

Bridgeport Charter Township

**Annual Financial Statements
and
Independent Auditors' Report**

December 31, 2013

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Bridgeport Charter Township
List of Elected and Appointed Officials
December 31, 2013

Township Board

August Tausend - Supervisor

Darlene Miller - Clerk

Walter LaShore - Treasurer

Vanessa Guerra - Trustee

James Secord Jr. - Trustee

Darrell Thayer - Trustee

Heather Wilson - Trustee

Other Officers and Officials

Rose Licht - Township Manager

Tammy McIntyre – Accounting Supervisor



Independent Auditors' Report

Management and the Township Board
Bridgeport Charter Township

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 Bridgeport Charter Township, as of and for the year ended December 31, 2013, which collectively comprise 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.

Auditors' 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 of material misstatement.

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

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

Opinion

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

Other Matters:

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bridgeport Charter Township's financial statements as a whole. The list of elected and appointed officials and accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The list of elected and appointed officials, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Yeo & Yeo, P.C.

Saginaw, Michigan
May 12, 2014

Bridgeport Charter Township Management's Discussion and Analysis December 31, 2013

As management of Bridgeport Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$ 20,035,858. Of this amount, \$7,670,960 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position decreased by \$520,760.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$2,605,915 an increase of \$75,594 in comparison with the prior year. Approximately 36% of this total amount, or \$929,755, is *available for spending* at the Township's discretion (*unassigned fund balance*). This amount is inclusive of both the *unreserved-designated* amount, which has been designated based upon either Township policy or for a specific purpose, and the *unreserved-undesignated* amount.
- At the end of the current fiscal year, the general fund's unassigned fund balance was \$929,755. Total fund balance for the general fund was \$1,882,054.
- The Township's total debt decreased by \$42,182 or 17% during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of 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 the Township's finances, in a manner similar to a private-sector business.

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

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected special assessments and accrued interest expense).

The governmental-wide financial statements distinguish functions of the 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 the Township include general government, public safety, public works, community and economic development and recreation and culture. The business-type activities of the Township consist of a Water Fund, Sewer Fund, and Internal Service Fund. The Water and Sewer funds are both major funds.

The government-wide financial statements can be found on pages 4-1 to 4-3 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. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Activities

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.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund and Refuse Collection Fund.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013

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 Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The basic governmental fund financial statements can be found on pages 4-4 to 4-9 of this report.

Proprietary funds. The Township maintains two different types of proprietary funds; enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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 Water Fund and Sewer Fund, each of which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 4-10 to 4-15 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 statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 4-16 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 fund financial statements. The notes to the financial statements can be found on pages 4-17 to 4-29 of this report.

Government Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bridgeport Charter Township, as the following table demonstrates, assets exceeded liabilities by \$20,035,858 at the close of the most recent fiscal year.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013**

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Assets						
Current assets	\$ 3,291,543	\$ 3,341,141	\$ 5,776,733	\$ 6,034,047	\$ 9,068,276	\$ 9,375,188
Capital assets	<u>2,329,548</u>	<u>2,316,105</u>	<u>9,565,927</u>	<u>9,727,861</u>	<u>11,895,475</u>	<u>12,043,966</u>
Total assets	<u>5,621,091</u>	<u>5,657,246</u>	<u>15,342,660</u>	<u>15,761,908</u>	<u>20,963,751</u>	<u>21,419,154</u>
Liabilities						
Current liabilities	386,576	371,854	252,246	63,578	638,822	435,432
Long term liabilities	<u>255,871</u>	<u>295,253</u>	<u>33,200</u>	<u>131,851</u>	<u>289,071</u>	<u>427,104</u>
Total liabilities	<u>642,447</u>	<u>667,107</u>	<u>285,446</u>	<u>195,429</u>	<u>927,893</u>	<u>862,536</u>
Net Position						
Net investment in capital assets	2,121,277	2,065,652	9,565,927	9,727,861	11,687,204	11,793,513
Restricted	677,694	223,594	-	-	677,694	223,594
Unrestricted	<u>2,179,673</u>	<u>2,700,893</u>	<u>5,491,287</u>	<u>5,838,618</u>	<u>7,670,960</u>	<u>8,539,511</u>
Total net position	<u>\$ 4,978,644</u>	<u>\$ 4,990,139</u>	<u>\$ 15,057,214</u>	<u>\$ 15,566,479</u>	<u>\$ 20,035,858</u>	<u>\$ 20,556,618</u>

One of the largest portions of the Township's net position, \$11,687,204 (58%), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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.

An additional \$677,694 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$7,670,960 (38%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the 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 Township's net position decreased by \$520,760 during the current fiscal year.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013**

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenue						
Program revenue						
Charges for services	\$ 916,681	\$ 954,172	\$ 2,508,114	\$ 2,579,586	\$ 3,424,795	\$ 3,533,758
Operating grants and contributions	148,108	113,529	-	-	148,108	113,529
Capital grants and contributions	47,223	115,495	21,308	47,665	68,531	163,160
General revenue:						
Property taxes	1,003,876	994,118	-	-	1,003,876	994,118
State shared revenue	841,664	823,123	-	-	841,664	823,123
Unrestricted investment earnings	2,540	14,965	3,619	5,369	6,159	20,334
Gain on sale of capital assets	160	4,765	4,500	-	4,660	4,765
Miscellaneous revenue	59,790	89,976	57,653	179,987	117,443	269,963
Insurance recoveries	-	-	135,759	-	135,759	-
Total revenue	<u>3,020,042</u>	<u>3,110,143</u>	<u>2,730,953</u>	<u>2,812,607</u>	<u>5,750,995</u>	<u>5,922,750</u>
Program expenses						
General government	434,208	579,794	-	-	434,208	579,794
Public safety	1,442,672	1,380,752	-	-	1,442,672	1,380,752
Public works	870,698	770,274	-	-	870,698	770,274
Community and economic development	120,338	6,609	-	-	120,338	6,609
Recreation and culture	151,967	159,471	-	-	151,967	159,471
Interest on long-term debt	11,654	13,862	-	-	11,654	13,862
Water and sewer	-	-	<u>3,240,218</u>	<u>2,622,366</u>	<u>3,240,218</u>	<u>2,622,366</u>
Total program expenses	<u>3,031,537</u>	<u>2,910,762</u>	<u>3,240,218</u>	<u>2,622,366</u>	<u>6,271,755</u>	<u>5,533,128</u>
Change in net position	<u>\$ (11,495)</u>	<u>\$ 199,381</u>	<u>\$ (509,265)</u>	<u>\$ 190,241</u>	<u>\$ (520,760)</u>	<u>\$ 389,622</u>

Governmental activities. Governmental activities decreased the Township's net position by \$11,495. Key elements of this decrease are as follows:

Increase in Services and Charges - \$53,878

Increase with transfers out to other departments Building and Codes - \$27,637

DDA contribution of Police Officer - \$50,000

Operating Grants and Contributions increased - \$34,579

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013

Business-type activities (enterprise funds).

Bridgeport Charter Township's business-type activities consist of Water Fund, Sewer Fund, and Internal Service Fund. The water and sewer are both major funds.

Bridgeport Water System increased water rates effective January 1, 2013 to \$4.79 per thousand.

Bridgeport Water System increased ready to serve (RTS) effective January 1, 2013 to \$16.27.

Bridgeport Sewer System also increased their sewer rates effective January 1, 2013 to \$5.36 per thousand from \$5.01 per thousand.

Bridgeport Sewer System increase ready to serve (RTS) effective January 1, 2013 to \$18.00 per quarter from \$15.00.

Bridgeport Sewer System saw a decrease in net position of \$87,750 for fiscal year 2013 due mainly to depreciation expense.

Bridgeport Charter Township Funds

The fund financial statements provide detailed information about the most significant funds of Bridgeport Charter Township. The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund and Refuse Collection Fund.

General Fund

Functions relating to the general governmental activities of the Township, which are financed by property tax levies, by distribution of State revenues, and from fees charged to various municipal activities and services are recorded in the General Fund. The Township's Board approved a balanced budget for the 2013 fiscal year. The General Fund increased fund balance by \$200,585 and left \$1,882,054 fund balance at year end.

Refuse Collection Fund

The Refuse Collection Fund accounts for the revenue and expenditures with the governments refuse collection operation. The Township's Board approved a balanced budget for 2013 fiscal year. The Township's Board approved budget for the 2013 fiscal year included the use of \$9,563 of the fund balance in the Refuse Collection Fund, of which the Township actually increased fund balance by \$2,455 and left \$ 594,899 in fund balance at year end.

Bridgeport Charter Township Management's Discussion and Analysis December 31, 2013

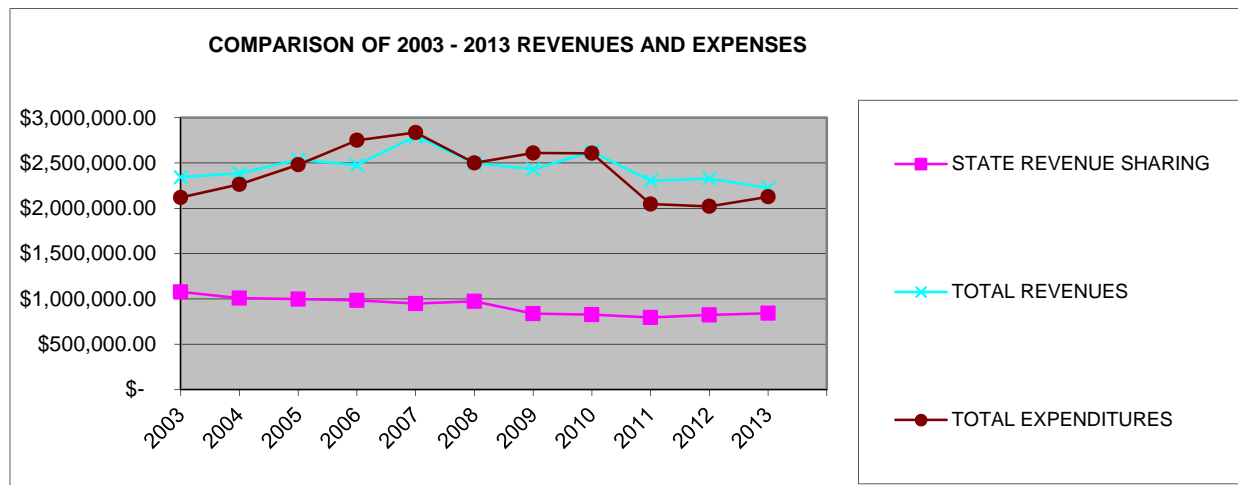
General Fund Budgetary Highlights.

Prior to the beginning of any year, the Township's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Township acts to amend its budget to reflect changes in these original assumptions, facts, and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year.

Following are additional events that have impacted the 2013 budget:

- FEMA SAFTER Grant \$82,537.
- Increase Property Tax Admin & Misc. Revenue \$52,530.
- Chart 1 is a comparison of revenues and expenditures for the years 2003 through 2013. Also charted is the state revenue sharing received for these years.

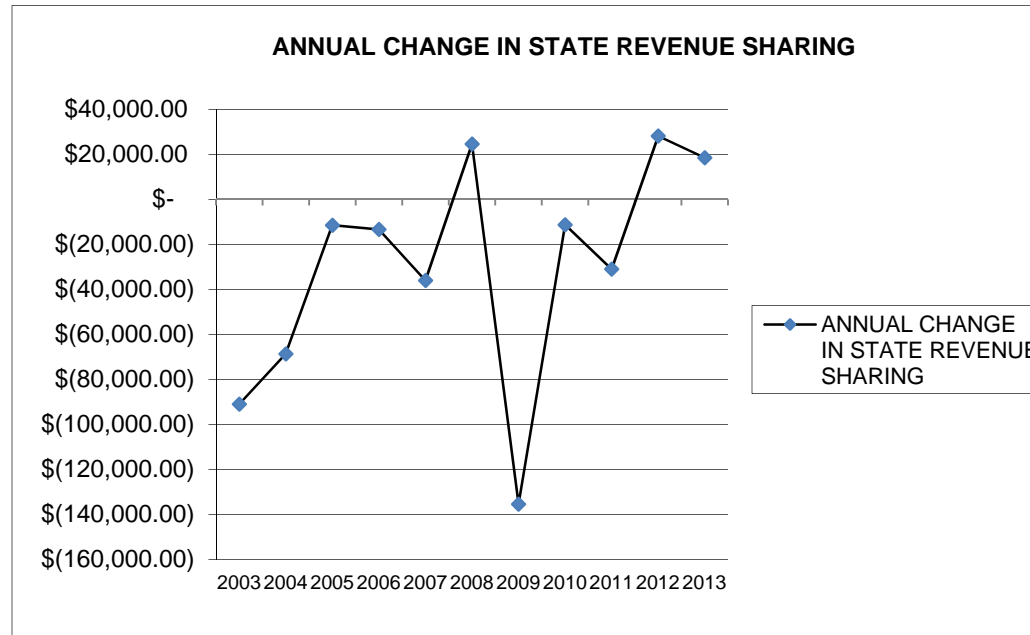
Chart 1



**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013**

- Chart 2 characterizes the annual change in state revenue sharing for the last eleven years.

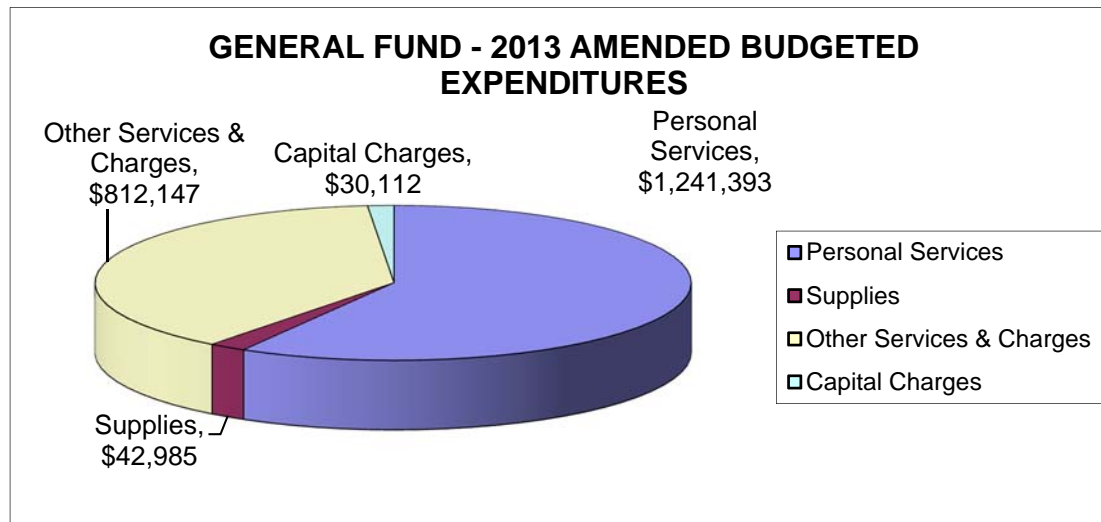
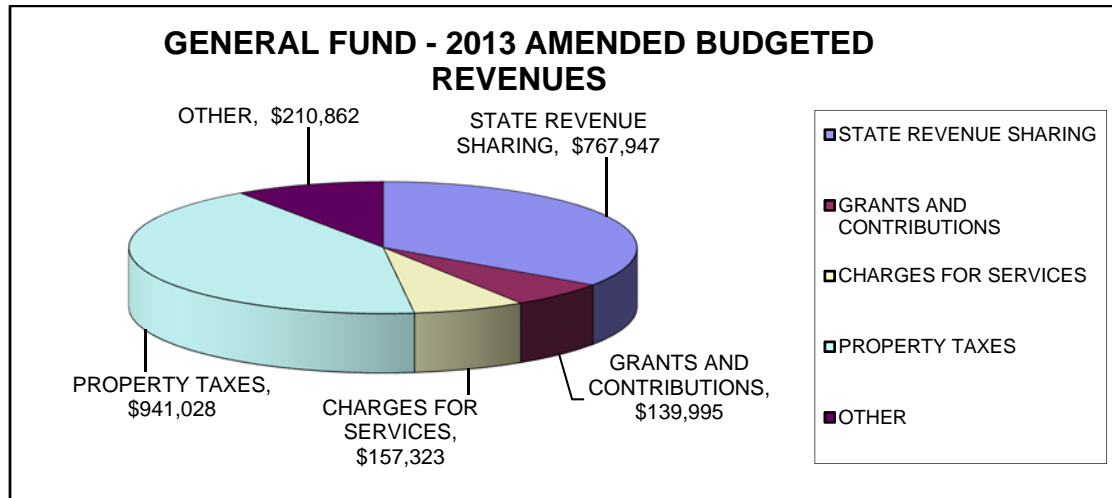
Chart 2



**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013**

Charts 3 and 4 show General Fund budgeted 2013 revenues and expenditures by source.

Charts 3 & 4



Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2013

Economic Factors and Next Year's Budget and Rates

- Rising cost to furnish employee healthcare benefits.
- State Revenue Sharing cuts throughout the year from the State.
- Reduced expenditures to reduce budget.

The following activities occurred in 2013 impacting business in Bridgeport Charter Township:

- Renee Physical Therapy located at 5460 Rolling Hills Drive
- Abundant Grace Ministries located at 6785 Dixie Hwy.
- The Pause That Refreshes (Museum & Gift Shop) located at 7690 Dixie Hwy.
- Treble Makers Music Studio located at 6264 Dixie Hwy.
- Creative Motovation, LLC located at lot 7 on Baron Drive.
- MedPlex Pharmacy LLC located at 6348 Bridgeport Village Square.
- Ope's Services LLC located 1496 Treanor Street.
- Herbert Roofing & Insulation located at 5411 Dixie Hwy.
- Bavarian Comfort Care located at 5366 Rolling Hill Drive with the 30 bed home for the aged facility.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in Bridgeport Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bridgeport Charter Township, 6206 Dixie Highway, Bridgeport, Michigan 48722.

Bridgeport Charter Township
Statement of Net Position
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 1,168,712	\$ 3,355,833	\$ 4,524,545	\$ 378,736
Investments	251,856	1,858,940	2,110,796	448
Receivables				
Taxes	1,318,590	-	1,318,590	234,082
Customers	64,798	567,465	632,263	693
Due from other units of government	279,952	-	279,952	-
Internal balances	96,346	(96,346)	-	-
Due from component unit	13,191	-	13,191	-
Inventories	7,636	82,955	90,591	-
Prepaid items	90,462	7,886	98,348	6,973
Capital assets not being depreciated	489,916	29,110	519,026	413,866
Capital assets being depreciated	1,839,632	9,536,817	11,376,449	60,440
	<u>5,621,091</u>	<u>15,342,660</u>	<u>20,963,751</u>	<u>1,095,238</u>
Total assets				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Net Position
December 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Checks written against future deposits	\$ 23,203	\$ -	\$ 23,203	\$ -
Accounts payable	138,446	113,654	252,100	4,250
Accrued and other liabilities	19,430	12,643	32,073	6,177
Due to primary government	-	-	-	13,191
Noncurrent liabilities				
Due within one year	42,182	-	42,182	70,000
Due in more than one year	213,689	33,200	246,889	616,700
Net other post employment obligation	205,497	125,949	331,446	-
	<u>642,447</u>	<u>285,446</u>	<u>927,893</u>	<u>710,318</u>
Net position				
Net investment in capital assets	2,121,277	9,565,927	11,687,204	474,306
Restricted for:				
Public safety	3,277	-	3,277	-
Debt service	65,241	-	65,241	-
Capital projects	14,277	-	14,277	-
Refuse collection	594,899	-	594,899	-
Unrestricted (deficit)	2,179,673	5,491,287	7,670,960	(89,386)
	<u>2,179,673</u>	<u>5,491,287</u>	<u>7,670,960</u>	<u>(89,386)</u>
Total net position	<u>\$ 4,978,644</u>	<u>\$ 15,057,214</u>	<u>\$ 20,035,858</u>	<u>\$ 384,920</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs								
Primary government								
Governmental activities								
General government	\$ 434,208	\$ 212,296	\$ -	\$ -	\$ (221,912)	\$ -	\$ (221,912)	\$ -
Public safety	1,442,672	77,426	135,279	8,103	(1,221,864)	-	(1,221,864)	-
Public works	870,698	618,509	12,829	-	(239,360)	-	(239,360)	-
Community and economic development	120,338	975	-	-	(119,363)	-	(119,363)	100,000
Recreation and culture	151,967	7,475	-	39,120	(105,372)	-	(105,372)	-
Interest on long-term debt	11,654	-	-	-	(11,654)	-	(11,654)	-
Total governmental activities	<u>3,031,537</u>	<u>916,681</u>	<u>148,108</u>	<u>47,223</u>	<u>(1,919,525)</u>	<u>-</u>	<u>(1,919,525)</u>	<u>100,000</u>
Business-type activities								
Sewer	1,260,974	1,006,481	-	4,994	-	(249,499)	(249,499)	-
Water	1,979,244	1,501,633	-	16,314	-	(461,297)	(461,297)	-
Total business-type activities	<u>3,240,218</u>	<u>2,508,114</u>	<u>-</u>	<u>21,308</u>	<u>-</u>	<u>(710,796)</u>	<u>(710,796)</u>	<u>-</u>
Total primary government	<u>\$ 6,271,755</u>	<u>\$ 3,424,795</u>	<u>\$ 148,108</u>	<u>\$ 68,531</u>	<u>(1,919,525)</u>	<u>(710,796)</u>	<u>(2,630,321)</u>	<u>100,000</u>
Component unit								
Downtown Development Authority	<u>\$ 451,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(451,192)</u>
General revenues								
Property taxes					1,003,876	-	1,003,876	368,687
State shared revenue					841,664	-	841,664	-
Unrestricted investment earnings					2,540	3,619	6,159	3,114
Gain on sale of capital assets					160	4,500	4,660	-
Miscellaneous					59,790	57,653	117,443	-
Insurance recoveries					-	135,759	135,759	-
Total general revenues					<u>1,908,030</u>	<u>201,531</u>	<u>2,109,561</u>	<u>371,801</u>
Change in net position					(11,495)	(509,265)	(520,760)	20,609
Net position - beginning of year					<u>4,990,139</u>	<u>15,566,479</u>	<u>20,556,618</u>	<u>364,311</u>
Net position - end of year					<u>\$ 4,978,644</u>	<u>\$ 15,057,214</u>	<u>\$ 20,035,858</u>	<u>\$ 384,920</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2013

	General	Special Revenue Fund Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 687,866	\$ 263,493	\$ 113,062	\$ 1,064,421
Investments	139,119	39,905	-	179,024
Receivables				
Taxes	897,082	399,603	21,905	1,318,590
Customers	39,617	-	25,181	64,798
Due from other units of government	279,952	-	-	279,952
Due from component unit	13,191	-	-	13,191
Prepaid items	<u>37,299</u>	<u>45,895</u>	<u>1,474</u>	<u>84,668</u>
Total assets	<u>\$ 2,094,126</u>	<u>\$ 748,896</u>	<u>\$ 161,622</u>	<u>\$ 3,004,644</u>
Liabilities				
Checks written against future deposits	\$ -	\$ -	\$ 23,203	\$ 23,203
Accounts payable	58,574	75,799	3,626	137,999
Accrued and other liabilities	<u>15,492</u>	<u>-</u>	<u>2,706</u>	<u>18,198</u>
Total liabilities	<u>74,066</u>	<u>75,799</u>	<u>29,535</u>	<u>179,400</u>
Deferred inflows of resources				
Property taxes	<u>138,006</u>	<u>78,198</u>	<u>3,125</u>	<u>219,329</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2013

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Refuse Collection</u>		
Fund balances				
Non-spendable for:				
Prepaid items	\$ 37,299	\$ 45,895	\$ 1,474	\$ 84,668
Restricted for:				
Public safety	-	-	3,277	3,277
Debt service	-	-	65,241	65,241
Capital projects	-	-	14,277	14,277
Refuse collection	-	549,004	-	549,004
Committed for:				
Cemetery	-	-	15,825	15,825
Building Inspection	-	-	28,740	28,740
Safety grant	-	-	128	128
Fire safety	325,000	-	-	325,000
Road improvements	400,000	-	-	400,000
Government Center	100,000	-	-	100,000
Bond payment	90,000	-	-	90,000
Unassigned	<u>929,755</u>	<u>-</u>	<u>-</u>	<u>929,755</u>
 Total fund balances	 <u>1,882,054</u>	 <u>594,899</u>	 <u>128,962</u>	 <u>2,605,915</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 2,094,126</u>	 <u>\$ 748,896</u>	 <u>\$ 161,622</u>	 <u>\$ 3,004,644</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2013

Total fund balances for governmental funds	\$ 2,605,915
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,161,122
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	219,329
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(900)
Compensated absences	(46,600)
Net other post employment obligation	(205,497)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(208,271)
Internal service funds are included as part of governmental activities.	<u>453,546</u>
Net position of governmental activities	<u>\$ 4,978,644</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	<u>General</u>	<u>Special Revenue Fund Refuse Collection</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 991,365	\$ -	\$ -	\$ 991,365
Licenses and permits	11,994	-	49,875	61,869
Federal grants	8,103	-	-	8,103
State revenue sharing	782,869	-	-	782,869
Other state grants	79,721	-	78,445	158,166
Local contributions	53,860	-	-	53,860
Charges for services	144,220	495,150	13,997	653,367
Fines and forfeitures	15,208	-	4,011	19,219
Interest income	2,178	78	111	2,367
Rental income	41,600	-	-	41,600
Other revenue	160,228	424	122,415	283,067
	<u>2,291,346</u>	<u>495,652</u>	<u>268,854</u>	<u>3,055,852</u>
Total revenues				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2013

	General	Special Revenue Fund Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Expenditures				
Current				
General government	\$ 411,836	\$ -	\$ 18,157	\$ 429,993
Public safety	1,059,096	-	217,614	1,276,710
Public works	357,218	493,197	-	850,415
Community and economic development	14,789	-	103,052	117,841
Recreation and culture	121,691	-	-	121,691
Other functions	1,031	-	-	1,031
Capital outlay	-	-	92,941	92,941
Debt service				
Principal retirement	-	-	42,182	42,182
Interest and fiscal charges	-	-	11,854	11,854
Total expenditures	<u>1,965,661</u>	<u>493,197</u>	<u>485,800</u>	<u>2,944,658</u>
Excess of revenues over (under) expenditures	<u>325,685</u>	<u>2,455</u>	<u>(216,946)</u>	<u>111,194</u>
Other financing sources (uses)				
Transfers in	-	-	89,500	89,500
Transfers out	(126,500)	-	-	(126,500)
Insurance recoveries	1,400	-	-	1,400
Total other financing sources and uses	<u>(125,100)</u>	<u>-</u>	<u>89,500</u>	<u>(35,600)</u>
Net change in fund balance	200,585	2,455	(127,446)	75,594
Fund balance - beginning of year	<u>1,681,469</u>	<u>592,444</u>	<u>256,408</u>	<u>2,530,321</u>
Fund balance - end of year	<u>\$ 1,882,054</u>	<u>\$ 594,899</u>	<u>\$ 128,962</u>	<u>\$ 2,605,915</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - Total governmental funds	\$ 75,594
Total change in net position reported for governmental activities in the statement of activities is different because:	
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.	
Depreciation expense	(127,482)
Capital outlay	89,737
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Grants	(50,000)
Property taxes	12,511
Expenses are recorded when incurred in the statement of activities	
Accrued interest	200
Compensated absences	(2,800)
Net other post employment obligation	(51,066)
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Repayments of long-term debt	42,182
Internal service funds are also included as governmental activities	(371)
Change in net position of governmental activities	\$ <u>(11,495)</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Position
December 31, 2013

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 908,031	\$ 2,447,802	\$ 3,355,833	\$ 104,291
Investments	1,651,651	207,289	1,858,940	72,832
Receivables				
Customers	220,685	346,780	567,465	-
Inventories	-	82,955	82,955	7,636
Prepaid items	1,786	6,100	7,886	5,794
	<u>2,782,153</u>	<u>3,090,926</u>	<u>5,873,079</u>	<u>190,553</u>
Total current assets				
Noncurrent assets				
Capital assets not being depreciated	28,000	1,110	29,110	-
Capital assets being depreciated	4,100,357	5,436,460	9,536,817	168,426
	<u>4,128,357</u>	<u>5,437,570</u>	<u>9,565,927</u>	<u>168,426</u>
Total noncurrent assets				
	<u>6,910,510</u>	<u>8,528,496</u>	<u>15,439,006</u>	<u>358,979</u>
Total assets				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Position
December 31, 2013

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 64,215	\$ 49,439	\$ 113,654	\$ 447
Accrued and other liabilities	<u>8,597</u>	<u>4,046</u>	<u>12,643</u>	<u>332</u>
Total current liabilities	<u>72,812</u>	<u>53,485</u>	<u>126,297</u>	<u>779</u>
Noncurrent liabilities				
Long-term debt	25,400	7,800	33,200	1,000
Post employment benefit obligation	<u>72,918</u>	<u>53,031</u>	<u>125,949</u>	<u>-</u>
Total noncurrent liabilities	<u>98,318</u>	<u>60,831</u>	<u>159,149</u>	<u>1,000</u>
Total liabilities	<u>171,130</u>	<u>114,316</u>	<u>285,446</u>	<u>1,779</u>
Net position				
Net investment in capital assets	4,128,357	5,437,570	9,565,927	168,426
Unrestricted	<u>2,611,023</u>	<u>2,976,610</u>	<u>5,587,633</u>	<u>188,774</u>
Total net position	<u>\$ 6,739,380</u>	<u>\$ 8,414,180</u>	15,153,560	<u>\$ 357,200</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities			<u>(96,346)</u>	
Net position of business-type activities			<u>\$ 15,057,214</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2013

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Operating revenue				
Customer fees	\$ 1,006,481	\$ 1,501,633	\$ 2,508,114	\$ 14,965
Billings to other funds	-	-	-	56,471
Other revenue	<u>10,245</u>	<u>47,408</u>	<u>57,653</u>	<u>844</u>
Total operating revenue	<u>1,016,726</u>	<u>1,549,041</u>	<u>2,565,767</u>	<u>72,280</u>
Operating expenses				
Personnel services	645,917	344,374	990,291	27,319
Supplies	41,366	557,572	598,938	14
Contractual services	27,726	15,804	43,530	27,917
Utilities	138,077	2,366	140,443	-
Repairs and maintenance	37,616	28,696	66,312	40,197
Other expenses	98,013	670,733	768,746	37,355
Depreciation	<u>264,227</u>	<u>355,179</u>	<u>619,406</u>	<u>37,118</u>
Total operating expenses	<u>1,252,942</u>	<u>1,974,724</u>	<u>3,227,666</u>	<u>169,920</u>
Operating income (loss)	<u>(236,216)</u>	<u>(425,683)</u>	<u>(661,899)</u>	<u>(97,640)</u>
Nonoperating revenue				
Interest income	3,213	406	3,619	119
Gain on sale of assets	4,500	-	4,500	160
Insurance recovery	<u>135,759</u>	<u>-</u>	<u>135,759</u>	<u>47,438</u>
Total nonoperating revenues	<u>143,472</u>	<u>406</u>	<u>143,878</u>	<u>47,717</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2013

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Income (loss) before contributions and transfers	\$ (92,744)	\$ (425,277)	\$ (518,021)	\$ (49,923)
Capital contributions	4,994	16,314	21,308	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
Change in net position	(87,750)	(408,963)	(496,713)	(12,923)
Net position - beginning of year	<u>6,827,130</u>	<u>8,823,143</u>		<u>370,123</u>
Net position - end of year	<u>\$ 6,739,380</u>	<u>\$ 8,414,180</u>		<u>\$ 357,200</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			<u>(12,552)</u>	
Change in net position of business-type activities			<u>\$ (509,265)</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Equipment</u>
Cash flows from operating activities				
Receipts from customers	\$ 1,001,813	\$ 1,525,387	\$ 2,527,200	\$ 15,837
Receipts from interfund users	-	-	-	56,471
Payments to suppliers	(254,365)	(1,261,454)	(1,515,819)	(113,119)
Payments to employees	(645,917)	(344,374)	(990,291)	(27,319)
Payments for interfund services used	(9,035)	(5,082)	(14,117)	-
Net cash provided (used) by operating activities	<u>92,496</u>	<u>(85,523)</u>	<u>6,973</u>	<u>(68,130)</u>
Cash flows from noncapital financing activities				
Insurance recovery	<u>135,759</u>	<u>-</u>	<u>135,759</u>	<u>47,438</u>
Cash flows from capital and related financing activities				
Capital contributions	4,994	16,314	21,308	-
Purchases/construction of capital assets	(457,472)	-	(457,472)	(88,306)
Proceeds from sale of capital assets	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>160</u>
Net cash provided (used) by capital and related financing activities	<u>(447,978)</u>	<u>16,314</u>	<u>(431,664)</u>	<u>(88,146)</u>
Net change in cash and cash equivalents	(219,723)	(69,209)	(288,932)	(71,838)
Cash and cash equivalents - beginning of year	<u>1,127,754</u>	<u>2,517,011</u>	<u>3,644,765</u>	<u>176,129</u>
Cash and cash equivalents - end of year	<u>\$ 908,031</u>	<u>\$ 2,447,802</u>	<u>\$ 3,355,833</u>	<u>\$ 104,291</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Equipment</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (236,216)	\$ (425,683)	\$ (661,899)	\$ (97,640)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation expense	264,227	355,179	619,406	37,118
Changes in assets and liabilities				
Receivables (net)	(14,913)	(23,654)	(38,567)	28
Inventories	-	(12,700)	(12,700)	(1,997)
Prepaid items	6,371	4,345	10,716	(5,316)
Accounts payable	75,875	19,002	94,877	(366)
Accrued and other liabilities	(2,848)	(2,012)	(4,860)	43
Net cash provided (used) by operating activities	<u>\$ 92,496</u>	<u>\$ (85,523)</u>	<u>\$ 6,973</u>	<u>\$ (68,130)</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Fiduciary Funds
Statement of Assets and Liabilities
December 31, 2013

	<u>Delinquent Tax Fund</u>	<u>Current Tax Fund</u>	<u>Fiduciary Funds</u>
Assets			
Cash and cash equivalents	\$ 84,997	\$ 343,045	\$ 428,042
Receivables			
Taxes	<u>73,185</u>	<u>-</u>	<u>73,185</u>
Total assets	<u>\$ 158,182</u>	<u>\$ 343,045</u>	<u>\$ 501,227</u>
Liabilities			
Accounts payable	\$ 75	\$ -	\$ 75
Accrued and other liabilities	79,893	-	79,893
Due to other units of government	<u>78,214</u>	<u>343,045</u>	<u>421,259</u>
Total liabilities	<u>\$ 158,182</u>	<u>\$ 343,045</u>	<u>\$ 501,227</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

Note 1 - Summary of Significant Accounting Policies

Reporting entity

Bridgeport Charter Township is 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. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Unit – The component unit column in the entity wide financial statements include the financial data of the Township's Downtown Development Authority. This unit is reported in a separate column to emphasize that it is legally separate from the Township. The members of the Governing Board of the Downtown Development Authority are appointed by the Township Board. The budgets and expenditures of the Downtown Development Authority must be approved by the Township Board. The Township also has the ability to significantly influence operations of the Downtown Development Authority. The Downtown Development Authority does not issue any other form of financial statements except as contained in the Bridgeport Charter Township annual financial statements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 revenues*.

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.

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. Revenues are 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible 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.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues 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 to be measurable and available only when cash is received by the government.

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 Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The government reports the following major proprietary funds:

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

The Water Fund accounts for the activities of the water distribution system.

Additionally, the government reports the following:

The nonmajor special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Williamson Debt Service Fund accounts for the accumulation

of resources for, and payment of governmental activities principal, interest and related costs.

Junction Sewer Capital Projects Fund accounts for the construction Junction Sewer Project.

Construction Fund accounts for the Anderson Complex construction project.

Internal Service Funds accounts for major machinery and equipment purchases and maintenance provided to other departments of the government on a cost reimbursement basis.

Delinquent Tax Fund and Current Tax Fund accounts for property tax and other deposits collected on behalf of other units and individuals.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

principal operating revenues of the sewer and water funds and the internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for sewer and water funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues 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.

Assets, liabilities, and net position or equity

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 based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. 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.

The 2013 taxable valuation of the government totaled \$212,753,466, on which ad valorem taxes consisted of 4.7332 mills for operating purposes. This resulted in \$972,263 for general operating expenses and \$88,749 for the Bridgeport Charter Township Downtown Development Authority, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. In addition, the taxable valuation of the IFT totaled \$7,116,200, on which taxes consisted of 2.3666 mills. This provided \$16,841 for general operating expenses \$15,3133 for the Bridgeport Charter Township Downtown Development Authority.

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. For such payments in governmental funds the Township follows the consumption method, and they therefore are capitalized as prepaid items in both entity-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 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.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Bridgeport Charter Township
Notes to Financial Statements
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Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and sewer lines	3 to 50 years
Machinery and equipment	3 to 40 years
Vehicles	3 to 10 years

Deferred inflows of resources - A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.

Compensated absences – It is the Township’s policy to permit employees to accumulate earned but unused vacation and personal time benefits. All personal time must be used prior to the use of any accrued vacation leave. Any unused personal time is paid out at the end of the 12 month period during which they could have been used. Upon resignation, any unused personal time is compensated at 50% of the personal leave hours remaining at the time of termination. Vacation pay and personal time benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable - assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Township’s highest level of decision-making, its Board of Trustees. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Trustees.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Trustees, finance committee, or the Township Supervisor. The Board of Trustees has granted the finance committee and Township Supervisor the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Contingent liabilities - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Comparative data

Comparative data is not included in the government's financial statements.

Adoption of New Accounting Standard

The Government Accounting Standards Board issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, which the government adopted effective January 1, 2013. This statement modifies certain requirements for inclusion of component units in the financial reporting entity, and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances.

Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued *Statements 67, Financial Reporting for Pension Plans and 68 Accounting and Financial Reporting for Pensions*. Statement 67 changes how public

employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending December 31, 2014 and Statement 68 is effective for the year ending December 31, 2015.

The Government Accounting Standards Board has also issued *Statement 69, Government Combinations and Disposals of Government Operations, Statement 70, Nonexchange Financial Guarantees, and Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*

Statement 69 provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity. Statement 69 is effective for the year ending December 31, 2014.

Statement 70, addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is "more likely than not" that the government will be required to make a payment on the guarantee. It further requires

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

governments to disclose any outstanding financial guarantees in the notes to the financial statements. Statement 70 is effective for the year ending December 31, 2014.

Statement 71, improves accounting and financial reporting by addressing an issue in Statement 68, *Accounting and Financial Reporting of Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. Statement 71 should be applied simultaneously with the provisions of Statement 68.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to September 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to November 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Township Board. Amounts encumbered for purchase orders, contracts, etc. are not

tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Deficit net position

The Bridgeport Charter Township Downtown Development Authority has accumulated a deficit unrestricted net position. The government expects to eliminate this deficit through future operations.

Excess of expenditures over appropriations

During the year, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated as follows:

	Budget	Actual	Excess
General Fund			
Transfers out	94,800	126,500	31,700
Downtown Development Authority			
Capital outlay	54,853	55,316	463
Debt service	102,704	199,580	96,876

Note 3 - Deposits

The breakdown of deposits for the Township is as follows:

	Primary Government	Fiduciary Funds	Component Unit	Total
Bank deposits (checking and savings accounts, money markets and certificate of deposit)	\$ 6,635,341	\$ 428,042	\$ 379,184	\$ 7,442,567

Credit risk – State statutes and the Township’s investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

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 three highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Concentration of credit risk – The Township minimizes credit risk by investing only in the safer types of securities, pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with whom the Township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized. Not more than 50% of any fund may be invested in commercial paper at any time.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to them. The Township's deposit policy limits use to twelve (12) banks. As of December 31, 2013, \$5,746,807 of the Township's bank balance of \$7,747,366 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 489,916	\$ -	\$ -	\$ 489,916
Construction in progress	942,164	44,834	986,998	-
Total capital assets not being depreciated	<u>1,432,080</u>	<u>44,834</u>	<u>986,998</u>	<u>489,916</u>
Capital assets being depreciated				
Land improvements	608,058	986,998	-	1,595,056
Drains	65,171	-	-	65,171
Buildings, additions and improvements	1,764,961	-	-	1,764,961
Machinery and equipment	1,788,325	56,680	51,047	1,793,958
Vehicles	788,271	76,529	-	864,800
Total capital assets being depreciated	<u>5,014,786</u>	<u>1,120,207</u>	<u>51,047</u>	<u>6,083,946</u>
Less accumulated depreciation for				
Land improvements	518,005	11,927	-	529,932
Infrastructure	32,586	6,518	-	39,104
Buildings, additions and improvements	1,432,068	47,438	-	1,479,506
Machinery and equipment	1,598,047	46,425	51,047	1,593,425
Vehicles	550,055	52,292	-	602,347
Total accumulated depreciation	<u>4,130,761</u>	<u>164,600</u>	<u>51,047</u>	<u>4,244,314</u>
Net capital assets being depreciated	<u>884,025</u>	<u>955,607</u>	<u>-</u>	<u>1,839,632</u>
Governmental activities capital assets, net	<u>\$ 2,316,105</u>	<u>\$ 1,000,441</u>	<u>\$ 986,998</u>	<u>\$ 2,329,548</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 29,110	\$ -	\$ -	\$ 29,110
Capital assets being depreciated				
Machinery and equipment	3,958,560	320,378	126,108	4,152,830
Water system	11,696,141	-	-	11,696,141
Sewer system	8,520,545	137,094	-	8,657,639
Total capital assets being depreciated	<u>24,175,246</u>	<u>457,472</u>	<u>126,108</u>	<u>24,506,610</u>
Less accumulated depreciation for				
Machinery and equipment	3,342,170	70,477	126,108	3,286,539
Water system	6,156,476	329,724	-	6,486,200
Sewer system	4,977,849	219,205	-	5,197,054
Total accumulated depreciation	<u>14,476,495</u>	<u>619,406</u>	<u>126,108</u>	<u>14,969,793</u>
Net capital assets being depreciated	<u>9,698,751</u>	<u>(161,934)</u>	<u>-</u>	<u>9,536,817</u>
Business-type capital assets, net	<u>\$ 9,727,861</u>	<u>\$ (161,934)</u>	<u>\$ -</u>	<u>\$ 9,565,927</u>

Capital assets activity of the component unit for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit				
Capital assets not being depreciated				
Land	\$ 705,348	\$ -	\$ 291,482	\$ 413,866
Capital assets being depreciated				
Land improvements	65,340	-	-	65,340
Machinery and equipment	4,857	-	-	4,857
Total capital assets being depreciated	70,197	-	-	70,197
Less accumulated depreciation for				
Land improvements	1,633	3,267	-	4,900
Machinery and equipment	4,857	-	-	4,857
Total accumulated depreciation	6,490	3,267	-	9,757
Net capital assets being depreciated	<u>63,707</u>	<u>(3,267)</u>	<u>-</u>	<u>60,440</u>
Component unit capital assets, net	<u>\$ 769,055</u>	<u>\$ (3,267)</u>	<u>\$ 291,482</u>	<u>\$ 474,306</u>

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

Governmental activities	
General government	\$ 21,966
Public safety	86,582
Public works	5,641
Community and economic development	2,497
Recreation and culture	10,796
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>37,118</u>
Total governmental activities	<u>164,600</u>
Business-type activities	
Sewer	264,227
Water	<u>355,179</u>
Total business-type activities	<u>619,406</u>
Total primary government	<u>\$ 784,006</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

Note 5 - Interfund Transfers

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General	Internal service	\$ 37,000
General	Cemetery	1,600
General	Building Inspection	87,900
		<u>\$ 126,500</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

Note 6 - Long-Term Debt

The government issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Installment purchase agreements are also general obligations of the government. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the General, Sewer and Water Funds.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Secured	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities										
Bonds and notes payable										
General obligation bonds										
1988 Drain Bonds	\$ 825,000	2018	5.00%	\$42,182	Secured	\$ 250,453	\$ -	\$ 42,182	\$ 208,271	\$ 42,182
Compensated absences						44,800	2,800	-	47,600	-
Total governmental activities						<u>\$ 295,253</u>	<u>\$ 2,800</u>	<u>\$ 42,182</u>	<u>\$ 255,871</u>	<u>\$ 42,182</u>
Business-type activities										
Compensated absences						<u>\$ 37,200</u>	<u>\$ 8,000</u>	<u>\$ 12,000</u>	<u>\$ 33,200</u>	<u>\$ -</u>
Component units										
General obligation bonds										
Downtown development bonds series 2002	\$ 1,365,000	2022	4.10% - 4.80%	\$70,000 - \$110,000	Secured	\$ 850,000	\$ -	\$ 165,000	\$ 685,000	\$ 70,000
Claims and judgements						100,000	-	100,000	-	-
Compensated absences						1,400	300	-	1,700	-
Total component units						<u>\$ 951,400</u>	<u>\$ 300</u>	<u>\$ 265,000</u>	<u>\$ 686,700</u>	<u>\$ 70,000</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of above totals for governmental activities.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

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

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2014	\$ 42,182	\$ 9,491
2015	42,182	7,382
2016	42,182	5,273
2017	42,182	3,164
2018	39,543	1,055
	<u>\$ 208,271</u>	<u>\$ 26,365</u>

Year Ending December 31,	Component Unit	
	Principal	Interest
2014	\$ 70,000	\$ 29,171
2015	75,000	26,161
2016	75,000	22,836
2017	80,000	19,173
2018	85,000	15,190
2019 - 2022	300,000	19,364
	<u>\$ 685,000</u>	<u>\$ 131,895</u>

Note 7 - Risk Management

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 - Employee Retirement and Benefit Systems

Defined benefit pension plan

Plan description – The government participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the government. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Funding policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the government's competitive bargaining units and requires Police to contribute 2.39%. In addition the government also requires department head and employees to contribute 3.13%

Annual pension costs – For year ended 2013, the government's annual pension cost of \$264,888 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2012, using the entry actual age cost method. Significant actuarial assumptions used include: 1) an 8% investment rate of return; 2) projected salary increases of 4.5% percent per year; and 3) 4.5% percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 26 years.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

Three year trend information as of December 31 follows:

	2012	2011	2010
Annual pension cost	\$ 264,888	\$ 243,336	\$ 238,539
Percentage of APC contributed	100%	100%	100%
Actuarial value of assets	5,202,946	5,146,527	5,064,055
Actuarial accrued liabilities	7,729,251	7,446,612	6,956,602
Unfunded AAL	2,526,305	2,300,085	1,892,547
Funded ratio	67%	69%	73%
Covered payroll	1,404,851	1,261,572	1,283,781
UAAL as a percentage of covered payroll	180%	182%	147%

Note 9 - Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent Township employees, permits each to defer a portion of their salary until future years. The deferred compensation is not available for distribution to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are held in trust, with the Township serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets shall not be diverted to any other purpose. All provisions of the plan, and the trust, are in conformance with Internal Revenue Code Section 457.

The plan's funds are excluded from the financial statements in conformance with the reporting and disclosure requirements in GASB Statement Number 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

Note 10 - Other Post-Employment Benefits

Change in Accounting - The Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, in 2004.

GASB Statement No. 45 establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB) and related liabilities and note disclosures in other plans in which the Township participates. GASB No. 45 was effective for the Township for the year beginning January 1, 2009. Current year expenditures include the current year "pay-as-you-go" amount and the recognition of the unfunded current year actuarial recommended contribution (ARC) in the governmental activities, sewer and water funds. This change had no impact on beginning net position. The changes in financial reporting as a result of this statement are outlined below.

Plan description. The Township's Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Township. Substantially all of the Township's employees may become eligible for those benefits when the employee becomes eligible for the Michigan Employees' Retirement System, and retires from the Township. The Township will pay 50% per month toward the cost of health insurance premiums for the employee and their spouse. Upon reaching the age of 65, the provided benefits are reduced to a Medicare supplement program.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2013

Funding policy and progress. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). The Township has made no contributions in advance.

Annual required contribution (recommended)	\$ 102,860
Annual OPEB cost	\$ 102,860
Amounts contributed:	
Payments of current premiums	20,496
Increase in net OPEB liability	82,364
Net OPEB liability, beginning of year	249,082
Net OPEB liability, end of year	\$ 331,446

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

Actuarial value of assets	\$ -
Actuarial accrued liability (AAL)	1,090,840
Unfunded AAL (UAAL)	1,090,840
Funded ratio	0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the entry age cost method was used. This actuarial valuation was performed under the alternate calculation provisions of GASB Statements No. 43 and 45. The actuarial assumptions include: (a) discount rate of 2.400%; (b) mortality rates, with specific life expectancy; (c) turnover rates ranging from 0% to 95% based on age categories; (d) normal retirement age under the plan of 65; (e) actual employees will elect coverage at retirement consistent with current coverage percentages; (f) established monthly medical premium rates. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 27 years.

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Amended</u>		<u>Final Budget</u>
Revenues				
Taxes				
Property taxes	\$ 862,222	\$ 862,222	\$ 897,394	\$ 35,172
Other taxes	2,612	4,806	8,014	3,208
Administration fee	74,000	74,000	85,957	11,957
Licenses and permits	(2,430)	3,234	11,994	8,760
Federal grants	7,620	7,761	8,103	342
State revenue sharing	781,390	767,947	782,869	14,922
State grants	70,075	79,059	79,721	662
Local contributions	52,550	53,175	53,860	685
Charges for services	117,400	141,975	144,220	2,245
Fines and forfeitures	12,100	15,348	15,208	(140)
Interest income	2,457	2,457	2,178	(279)
Rental income	40,000	40,000	41,600	1,600
Other revenue	139,510	165,171	160,228	(4,943)
Insurance recoveries	-	-	1,400	1,400
	<u>2,159,506</u>	<u>2,217,155</u>	<u>2,292,746</u>	<u>75,591</u>
Total revenues				

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Amended</u>		<u>Final Budget</u>
Expenditures				
General government				
Township board	\$ 33,832	\$ 17,895	\$ 17,710	\$ (185)
Supervisor	12,026	12,071	12,065	(6)
Manager	75,261	74,118	75,906	1,788
Accounting	49,450	44,279	43,372	(907)
Clerk	18,693	19,229	18,479	(750)
Audit	9,600	9,600	9,015	(585)
Board of review	1,468	1,468	874	(594)
Treasurer	60,735	61,708	61,980	272
Assessor	60,751	60,788	58,642	(2,146)
Elections	19,334	8,826	8,748	(78)
Buildings and grounds	89,941	82,805	81,971	(834)
Attorney	<u>20,500</u>	<u>27,500</u>	<u>23,074</u>	<u>(4,426)</u>
Total general government	<u>451,591</u>	<u>420,287</u>	<u>411,836</u>	<u>(8,451)</u>
Public safety				
Police	799,637	715,525	698,697	(16,828)
Fire department	<u>365,907</u>	<u>369,496</u>	<u>360,399</u>	<u>(9,097)</u>
Total public safety	<u>1,165,544</u>	<u>1,085,021</u>	<u>1,059,096</u>	<u>(25,925)</u>

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Amended</u>		<u>Final Budget</u>
Public works				
Department of public works	\$ 155,661	\$ 136,086	\$ 94,275	\$ (41,811)
Drains	24,114	29,538	29,538	-
Highways, streets and bridges	75,090	84,393	102,365	17,972
Street lighting	<u>124,297</u>	<u>124,297</u>	<u>131,040</u>	<u>6,743</u>
Total public works	<u>379,162</u>	<u>374,314</u>	<u>357,218</u>	<u>(17,096)</u>
Community and economic development				
Planning	4,157	14,110	14,497	387
Zoning	<u>337</u>	<u>731</u>	<u>292</u>	<u>(439)</u>
Total community and economic development	<u>4,494</u>	<u>14,841</u>	<u>14,789</u>	<u>(52)</u>
Recreation and culture				
Parks and recreation	<u>121,653</u>	<u>122,374</u>	<u>121,691</u>	<u>(683)</u>

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Amended		
Other functions				
Tax tribunal refunds	\$ 15,000	\$ 15,000	\$ 1,031	\$ (13,969)
Transfers out	27,662	94,800	126,500	31,700
Total expenditures	2,165,106	2,126,637	2,092,161	(34,476)
Excess (deficiency) of revenues over expenditures	(5,600)	90,518	200,585	110,067
Fund balance - beginning of year	1,681,469	1,681,469	1,681,469	-
Fund balance - end of year	\$ 1,675,869	\$ 1,771,987	\$ 1,882,054	\$ 110,067

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
Refuse Collection Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 501,625	\$ 501,625	\$ 495,150	\$ (6,475)
Interest income	57	57	78	21
Other revenue	500	500	424	(76)
Total revenues	<u>502,182</u>	<u>502,182</u>	<u>495,652</u>	<u>(6,530)</u>
Expenditures				
Current				
Public works	<u>537,745</u>	<u>511,745</u>	<u>493,197</u>	<u>(18,548)</u>
Excess (deficiency) of revenues over expenditures	(35,563)	(9,563)	2,455	12,018
Fund balance - beginning of year	<u>592,444</u>	<u>592,444</u>	<u>592,444</u>	<u>-</u>
Fund balance - end of year	<u>\$ 556,881</u>	<u>\$ 582,881</u>	<u>\$ 594,899</u>	<u>\$ 12,018</u>

Bridgeport Charter Township
Required Supplemental Information
Schedule of Funding Progress - Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (Percent) (a / b)
12/31/09	\$ -	\$ 811,100	\$ 811,100	0%
12/31/12	-	1,045,132	1,045,132	0%

Note: Valuation is performed every three years, so the next valuation report will be December 31, 2015.

Bridgeport Charter Township
Required Supplemental Information
Schedule of Employer Contributions - Other Post Employment Benefits

Year Ended December 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2009	\$ 82,500	\$ 58,332	71%
2010	87,649	21,417	24%
2011	93,458	18,071	19%
2012	102,581	19,336	19%
2013	102,860	20,496	20%

The information presented above was determined as part of the actuarial valuations at the date indicated. Additional information as of December 31, 2012, the latest actuarial valuation, follows:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Amortization period (perpetual)	27 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected rate increases	5.0% - 9.0%
*Includes inflation at	2.400%

Bridgeport Charter Township
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Safety Grant	Williamson Debt Service	Junction Sewer Capital Projects	Construction	
Assets								
Cash and cash equivalents	\$ 16,121	\$ 32,926	\$ 3,277	\$ -	\$ 46,461	\$ -	\$ 14,277	\$ 113,062
Receivables								
Taxes	-	-	-	-	21,905	-	-	21,905
Customers	-	111	-	25,070	-	-	-	25,181
Prepaid items	165	1,309	-	-	-	-	-	1,474
Total assets	\$ 16,286	\$ 34,346	\$ 3,277	\$ 25,070	\$ 68,366	\$ -	\$ 14,277	\$ 161,622
Liabilities								
Checks written against future deposits	\$ -	\$ -	\$ -	\$ 23,203	\$ -	\$ -	\$ -	\$ 23,203
Accounts payable	296	2,814	-	516	-	-	-	3,626
Accrued and other liabilities	-	1,483	-	1,223	-	-	-	2,706
Total liabilities	296	4,297	-	24,942	-	-	-	29,535
Deferred inflows of resources								
Property taxes	-	-	-	-	3,125	-	-	3,125
Fund balances								
Non-spendable for:								
Prepaid items	165	1,309	-	-	-	-	-	1,474
Restricted for:								
Public safety	-	-	3,277	-	-	-	-	3,277
Debt service	-	-	-	-	65,241	-	-	65,241
Capital projects	-	-	-	-	-	-	14,277	14,277
Committed for:								
Cemetery	15,825	-	-	-	-	-	-	15,825
Building Inspection	-	28,740	-	-	-	-	-	28,740
Safety grant	-	-	-	128	-	-	-	128
Total fund balances	15,990	30,049	3,277	128	65,241	-	14,277	128,962
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,286	\$ 34,346	\$ 3,277	\$ 25,070	\$ 68,366	\$ -	\$ 14,277	\$ 161,622

Bridgeport Charter Township
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Safety Grant	Williamson Debt Service	Junction Sewer Capital Projects	Construction	
Revenues								
Licenses and permits	\$ -	\$ 49,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,875
Other state grants	-	-	-	78,445	-	-	-	78,445
Charges for services	13,997	-	-	-	-	-	-	13,997
Fines and forfeitures	-	2,071	1,940	-	-	-	-	4,011
Interest income	-	-	-	-	111	-	-	111
Other revenue	1,820	254	-	-	31,221	-	89,120	122,415
Total revenues	15,817	52,200	1,940	78,445	31,332	-	89,120	268,854
Expenditures								
Current								
General government	18,157	-	-	-	-	-	-	18,157
Public safety	-	137,945	1,352	78,317	-	-	-	217,614
Community and economic development	-	-	-	-	-	103,052	-	103,052
Capital outlay	-	-	-	-	-	29,908	63,033	92,941
Debt service								
Principal retirement	-	-	-	-	42,182	-	-	42,182
Interest and fiscal charges	-	-	-	-	11,854	-	-	11,854
Total expenditures	18,157	137,945	1,352	78,317	54,036	132,960	63,033	485,800
Excess (deficiency) of revenues over expenditures	(2,340)	(85,745)	588	128	(22,704)	(132,960)	26,087	(216,946)
Other financing sources								
Transfers in	1,600	87,900	-	-	-	-	-	89,500
Net change in fund balance	(740)	2,155	588	128	(22,704)	(132,960)	26,087	(127,446)
Fund balance - beginning of year (deficit)	16,730	27,894	2,689	-	87,945	132,960	(11,810)	256,408
Fund balance - end of year	\$ 15,990	\$ 30,049	\$ 3,277	\$ 128	\$ 65,241	\$ -	\$ 14,277	\$ 128,962

Bridgeport Charter Township
Other Supplemental Information
Component Unit - Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 322,056	\$ 322,056	\$ 359,714	\$ 37,658
Local contribution	-	-	100,000	100,000
Interest income	500	500	1	(499)
Other revenue	-	3,113	3,113	-
Sale of fixed assets	-	107,120	107,120	-
	<u>322,556</u>	<u>432,789</u>	<u>569,948</u>	<u>137,159</u>
Total revenues				
Expenditures				
Current				
Public safety	50,000	50,000	50,000	-
Community and economic development	128,852	239,905	225,267	(14,638)
Capital outlay	41,000	54,853	55,316	463
Debt service				
Principal retirement	65,000	65,000	165,000	100,000
Interest and fiscal charges	37,704	37,704	34,580	(3,124)
	<u>322,556</u>	<u>447,462</u>	<u>530,163</u>	<u>82,701</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	-	(14,673)	39,785	54,458
Fund balance - beginning of year	<u>521,916</u>	<u>521,916</u>	<u>521,916</u>	<u>-</u>
Fund balance - end of year	<u>\$ 521,916</u>	<u>\$ 507,243</u>	<u>\$ 561,701</u>	<u>\$ 54,458</u>

Bridgeport Charter Township
Component Unit - Downtown Development Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances - Total component unit funds \$ 39,785

Total change in net position reported for component unit activities in the statement of activities is different because:

Component unit 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.

Depreciation expense	(3,267)
Sale of capital assets	(291,482)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property taxes	8,973
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Expenses are recorded when incurred in the statement of activities

Accrued interest	1,900
Compensated absences	(300)
Claims and judgments	100,000

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the component unit funds but reduces the liability in the statement of net position.

Repayments of long-term debt	165,000
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Change in net position of component unit activities **\$ 20,609**

Bridgeport Charter Township
Other Supplemental Information
Schedule of Indebtedness
December 31, 2013

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Governmental Activities						
General Obligation Bonds	5.000%	2014	\$ 42,182	\$ 5,273	\$ 4,218	\$ 51,673
1998 Drain Bonds	5.000%	2015	42,182	4,218	3,164	49,564
Amount of issue - \$ 825,000	5.000%	2016	42,182	3,164	2,109	47,455
	5.000%	2017	42,182	2,109	1,055	45,346
	6.800%	2018	39,543	1,055	-	40,598
			<u>\$ 208,271</u>	<u>\$ 15,819</u>	<u>\$ 10,546</u>	<u>\$ 234,636</u>
Component Unit						
Downtown Development Bonds	4.100%	2014	\$ 70,000	\$ 15,303	\$ 13,868	\$ 99,171
Series 2002	4.200%	2015	75,000	13,868	12,293	101,161
Amount of issue - \$ 1,365,000	4.250%	2016	75,000	12,293	10,543	97,836
	4.375%	2017	80,000	10,543	8,630	99,173
	4.500%	2018	85,000	8,630	6,560	100,190
	4.600%	2019	90,000	6,560	4,328	100,888
	4.700%	2020	95,000	4,328	1,834	101,162
	4.750%	2021	105,000	1,834	240	107,074
	4.800%	2022	10,000	240	-	10,240
			<u>\$ 685,000</u>	<u>\$ 73,599</u>	<u>\$ 58,296</u>	<u>\$ 816,895</u>