The actuarial assumptions included 4% discount rate, a 3% salary scale, and a post retirement interest rate of 4%. The alternative method allows eligible employers to apply a simplified measurement method in lieu of obtaining an actuarial valuation. This alternate calculation requires the same measurement steps that would be used in the actuarial process, but allows an organization to utilize a set of predetermined assumptions that simplify the calculations needed to determine the OPEB liability. This liability must be presented in the financial statements in the same manner as a traditional actuarial valuation.

NOTE 12--EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Township provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus any investment earnings. The plan was established and may be amended by the Township Board.

Bedford Township contributes thirteen percent of base wages for each employee with the employee having an optional contribution of up to ten percent. An employee is fully vested after twenty-one months of service. An insurance company (John Hancock) administers the plan and the Township makes monthly contributions. The Township's total payroll for this year was \$1,502,025. The Township made the required contribution of \$111,715 on covered payroll of \$855,192.

All full-time employees participate in the plan.

NOTE 13--COMPENSATED ABSENCES

Compensated absence activity can be summarized as follows:

<u>Fund</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental</u>					
General Fund	\$ 54,454	\$ 3,060	\$ -	\$ 57,514	\$ 3,000
Fire Fund	5,220	-	-	5,220	1,341
	<u>\$ 59,674</u>	<u>\$ 3,060</u>	<u>\$ -</u>	<u>\$ 62,734</u>	<u>\$ 4,341</u>
<u>Business - Type</u>					
Sewer Fund	\$ 6,813	\$ -	\$ -	\$ 6,813	\$ 300

NOTE 14--DEFERRED COMPENSATION PLAN

The Bedford Township Board offers all Bedford Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Bedford Township's financial statements.

NOTE 15--MONROE COUNTY JOINT POWERS WATER CONTRACTS (South County Water System)

Bedford Township, in conjunction with three other communities, has entered into a contract with the Monroe County Drain Commission to provide a water supply and water mains for each of the communities. This is considered a joint venture without an equity interest.

Each community's liability is computed annually using assessed property valuation as a basis. Therefore, Bedford Township's liability under this contract is presently undeterminable but, at this time, is estimated to be approximately 60% of the contract amount. The South County Water System currently makes all payments of principal and interest on these contracts, but the units of government will still be liable for principal should South County Water System not be able to meet the obligation.

The Township's estimated share of assets, liabilities, and fund equity is 60%. Summary financial information as of, and for the fiscal year ended December 31, 2013 is as follows:

	<i>South County Water System</i>
Cash and Investments	\$ 8,593,510
Other Assets	<u>24,216,393</u>
Total Assets	32,809,903
Total Liabilities	<u>3,540,339</u>
Total Net Position	<u>\$ 29,269,564</u>
Total Revenue	\$ 5,309,919
Total Expenses	<u>6,241,250</u>
Net Change in Net Position	<u>\$ (931,331)</u>
Current Portion of Long-Term Debt	\$ 195,000
Long-Term Debt, Less Current Portion	<u>2,939,750</u>
Total Debt	<u>\$ 3,134,750</u>

Complete financial statements for this joint entity are in the 2013 Financial Statements of the Monroe County Drain Commission County Agency.

NOTE 16--PENDING LITIGATION

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

NOTE 17--RESTRICTED ASSETS

The balances of the restricted asset (cash with fiscal agent) accounts in the proprietary fund are as follows:

Debt Retirement	\$ 1,306
Construction	144,695
Replacement	3,019,464
Operations	<u>3,276,664</u>
	<u>\$ 6,442,129</u>

NOTE 18--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions of insurance coverage from the prior year.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE 19--REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information --Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds.

NOTE 20--CONDUIT DEBT

The Economic Development Corporation has issued bonds in the amount of \$6,103,077 due in full in 2024. All bonds are issued in accordance with the provisions of Act No. 270 and were to be repaid solely from net revenues received from the project under contract and the bonds shall never constitute a general obligation of the Economic Development Corporation of the Township of Bedford.

NOTE 21--BUILDING DEPARTMENT

The Township tracks building permit fees and their related costs in the General Fund. Once the Building Department attains a positive balance, a reserve will be set up in the General Fund. The current balance of the building department is:

Permit fees	\$ 201,013
Expenses	<u>172,095</u>
Current year balance	28,918
Building department deficit at June 30, 2013	<u>(102,944)</u>
Ending Building Department reserve balance	<u>\$ (74,026)</u>

Required Supplementary Information

BEDFORD TOWNSHIP

GENERAL FUND

SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,065,700	\$ 1,065,700	\$ 1,068,964	\$ 3,264
Licenses and Permits	527,300	527,300	579,596	52,296
State Grants	2,342,700	2,342,700	2,332,041	(10,659)
Charges for Services	25,500	32,500	42,441	9,941
Fines and Forfeits	20,000	19,000	21,898	2,898
Interest	3,150	5,150	8,056	2,906
Other	396,600	534,191	358,797	(175,394)
Total Revenue	4,380,950	4,526,541	4,411,793	(114,748)
Expenditures:				
Current:				
General Government				
Township Board	61,514	62,764	60,201	2,563
Supervisor	165,879	168,179	163,506	4,673
Elections	27,128	28,128	21,615	6,513
Finance	65,771	65,771	57,094	8,677
Clerk	256,943	261,043	237,387	23,656
Information Technology	136,000	136,000	58,694	77,306
Board of Review	4,300	4,300	2,152	2,148
Treasurer	209,548	209,848	184,407	25,441
Assessing	228,244	237,144	225,829	11,315
Building and Grounds	415,116	436,122	411,193	24,929
Legal	30,050	60,550	55,762	4,788
Property - Other	13,750	15,550	3,157	12,393
Planning Commission	239,829	251,829	153,661	98,168
Board of Zoning Appeals	19,180	19,180	3,120	16,060
Township at Large	36,600	36,600	29,571	7,029
Beautification	10,000	10,000	4,403	5,597
Community Action	21,000	29,600	29,500	100
Fringe Benefits	55,062	55,062	51,558	3,504
Cemeteries	16,000	27,250	22,594	4,656
Senior Citizens	12,500	12,500	12,500	-
Total General Government	2,024,414	2,127,420	1,787,904	339,516
Public Safety				
Ordinance	63,973	73,908	66,154	7,754
Building Inspection	175,817	192,567	172,095	20,472
Police	684,000	687,000	636,128	50,872
Emergency Management	800	6,800	5,740	1,060
Mosquito Control	3,000	-	-	-
Total Public Safety	927,590	960,275	880,117	80,158
Public Works				
Drains	100,000	129,300	129,207	93
Street Lighting	296,300	276,300	228,219	48,081
Roads	551,000	551,000	335,313	215,687
Total Public Works	947,300	956,600	692,739	263,861
Debt Service				
Principal	185,250	185,250	85,000	100,250
Interest	61,712	62,312	62,312	-
Total Debt Service	246,962	247,562	147,312	100,250
Total Current Expenditures	4,146,266	4,291,857	3,508,072	783,785
Excess of Revenue Over (Under) Expenditures	234,684	234,684	903,721	669,037
Other Financing Sources (Uses):				
Operating Transfers to Other Funds	(111,000)	(111,000)	(111,000)	-
Operating Transfers from Other Funds	-	-	-	-
Total Other Financing Sources (Uses)	(111,000)	(111,000)	(111,000)	-
Excess of Revenue & Other Financing Sources Over Expenditures & Other Financing Uses	123,684	123,684	792,721	669,037
Fund Balance - Beginning	2,864,912	2,864,912	2,864,912	-
Fund Balance - Ending	\$ 2,988,596	\$ 2,988,596	\$ 3,657,633	\$ 669,037

BEDFORD TOWNSHIP
FIRE DEPARTMENT FUND
SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Property Taxes	\$	\$	\$ 952,998	\$
Assessments			118,619	
Interest			593	
Other			26,774	
Total Revenue	1,409,467	1,482,817	1,098,984	(383,833)
Current Expenditures:				
Public Safety:				
Wages			467,512	
Social Security			35,589	
Fringe Benefits			27,949	
Fuel			15,903	
Legal			25,147	
Supplies			17,181	
Contracted Services			130,671	
Medical			883	
Training			19,957	
Maintenance			62,122	
Conferences			7,552	
Insurance			47,453	
Other			430	
Utilities			37,356	
Capital Outlay			445,583	
Debt Service:				
Principal			58,466	
Interest and Fiscal Charges			7,987	
Total Expenditures	1,409,467	1,482,817	1,407,741	75,076
Excess of Revenue Over (Under) Expenditures	-	-	(308,757)	(308,757)
Other Financing Sources (Uses):				
Bond Proceeds			413,821	
Total Other Financing Sources (Uses)	-	-	413,821	413,821
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	-	-	105,064	
Fund Balance, Beginning	835,322	835,322	835,322	-
Fund Balance, Ending	<u>\$ 835,322</u>	<u>\$ 835,322</u>	<u>\$ 940,386</u>	<u>\$ 105,064</u>

BEDFORD TOWNSHIP**WATER FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Assessments	\$	\$	\$ 32,276	\$
Interest			5,175	
Other			11,800	
Total Revenue	<u>55,000</u>	<u>43,350</u>	<u>49,251</u>	<u>5,901</u>
Current Expenditures:				
Public Works:				
Board Fees			100	
Other			3,850	
Debt Service:				
Principal			-	
Interest and Fiscal Charges			-	
Total Expenditures	<u>16,150</u>	<u>4,500</u>	<u>3,950</u>	<u>550</u>
Excess of Revenue Over (Under) Expenditures	38,850	38,850	45,301	6,451
Fund Balance, Beginning	<u>2,184,195</u>	<u>2,184,195</u>	<u>2,184,195</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,223,045</u>	<u>\$ 2,223,045</u>	<u>\$ 2,229,496</u>	<u>\$ 6,451</u>

Supplementary Information

BEDFORD TOWNSHIP
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue					Capital Projects	Debt Service			Total Nonmajor Governmental Funds
	Transit System	Rehabilitation	Metro Act	Law Enforcement	Library	Road Improvement	Fairfield Dr. Debt Service	Canterbury Debt Service	Barbara Lee Debt Service	
Assets										
Cash and Cash Equivalents	\$ 192,904	\$ 47,003	\$ 56,300	\$ 382,580	\$ 706,554	\$ -	\$ 74,394	\$ 48,771	\$ 76,106	\$ 1,584,612
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Loans Receivable	-	82,010	-	-	-	-	-	-	-	82,010
Grants Receivable	-	5,201	-	-	-	-	-	-	-	5,201
Assessments Receivable	-	-	-	-	-	-	72,689	238,091	213,411	524,191
Prepaid Expense	-	-	-	1,309	1,252	-	-	-	-	2,561
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
Cash With Fiscal Agent	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 192,904	\$ 134,214	\$ 56,300	\$ 383,889	\$ 707,806	\$ -	\$ 147,083	\$ 286,862	\$ 289,517	\$ 2,198,575
Liabilities And Fund Balance										
Liabilities:										
Accounts Payable	\$ 54,238	\$ -	\$ -	\$ 108,878	\$ 17,501	\$ -	\$ -	\$ 501	\$ -	\$ 181,118
Deferred Revenue	-	87,211	-	-	-	-	72,689	238,091	213,411	611,402
Total Liabilities	54,238	87,211	-	108,878	17,501	-	72,689	238,592	213,411	792,520
Fund Balance:										
Nonspendable - Prepays	-	-	-	1,561	1,431	-	-	-	-	2,992
Restricted:										
Transit System	97,366	-	-	-	-	-	-	-	-	97,366
Rehabilitation	-	46,128	-	-	-	-	-	-	-	46,128
Metro Act	-	-	56,300	-	-	-	-	-	-	56,300
Law Enforcement	-	-	-	199,200	-	-	-	-	-	199,200
Library	-	-	-	-	485,749	-	-	-	-	485,749
Debt Service	-	-	-	-	-	-	64,624	48,270	66,706	179,600
Assigned:										
Subsequent Year's Budget	41,300	875	-	74,250	203,125	-	9,770	-	9,400	338,720
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	138,666	47,003	56,300	275,011	690,305	-	74,394	48,270	76,106	1,406,055
Total Liabilities and Fund Balance	\$ 192,904	\$ 134,214	\$ 56,300	\$ 383,889	\$ 707,806	\$ -	\$ 147,083	\$ 286,862	\$ 289,517	\$ 2,198,575

BEDFORD TOWNSHIP
COMBINING STATEMENT OF REVENUE, AND EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<i>Special Revenue</i>					<i>Capital Projects</i>	<i>Debt Service</i>			<i>Total Nonmajor Governmental Funds</i>
	<i>Transit System</i>	<i>Rehabilitation</i>	<i>Metro Act</i>	<i>Law Enforcement</i>	<i>Library</i>	<i>Road Improvement</i>	<i>Fairfield Dr. Debt Service</i>	<i>Canterbury Debt Service</i>	<i>Barbara Lee Debt Service</i>	
Revenues:										
Taxes	\$ 234,825	\$ -	\$ -	\$ 381,133	\$ 212	\$ -	\$ -	\$ -	\$ -	\$ 616,170
Licenses and Permits	-	-	23,810	-	-	-	-	-	-	23,810
Assessments	-	-	-	-	-	-	24,229	18,314	41,439	83,982
Charges for Service	-	-	-	-	-	-	-	-	-	-
Interest	179	34	(12)	176	955	67	3,770	8,401	12,868	26,438
Other Revenue	-	10,506	-	-	2,049	-	-	-	-	12,555
Total Revenue	235,004	10,540	23,798	381,309	3,216	67	27,999	26,715	54,307	762,955
Expenditures:										
Current										
General Government	304,880	1,555	1,409	-	-	-	-	-	-	307,844
Public Safety	-	-	-	454,820	-	-	-	-	-	454,820
Public Works	-	-	-	-	-	66,741	-	1,136	-	67,877
Recreational and Cultural	-	-	-	-	150,344	-	-	-	-	150,344
Capital Outlay	-	-	4,690	-	-	-	-	-	-	4,690
Debt Service										
Principal	-	-	-	-	-	-	33,800	17,600	35,000	86,400
Interest and Fiscal Charges	-	-	-	-	-	-	5,989	6,308	14,168	26,465
Total Expenditures	304,880	1,555	6,099	454,820	150,344	66,741	39,789	25,044	49,168	1,098,440
Excess of Revenue Over (Under) Expenditures	(69,876)	8,985	17,699	(73,511)	(147,128)	(66,674)	(11,790)	1,671	5,139	(335,485)
Other Financing Sources (Uses):										
Operating Transfers to Other Funds	-	-	-	-	-	-	-	-	-	-
Operating Transfers from Other Funds	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	(69,876)	8,985	17,699	(73,511)	(147,128)	(66,674)	(11,790)	1,671	5,139	(335,485)
Fund Balance - Beginning	208,542	38,018	38,601	348,522	837,433	66,674	86,184	46,599	70,967	1,741,540
Fund Balance - Ending	\$ 138,666	\$ 47,003	\$ 56,300	\$ 275,011	\$ 690,305	\$ -	\$ 74,394	\$ 48,270	\$ 76,106	\$ 1,406,055

BEDFORD TOWNSHIP**PARK FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$	\$	\$ 156	\$
Rental Revenue			41,665	
Other			12,266	
Total Revenue	<u>158,150</u>	<u>173,950</u>	<u>54,087</u>	<u>(119,863)</u>
Current Expenditures:				
Recreational and Cultural				
Board Fees			13,187	
Wages			10,901	
Social Security			1,864	
Supplies			186	
Utilities			12,847	
Insurance			5,429	
Repairs and Maintenance			21,959	
Recreation Commission			54,292	
Professional Services			1,147	
Memberships and Dues			285	
Janitorial Services			16,700	
Capital Outlay			12,807	
Refuse Collection			5,376	
Other			6,477	
Total Expenditures	<u>158,150</u>	<u>173,950</u>	<u>163,457</u>	<u>10,493</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(109,370)</u>	<u>(109,370)</u>
Other Financing Sources (Uses):				
Operating Transfers In	<u>113,750</u>	<u>113,750</u>	<u>111,000</u>	<u>2,750</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>113,750</u>	<u>113,750</u>	<u>1,630</u>	<u>(106,620)</u>
Fund Balance, Beginning	<u>86,179</u>	<u>86,179</u>	<u>86,179</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 199,929</u>	<u>\$ 199,929</u>	<u>\$ 87,809</u>	<u>\$ (106,620)</u>

BEDFORD TOWNSHIP**TRANSIT SYSTEM****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Property Taxes	\$	\$	\$ 234,825	\$
Interest Income			179	
Total Revenue	<u>280,000</u>	<u>280,000</u>	<u>235,004</u>	<u>(44,996)</u>
Current Expenditures:				
General Government				
Contracted Services			304,880	
Total Expenditures	<u>280,000</u>	<u>280,000</u>	<u>304,880</u>	<u>(24,880)</u>
Excess of Revenue Over (Under) Expenditures	-	-	(69,876)	(69,876)
Fund Balance, Beginning	<u>208,542</u>	<u>208,542</u>	<u>208,542</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 208,542</u>	<u>\$ 208,542</u>	<u>\$ 138,666</u>	<u>\$ (69,876)</u>

BEDFORD TOWNSHIP**REHABILITATION FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Interest	\$	\$	\$ 34	\$
Loan Payments			10,506	
Total Revenue	6,050	7,550	10,540	2,990
Current Expenditures:				
General Government:				
Loans Expense			1,555	
Board Fees			-	
Social Security			-	
Total Expenditures	5,900	7,400	1,555	5,845
Excess of Revenue Over (Under) Expenditures	150.00	150.00	8,985	8,835
Fund Balance, Beginning	38,018	38,018	38,018	-
Fund Balance, Ending	<u>\$ 38,168</u>	<u>\$ 38,168</u>	<u>\$ 47,003</u>	<u>\$ 8,835</u>

BEDFORD TOWNSHIP**METRO ACT FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Fees	\$	\$	\$ 23,810	\$
Interest			(12)	
Total Revenue	<u>24,025</u>	<u>24,025</u>	<u>23,798</u>	<u>(227)</u>
Current Expenditures:				
Public Safety:				
Other			1,409	-
Capital Outlay			4,690	-
Total Expenditures	<u>24,000</u>	<u>24,000</u>	<u>6,099</u>	<u>17,901</u>
Excess of Revenue Over (Under) Expenditures	25.00	25	17,699	17,674
Other Financing Sources (Uses):				
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	25	25	17,699	17,674
Fund Balance, Beginning	<u>38,601</u>	<u>38,601</u>	<u>38,601</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 38,626</u>	<u>\$ 38,626</u>	<u>\$ 56,300</u>	<u>\$ 35,348</u>

BEDFORD TOWNSHIP
LAW ENFORCEMENT FUND
SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Property Taxes	\$	\$	\$ 381,133	\$
Interest			176	
Total Revenue	<u>490,900</u>	<u>504,100</u>	<u>381,309</u>	<u>(122,791)</u>
Current Expenditures:				
Public Safety				
Contracted Services			454,820	
Capital Outlay			-	
Total Expenditures	<u>490,900</u>	<u>504,100</u>	<u>454,820</u>	<u>49,280</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(73,511)</u>	<u>(73,511)</u>
Fund Balance, Beginning	<u>348,522</u>	<u>348,522</u>	<u>348,522</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 348,522</u></u>	<u><u>\$ 348,522</u></u>	<u><u>\$ 275,011</u></u>	<u><u>\$ (73,511)</u></u>

BEDFORD TOWNSHIP**LIBRARY FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	<i>Variance with Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenue:				
Property Tax	\$	\$	\$ 212	\$
State Grants			-	
Other			2,049	
Interest			955	
Total Revenue	<u>164,875</u>	<u>170,675</u>	<u>3,216</u>	<u>(167,459)</u>
Current Expenditures:				
Recreational and Cultural				
Board Fees			2,980	
Social Security			228	
Office Supplies			125	
Operating Supplies			4,090	
Utilities			74,867	
Insurance			4,895	
Repairs and Maintenance			32,879	
Professional Services			25,402	
Water & Sewer Use Charges			2,235	
Capital Outlay			1,500	
Other			1,143	
Total Expenditures	<u>164,875</u>	<u>170,675</u>	<u>150,344</u>	<u>20,331</u>
Excess of Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(147,128)</u>	<u>(147,128)</u>
Fund Balance, Beginning	<u>837,433</u>	<u>837,433</u>	<u>837,433</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 837,433</u>	<u>\$ 837,433</u>	<u>\$ 690,305</u>	<u>\$ (147,128)</u>