
Charter Township of Redford

Wayne County, Michigan

Financial Report
with Supplemental Information
March 31, 2021

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	8-9
Statement of Activities	10-11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenue, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Proprietary Funds:	
Statement of Net Position	16
Statement of Revenue, Expenses, and Changes in Net Position	17
Statement of Cash Flows	18-19
Fiduciary Funds:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position	21
Component Units:	
Statement of Net Position	22
Statement of Activities	23
Notes to Financial Statements	24-60
Required Supplemental Information	61
Budgetary Comparison Schedule - General Fund	62-63
Schedule of Changes in the Net Pension Liability and Related Ratios - General Employees' Retirement System (MERS)	64
Schedule of Changes in the Net Pension Liability and Related Ratios - Police and Fire Employees Retirement System	65
Schedule of Pension Contributions - General Employees' Retirement System (MERS)	66
Schedule of Pension Contributions - Police and Fire Employees Retirement System	67
Schedule of Pension Investment Returns - Police and Fire Employees Retirement System	68
Schedule of Changes in the Net OPEB Liability and Related Ratios - General Employees'	69
Schedule of Changes in the Net OPEB Liability and Related Ratios - Police and Fire	70
Schedule of OPEB Investment Returns - General Employees'	71
Schedule of OPEB Investment Returns - Police and Fire	72
Schedule of OPEB Contributions - General Employees'	73-74
Schedule of OPEB Contributions - Police and Fire	75-76
Notes to Required Supplemental Information	77-78

Other Supplemental Information	79
Nonmajor Governmental Funds:	
Combining Balance Sheet	80-82
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	83-85
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	86
Combining Statement of Revenue, Expenses, and Changes in Net Position	87
Combining Statement of Cash Flows	88
Internal Service Funds:	
Combining Statement of Net Position	89
Combining Statement of Revenue, Expenses, and Changes in Net Position	90
Combining Statement of Cash Flows	91
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	92
Combining Statement of Changes in Fiduciary Net Position	93

Independent Auditor's Report

To the Board of Trustees
Charter Township of Redford

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Charter Township") as of and for the year ended March 31, 2021 and the related notes to the financial statements, which collectively comprise the Charter Township of Redford's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford as of March 31, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the Township adopted the provisions of GASB 84, *Fiduciary Activities*, during fiscal year 2021. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Charter Township of Redford

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Redford's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021 on our consideration of the Charter Township of Redford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township of Redford's internal control over financial reporting and compliance.



August 30, 2021

As management of the Charter Township of Redford (the "Charter Township" or the "Township"), we offer readers this narrative overview and analysis of the financial activities for the year ended March 31, 2021. Please read it in conjunction with the Charter Township's financial statements and notes to the financial statements that follow.

Financial Highlights

- State-shared revenue, our second largest revenue source, decreased approximately \$222,000 for the year ended March 31, 2021 to approximately \$5,351,000.
- Revenue related to the Charter Township's governmental activities increased by approximately \$1,236,000. This is attributed to an increase in property taxes of approximately \$707,000 along with a net increase in operating grants and contributions of \$777,000 reflecting grants of over \$1,200,000 related to the CARES Act and the expiration of the SAFER grant.
- Additional contributions continue to be made towards the Charter Township's future pension and OPEB liabilities.

Using This Annual Report

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

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Charter Township's operations in more detail than the government-wide financial statements by providing information about the Charter Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Charter Township acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Charter Township, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$111,527,453 at the close of the most recent fiscal year. This is due to unfunded pension and OPEB liabilities.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The Charter Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets:						
Cash and investments	\$ 34,014,126	\$ 32,124,620	\$ 17,715,278	\$ 13,382,982	\$ 51,729,404	\$ 45,507,602
Receivables	6,663,060	6,473,765	4,362,987	5,076,522	11,026,047	11,550,287
Other assets	3,708,563	4,122,316	1,108,525	3,528,266	4,817,088	7,650,582
Capital assets	19,866,791	18,660,812	45,213,230	46,421,811	65,080,021	65,082,623
Total assets	64,252,540	61,381,513	68,400,020	68,409,581	132,652,560	129,791,094
Deferred Outflows of Resources	31,299,011	46,503,022	2,087,582	3,912,253	33,386,593	50,415,275
Liabilities						
Current liabilities	3,880,417	2,879,905	2,194,409	3,542,445	6,074,826	6,422,350
Noncurrent liabilities	188,731,131	242,945,380	27,434,758	34,995,122	216,165,889	277,940,502
Total liabilities	192,611,548	245,825,285	29,629,167	38,537,567	222,240,715	284,362,852
Deferred Inflows of Resources	50,178,617	11,433,938	5,147,274	1,319,799	55,325,891	12,753,737
Net Position (Deficit)						
Net investment in capital assets	15,675,949	12,866,545	38,539,253	41,518,348	54,215,202	54,384,893
Restricted	12,035,074	10,546,414	-	-	12,035,074	10,546,414
Unrestricted	(174,949,637)	(172,787,647)	(2,828,092)	(9,053,880)	(177,777,729)	(181,841,527)
Total net position (deficit)	<u>\$ (147,238,614)</u>	<u>\$ (149,374,688)</u>	<u>\$ 35,711,161</u>	<u>\$ 32,464,468</u>	<u>\$ (111,527,453)</u>	<u>\$ (116,910,220)</u>

The Charter Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$ 8,574,384	\$ 8,074,808	\$ 21,814,369	\$ 20,814,013	\$ 30,388,753	\$ 28,888,821
Operating grants	4,993,024	4,215,646	-	-	4,993,024	4,215,646
Capital grants	145,845	198,754	-	-	145,845	198,754
General revenue:						
Taxes	21,544,733	20,837,987	-	-	21,544,733	20,837,987
Intergovernmental	5,350,858	5,573,081	-	-	5,350,858	5,573,081
Investment earnings	80,884	609,947	87,666	301,014	168,550	910,961
Other revenue	1,227,771	1,171,169	23,054	-	1,250,825	1,171,169
Total revenue	41,917,499	40,681,392	21,925,089	21,115,027	63,842,588	61,796,419

Charter Township of Redford

Management's Discussion and Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses						
General government	\$ 4,043,656	\$ 8,441,678	\$ -	\$ -	\$ 4,043,656	\$ 8,441,678
District court	2,902,528	3,119,932	-	-	2,902,528	3,119,932
Public safety	26,721,567	35,384,385	-	-	26,721,567	35,384,385
Public works	4,107,153	4,217,154	-	-	4,107,153	4,217,154
Health and welfare	-	625,265	-	-	-	625,265
Community and economic development	1,250,924	1,499,434	-	-	1,250,924	1,499,434
Recreation and culture	632,624	1,282,641	-	-	632,624	1,282,641
Debt service	122,973	(56,806)	-	-	122,973	(56,806)
Water and Sewer Fund	-	-	16,210,321	18,189,575	16,210,321	18,189,575
Senior Housing Fund	-	-	553,331	715,233	553,331	715,233
Golf course	-	-	1,216,314	1,261,405	1,216,314	1,261,405
Protective inspection	-	-	698,430	393,381	698,430	393,381
Total expenses	39,781,425	54,513,683	18,678,396	20,559,594	58,459,821	75,073,277
Change in Net Position	2,136,074	(13,832,291)	3,246,693	555,433	5,382,767	(13,276,858)
Net Position (Deficit) - Beginning of year	(149,374,688)	(135,542,397)	32,464,468	31,909,035	(116,910,220)	(103,633,362)
Net Position (Deficit) - End of year	<u>\$ (147,238,614)</u>	<u>\$ (149,374,688)</u>	<u>\$ 35,711,161</u>	<u>\$ 32,464,468</u>	<u>\$ (111,527,453)</u>	<u>\$ (116,910,220)</u>

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

Governmental Activities

Local property taxes and state-shared revenue make up approximately 64 percent, or \$26,896,000, of the Charter Township's total governmental revenue of approximately \$41,917,000. The majority of the remaining amount of revenue is related to charges for services and operating and capital grants.

The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$26,722,000, or 67 percent, of the total governmental expenses. Public safety expenditures decreased by approximately \$8,633,000 due to savings in long-term liabilities realized by changes to post-65 medical costs. The remaining expenditures of \$13,059,858, or 33 percent, of total governmental expenses pay for public works, recreation, community development, health and welfare, general government activities, and interest on debt. General government expenditures decreased by approximately \$4,398,000 mainly due to COVID-19 effects, including employee furloughs during the shutdown.

Business-type Activities

The business-type activities consist of the Water and Sewer Fund, the Golf Course Fund, the Senior Housing Fund, and the Protective Inspection Fund:

- The net position increased by approximately \$3,247,000 for the business-type activities (enterprise funds) in FY 2020-2021.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

- The Charter Township provides water and sewer services to residents and businesses connected to the system. The system generates revenue from customers of the system such that the system is financially self-sufficient and not reliant on taxes. The Charter Township purchases water as a wholesale customer of the Great Lakes Water Authority (GLWA). The Charter Township, through our engineering consultants, developed a system of controls to monitor water loss on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. The Water and Sewer Fund realized an operating gain of approximately \$3,195,000 and an increase in net position of approximately \$3,055,000.
- The Charter Township owns Glenhurst Municipal Golf Course as a business-type activity. There is a contract with a third party to oversee and manage the operations of the facility through March 2024.
- The golf course operations had an operating loss of approximately \$16,000 in the current year. The golf course experienced a sales decrease of \$17,000, while operating expenses decreased by \$45,000 from the previous year. There was positive cash flow from operations of \$269,507.
- The Charter Township owns and operates a 92-unit independent living senior citizens apartment complex, Minock Meadows, available to current and former residents and family members of residents. The facility provides reasonably priced market-rate housing for self-sufficient seniors interested in remaining in the Charter Township. The financial results show an operating loss of approximately \$88,000 after depreciation. The facility opened on October 1, 1993. There was positive cash flow from operations of \$240,830.
- The Protective Inspection Fund is operated as a business-type activity. The fund accounts for activities related to building and construction code enforcement. The goal of the operation is to generate sufficient revenue from building ordinance code fees to support the cost of operations.

Financial Analysis of the Township's Funds

Our analysis of the major funds starts on page 12, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Charter Township as a whole. The township board creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as solid waste, special grants, and capital projects. The Charter Township's major governmental fund for fiscal year 2020-2021 was the General Fund.

- The General Fund pays for most of the Charter Township's governmental services. The costliest services are police and fire, which incurred expenses of approximately \$24,357,000 in fiscal year 2020-2021. These two activities are partially funded by three police and fire millages. During the current year, this amounted to approximately \$7,712,000 for police and fire operations and \$8,849,000 for the retirement system. The remaining approximately \$7,796,000 of operating cost of the police and fire departments is funded by other revenue of the General Fund, including grants. In addition, the General Fund pays for the cost of general governmental services, including district court, probation and criminal justice activities, treasury and financial operations, central staff services, recreation, public works, and various other activities.
- It is important to note that the Charter Township operates on a March 31 fiscal year end, and that all of the Charter Township's tax levies are collected as part of the winter tax statement. As a result, the Charter Township's cash flow reserves as a percentage of our annual operating budget must be higher than in a community with a June 30 or December 31 fiscal year end.

General Fund Budgetary Highlights

Over the course of the year, the Charter Township amended the budget to take into account changing events. An amendment was passed, in accordance with budgetary accounting policies, increasing estimated revenue by approximately \$2,153,000, substantially due to one-time COVID funds received through grants. Expenditures were amended as necessary.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

At the end of the fiscal year, the Charter Township had approximately \$65,080,000 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines, net of related accumulated depreciation. The capital made up 49 percent of the Charter Township's total assets of approximately \$134,147,000 (including component units).

Additional information regarding the Charter Township's capital assets can be found in Note 5 of this report.

The long-term debt (including component units) of approximately \$14,287,000 is related to the investment in capital assets and the brownfield redevelopment project, Shamrock. At the end of the fiscal year, the Charter Township had \$4.2 million in debt in the governmental activities, while business-type activities had \$6.7 million outstanding. Component unit debt was \$3.4 million.

Economic Factors and Next Year's Budgets and Rates

The Charter Township's General Fund budget for the 2021-2022 fiscal year anticipates a decrease in revenue and expenditures over the prior year's original budget of approximately \$640,000, substantially due to the one-time COVID-19 funds received in fiscal year 2020-2021.

The increase in property tax revenue is expected to be just over \$190,000. The police and fire pension millage, street lighting millage, and police and fire special assessment district are set and levied to cover costs. Also, in FY 2021-2022, the Charter Township expects to receive state reimbursement for lost personal property taxes, amounting to just over \$800,000 in the General Fund.

Approximately \$800,000 has been budgeted for police and fire capital expenditures. In addition, construction will be underway throughout the year on the new North Fire Station. The Charter Township received approximately \$5,800,000 in bond proceeds to fund the project.

The expansion and renovation of the 17th District Courthouse should be completed midway through FY 2021-2022. This capital improvement project was funded with funds set aside from court fees over the past decade of approximately \$4,000,000. To supplement those funds, the court received \$1,000,000 through a 10-year Act 99 loan, which is being paid annually using court fees collected.

Like other communities around the world, the Charter Township is continuing to work through the impact of the COVID-19 pandemic. In early fiscal year 2021-2022, the Charter Township was awarded approximately \$20,000,000 in federal funding from the American Rescue Plan Act. The funds are to be used over the next few years toward projects such as broadband infrastructure, COVID-19 expenditures, and other eligible costs. Since this was awarded in fiscal year 2021-2022, it was not included in the original budget but will be reflected in the amended budget.

Water and sewer variable rates are anticipated to remain relatively flat in the 2021-2022 fiscal year, with a modest increase of approximately 3.30 percent in the fixed base fee. The increase is mostly due to higher sewer rates and an increase in capital projects scheduled to be completed by GLWA.

Requests for Further Information

This financial report is intended to provide a general overview of the Charter Township's finances and demonstrate the Charter Township's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Township's finance department by visiting our website at www.redfordtwp.com.

Charter Township of Redford

Statement of Net Position

March 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 34,014,126	\$ 17,715,278	\$ 51,729,404	\$ 1,300,435
Receivables - Net: (Note 4)				
Property taxes receivable	2,348,941	-	2,348,941	-
Special assessments receivable	54	-	54	-
Customer receivables	19,541	4,678,378	4,697,919	-
Other receivables	872,260	1,346	873,606	-
Due from other governments	3,022,299	83,228	3,105,527	-
Internal balances	399,965	(399,965)	-	-
Deposits	3,195,506	74,901	3,270,407	-
Prepaid expenses	404,205	60,385	464,590	-
Restricted assets (Note 8)	-	71,438	71,438	-
Assets held for resale	108,852	-	108,852	-
Capital assets: (Note 5)				
Assets not subject to depreciation	7,766,342	8,146,382	15,912,724	75,690
Assets subject to depreciation - Net	12,100,449	37,066,848	49,167,297	118,437
Advances to component units	-	901,801	901,801	-
Total assets	64,252,540	68,400,020	132,652,560	1,494,562
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	-	85,081
Deferred pension costs (Note 10)	7,711,341	380,844	8,092,185	-
Deferred OPEB costs (Note 11)	23,587,670	1,706,738	25,294,408	-
Total deferred outflows of resources	31,299,011	2,087,582	33,386,593	85,081
Liabilities				
Accounts payable	509,966	2,042,023	2,551,989	12,644
Due to other governmental units	1,683,635	-	1,683,635	1,496
Accrued liabilities and other	1,026,517	103,127	1,129,644	1,957
Unearned revenue	9,262	1,185	10,447	-
Other liabilities	651,037	48,074	699,111	-
Noncurrent liabilities:				
Due within one year: (Note 7)				
Compensated absences	62,799	5,666	68,465	-
Provision for property tax refunds	409,308	-	409,308	-
Current portion of long-term debt	1,384,807	474,819	1,859,626	860,000
Due in more than one year:				
Compensated absences	2,633,676	451,218	3,084,894	-
Estimated insurance and other liabilities (Note 9)	821,608	-	821,608	-
Advances from primary government	-	-	-	901,801
Net pension liability (Note 10)	68,174,574	6,365,985	74,540,559	-
Net OPEB liability (Note 11)	112,438,324	13,866,474	126,304,798	-
Long-term debt (Note 7)	2,806,035	6,270,596	9,076,631	2,490,251
Total liabilities	192,611,548	29,629,167	222,240,715	4,268,149

Charter Township of Redford

Statement of Net Position (Continued)

March 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 10)	\$ 12,187,897	\$ 310,229	\$ 12,498,126	\$ -
Deferred OPEB cost reductions (Note 11)	37,990,720	4,837,045	42,827,765	-
Total deferred inflows of resources	50,178,617	5,147,274	55,325,891	-
Net Position (Deficit)				
Net investment in capital assets	15,675,949	38,539,253	54,215,202	194,127
Restricted:				
Road improvements	321,001	-	321,001	-
PEG fees	210,489	-	210,489	-
Debt service	2,075,142	-	2,075,142	-
Solid waste activities	3,023,485	-	3,023,485	-
Grant programs	777,321	-	777,321	-
Dial-A-Ride	476,577	-	476,577	-
Street lighting	153,046	-	153,046	-
Drain improvements	943,950	-	943,950	-
Drug law enforcement	893,917	-	893,917	-
911	557,389	-	557,389	-
Storm water improvements	72,065	-	72,065	-
Public safety SAD	1,503,397	-	1,503,397	-
Police and Fire postemployment	1,027,295	-	1,027,295	-
Unrestricted	(174,949,637)	(2,828,092)	(177,777,729)	(2,882,633)
Total net position (deficit)	\$ (147,238,614)	\$ 35,711,161	\$ (111,527,453)	\$ (2,688,506)

Charter Township of Redford

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 4,043,656	\$ 1,332,600	\$ 2,773,371	\$ 91,658
District court	2,902,528	1,460,871	35,201	-
Public safety	26,721,567	1,887,541	697,526	7,285
Public works	4,107,153	3,829,969	207,806	46,902
Community and economic development	1,250,924	589	1,199,195	-
Recreation and culture	632,624	62,814	79,925	-
Interest on long-term debt	122,973	-	-	-
Total governmental activities	39,781,425	8,574,384	4,993,024	145,845
Business-type activities:				
Water and Sewer Fund	16,210,321	19,207,203	-	-
Golf Course	1,216,314	1,200,523	-	-
Senior Housing Fund	553,331	641,774	-	-
Protective Inspection	698,430	764,869	-	-
Total business-type activities	18,678,396	21,814,369	-	-
Total primary government	\$ 58,459,821	\$ 30,388,753	\$ 4,993,024	\$ 145,845
Component units:				
Downtown Development Authority	\$ 95,513	\$ -	\$ -	\$ -
Brownfield Redevelopment Financing Authority	1,927,677	-	1,074,798	-
Total component units	\$ 2,023,190	\$ -	\$ 1,074,798	\$ -
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain from sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended March 31, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 153,973	\$ -	\$ 153,973	\$ -
(1,406,456)	-	(1,406,456)	-
(24,129,215)	-	(24,129,215)	-
(22,476)	-	(22,476)	-
(51,140)	-	(51,140)	-
(489,885)	-	(489,885)	-
(122,973)	-	(122,973)	-
(26,068,172)	-	(26,068,172)	-
-	2,996,882	2,996,882	-
-	(15,791)	(15,791)	-
-	88,443	88,443	-
-	66,439	66,439	-
-	3,135,973	3,135,973	-
(26,068,172)	3,135,973	(22,932,199)	-
-	-	-	(95,513)
-	-	-	(852,879)
-	-	-	(948,392)
21,544,733	-	21,544,733	1,626,835
5,350,858	-	5,350,858	-
80,884	87,666	168,550	4,810
792,980	-	792,980	-
-	23,054	23,054	-
434,791	-	434,791	-
28,204,246	110,720	28,314,966	1,631,645
2,136,074	3,246,693	5,382,767	683,253
(149,374,688)	32,464,468	(116,910,220)	(3,371,759)
\$ (147,238,614)	\$ 35,711,161	\$ (111,527,453)	\$ (2,688,506)

Charter Township of Redford

Governmental Funds Balance Sheet

March 31, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 23,868,990	\$ 9,556,050	\$ 33,425,040
Investments	-	561,361	561,361
Receivables: (Note 4)			
Property taxes receivable	1,997,394	351,547	2,348,941
Special assessments receivable	-	54	54
Customer receivables	-	19,541	19,541
Other receivables	322,712	549,548	872,260
Due from other governments	2,290,117	732,182	3,022,299
Due from other funds (Note 6)	1,710,802	-	1,710,802
Prepaid expenses	388,495	15,710	404,205
Assets held for resale	-	108,852	108,852
	<u>\$ 30,578,510</u>	<u>\$ 11,894,845</u>	<u>\$ 42,473,355</u>
Total assets			
Liabilities			
Accounts payable	\$ 321,695	\$ 177,134	\$ 498,829
Due to other governmental units	1,567,260	116,375	1,683,635
Due to other funds	73	1,310,764	1,310,837
Accrued liabilities and other	988,534	15,580	1,004,114
Unearned revenue (Note 4)	4,167	5,095	9,262
Other liabilities	651,037	-	651,037
Provision for property tax refunds	199,967	840	200,807
	<u>3,732,733</u>	<u>1,625,788</u>	<u>5,358,521</u>
Total liabilities			
Deferred Inflows of Resources - Unavailable revenue (Note 4)	<u>2,254,358</u>	<u>1,302,630</u>	<u>3,556,988</u>
Total liabilities and deferred inflows of resources	5,987,091	2,928,418	8,915,509
Fund Balances (Note 13)			
Nonspendable	388,495	15,710	404,205
Restricted	1,890,364	8,823,536	10,713,900
Committed	346,442	182,336	528,778
Assigned	-	811,498	811,498
Unassigned	21,966,118	(866,653)	21,099,465
	<u>24,591,419</u>	<u>8,966,427</u>	<u>33,557,846</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,578,510</u>	<u>\$ 11,894,845</u>	<u>\$ 42,473,355</u>

Charter Township of Redford

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

March 31, 2021

Fund Balances Reported in Governmental Funds	\$ 33,557,846
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	19,866,791
Receivables that are not collected soon after year end, such as special assessments, delinquent personal and real property taxes, and grants, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	3,556,988
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(4,190,842)
Accrued interest is not due and payable in the current period and is not reported in the funds	(10,504)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,696,475)
Pension benefits	(72,651,130)
Retiree health care benefits	(126,841,374)
The Charter Township reports a portion of the provision for property tax chargebacks only at the government-wide level, not in the individual funds	(208,501)
Internal service funds are included as part of governmental activities	<u>2,378,587</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (147,238,614)</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended March 31, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes (Note 1)	\$ 21,650,450	\$ 88,656	\$ 21,739,106
Special assessments	-	7,471	7,471
Intergovernmental:			
Federal grants	2,111,267	1,225,291	3,336,558
State sources	6,492,315	359,093	6,851,408
Local grants and contributions	-	1,617,127	1,617,127
Charges for services	2,137,332	4,113,526	6,250,858
Fines and forfeitures	1,861,759	153,405	2,015,164
Licenses and permits	832,513	-	832,513
Investment income	52,297	24,464	76,761
Other revenue	2,454,107	66,844	2,520,951
Total revenue	37,592,040	7,655,877	45,247,917
Expenditures			
Current services:			
General government	5,317,445	3,814	5,321,259
District court	2,294,217	227,539	2,521,756
Public safety	24,356,904	392,985	24,749,889
Public works	956,141	3,799,150	4,755,291
Community and economic development	50,545	1,276,903	1,327,448
Recreation and culture:			
Parks and recreation	255,541	-	255,541
Parks facilities	432,265	-	432,265
Senior citizens	3,238	-	3,238
Capital outlay	-	1,861,867	1,861,867
Debt service	21,315	1,415,151	1,436,466
Total expenditures	33,687,611	8,977,409	42,665,020
Excess of Revenue Over (Under) Expenditures	3,904,429	(1,321,532)	2,582,897
Other Financing Sources (Uses)			
Transfers in (Note 6)	201,080	1,673,603	1,874,683
Transfers out (Note 6)	(874,250)	(1,000,433)	(1,874,683)
Sale of capital assets	20,400	-	20,400
Total other financing (uses) sources	(652,770)	673,170	20,400
Net Change in Fund Balances	3,251,659	(648,362)	2,603,297
Fund Balances - Beginning of year	21,339,760	9,614,789	30,954,549
Fund Balances - End of year	\$ 24,591,419	\$ 8,966,427	\$ 33,557,846

Charter Township of Redford

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended March 31, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 2,603,297
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	3,438,687
Depreciation expense	(2,107,308)
Net book value of assets disposed of	(125,400)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	28,379
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,603,425
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(2,802,027)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	13,601
Internal service funds are included as part of governmental activities	(516,580)
Change in Net Position of Governmental Activities	<u>\$ 2,136,074</u>

Charter Township of Redford

Proprietary Funds Statement of Net Position

March 31, 2021

	Enterprise Funds				Governmental
	Water and Sewer Fund	Protective Inspection Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 14,054,479	\$ 1,530,578	\$ 2,130,221	\$ 17,715,278	\$ 27,725
Receivables - Net (Note 4)	4,749,014	12,592	1,346	4,762,952	-
Due from other funds	73	-	-	73	-
Deposits	65,382	-	9,519	74,901	3,195,506
Prepaid expenses	43,452	15,357	1,576	60,385	-
Total current assets	18,912,400	1,558,527	2,142,662	22,613,589	3,223,231
Noncurrent assets:					
Restricted assets (Note 8)	71,438	-	-	71,438	-
Capital assets - Net (Note 5)	40,803,524	2,979	4,406,727	45,213,230	-
Advances to component units	901,801	-	-	901,801	-
Total noncurrent assets	41,776,763	2,979	4,406,727	46,186,469	-
Total assets	60,689,163	1,561,506	6,549,389	68,800,058	3,223,231
Deferred Outflows of Resources					
Deferred pension costs (Note 10)	319,741	33,386	27,717	380,844	-
Deferred OPEB costs (Note 11)	1,284,269	349,306	73,163	1,706,738	-
Total deferred outflows of resources	1,604,010	382,692	100,880	2,087,582	-
Liabilities					
Current liabilities:					
Accounts payable	1,936,375	6,618	99,030	2,042,023	11,137
Due to other funds	870	-	399,168	400,038	-
Accrued liabilities and other	82,824	17,115	3,188	103,127	11,899
Unearned revenue	-	-	1,185	1,185	-
Other liabilities	-	-	48,074	48,074	-
Compensated absences (Note 7)	5,666	-	-	5,666	-
Current portion of long-term debt (Note 7)	474,819	-	-	474,819	-
Total current liabilities	2,500,554	23,733	550,645	3,074,932	23,036
Noncurrent liabilities:					
Compensated absences (Note 7)	364,606	33,698	52,914	451,218	-
Estimated insurance and other liabilities	-	-	-	-	821,608
Net pension liability (Note 10)	5,344,609	558,077	463,299	6,365,985	-
Net OPEB liability (Note 11)	10,434,099	2,837,948	594,427	13,866,474	-
Long-term debt (Note 7)	6,270,596	-	-	6,270,596	-
Total noncurrent liabilities	22,413,910	3,429,723	1,110,640	26,954,273	821,608
Total liabilities	24,914,464	3,453,456	1,661,285	30,029,205	844,644
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 10)	260,456	27,196	22,577	310,229	-
Deferred OPEB cost reductions (Note 11)	3,639,728	989,963	207,354	4,837,045	-
Total deferred inflows of resources	3,900,184	1,017,159	229,931	5,147,274	-
Net Position (Deficit)					
Net investment in capital assets	34,129,547	2,979	4,406,727	38,539,253	-
Unrestricted	(651,022)	(2,529,396)	352,326	(2,828,092)	2,378,587
Total net position (deficit)	\$ 33,478,525	\$ (2,526,417)	\$ 4,759,053	\$ 35,711,161	\$ 2,378,587

See notes to financial statements.

Charter Township of Redford

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Year Ended March 31, 2021

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Protective Inspection Fund	Nonmajor Enterprise Funds		Internal Service Funds
Operating Revenue					
Charges for services	\$ 19,207,203	\$ -	\$ 1,842,297	\$ 21,049,500	\$ -
Township contributions	-	-	-	-	1,514,258
Fees and permits	-	764,869	-	764,869	-
Total operating revenue	19,207,203	764,869	1,842,297	21,814,369	1,514,258
Operating Expenses					
Cost of water and sewer	12,449,131	-	-	12,449,131	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	1,530,241
General and administrative costs	1,737,711	-	428,439	2,166,150	-
Cost of services	-	674,817	1,073,481	1,748,298	576,690
Depreciation and amortization	1,825,764	23,613	267,725	2,117,102	-
Total operating expenses	16,012,606	698,430	1,769,645	18,480,681	2,106,931
Operating Income (Loss)	3,194,597	66,439	72,652	3,333,688	(592,673)
Nonoperating Revenue (Expense)					
Investment income	58,012	20,612	9,042	87,666	76,093
Interest expense	(197,715)	-	-	(197,715)	-
Gain on sale of assets	-	-	23,054	23,054	-
Total nonoperating (expense) revenue	(139,703)	20,612	32,096	(86,995)	76,093
Change in Net Position	3,054,894	87,051	104,748	3,246,693	(516,580)
Net Position (Deficit) - Beginning of year	30,423,631	(2,613,468)	4,654,305	32,464,468	2,895,167
Net Position (Deficit) - End of year	\$ 33,478,525	\$ (2,526,417)	\$ 4,759,053	\$ 35,711,161	\$ 2,378,587

Charter Township of Redford

Proprietary Funds Statement of Cash Flows

Year Ended March 31, 2021

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Protective Inspection Fund	Nonmajor Enterprise Funds		Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers	\$ 19,444,364	\$ 764,869	\$ 1,842,297	\$ 22,051,530	\$ 1,514,258
Receipts from interfund services and reimbursements	809	-	225,238	226,047	-
Payments to suppliers	(13,309,273)	(141,050)	(1,343,597)	(14,793,920)	(45,521)
Payments to employees and fringes	(3,483,140)	(620,308)	(213,601)	(4,317,049)	(524,916)
Claims paid	-	-	-	-	(2,968,988)
Other receipts	372,249	-	-	372,249	-
Net cash and cash equivalents provided by (used in) operating activities	3,025,009	3,511	510,337	3,538,857	(2,025,167)
Cash Flows from Capital and Related Financing Activities					
Proceeds from sale of capital assets	16,235	-	23,054	39,289	-
Purchase of capital assets	(815,644)	-	(90,671)	(906,315)	-
Principal and interest paid on capital debt	(685,904)	-	-	(685,904)	-
Net cash and cash equivalents used in capital and related financing activities	(1,485,313)	-	(67,617)	(1,552,930)	-
Cash Flows Provided by Investing Activities - Interest received on investments	58,012	20,612	9,042	87,666	76,093
Net Increase (Decrease) in Cash and Cash Equivalents	1,597,708	24,123	451,762	2,073,593	(1,949,074)
Cash and Cash Equivalents - Beginning of year	12,528,209	1,506,455	1,678,459	15,713,123	1,976,799
Cash and Cash Equivalents - End of year	<u>\$ 14,125,917</u>	<u>\$ 1,530,578</u>	<u>\$ 2,130,221</u>	<u>\$ 17,786,716</u>	<u>\$ 27,725</u>
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 14,054,479	\$ 1,530,578	\$ 2,130,221	\$ 17,715,278	\$ 27,725
Restricted cash	71,438	-	-	71,438	-
Total cash and cash equivalents	<u>\$ 14,125,917</u>	<u>\$ 1,530,578</u>	<u>\$ 2,130,221</u>	<u>\$ 17,786,716</u>	<u>\$ 27,725</u>

Charter Township of Redford

**Proprietary Funds
Statement of Cash Flows (Continued)**

Year Ended March 31, 2021

	Enterprise Funds			Governmental Activities	
	Water and Sewer Fund	Protective Inspection Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 3,194,597	\$ 66,439	\$ 72,652	\$ 3,333,688	\$ (592,673)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,825,764	23,613	267,725	2,117,102	-
Changes in assets and liabilities:					
Receivables	609,410	-	-	609,410	-
Due to and from other funds	809	-	225,238	226,047	-
Inventories	7,813	-	(2,412)	5,401	-
Prepaid and other assets	27,816	4,462	1,437	33,715	-
Net pension or OPEB liability	(2,341,108)	(94,707)	33,203	(2,402,612)	(176)
Accounts payable	(300,092)	3,704	(87,506)	(383,894)	6,429
Estimated claims liability	-	-	-	-	(1,438,747)
Total adjustments	<u>(169,588)</u>	<u>(62,928)</u>	<u>437,685</u>	<u>205,169</u>	<u>(1,432,494)</u>
Net cash and cash equivalents provided by (used in) operating activities	<u><u>\$ 3,025,009</u></u>	<u><u>\$ 3,511</u></u>	<u><u>\$ 510,337</u></u>	<u><u>\$ 3,538,857</u></u>	<u><u>\$ (2,025,167)</u></u>

Charter Township of Redford

Fiduciary Funds Statement of Fiduciary Net Position

March 31, 2021

	Pension and OPEB	Custodial Funds
Assets		
Cash and cash equivalents	\$ 8,151,143	\$ 79,789
Investments:		
U.S. government securities	1,332,673	-
Agency securities	2,967,497	-
Closely held - Equity	5,741,226	-
Mutual funds	19,683,970	-
Stocks	24,163,151	-
Bonds	7,721,166	-
Real estate investment trust	51,097	-
Short-term funds (2a7-like)	7,855,613	-
CIF - Equity	9,977,693	-
Receivables	106,613	-
Due from primary government	215,857	-
	87,967,699	79,789
Liabilities		
Accounts payable	87,817	-
Due to other governmental units	-	79,789
Due to primary government	486,539	-
	574,356	79,789
Net Position		
Restricted:		
Pension	77,498,552	-
Postemployment benefits other than pension	9,894,791	-
	\$ 87,393,343	\$ -

Charter Township of Redford

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended March 31, 2021

	Pension and OPEB	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	\$ 1,124,934	\$ -
Net increase in fair value of investments	21,673,874	-
Investment-related expenses	(306,515)	-
Net investment income	22,492,293	-
Contributions	11,863,765	-
Property tax collections	-	35,359,021
Fines and fees	-	601,256
Total additions	34,356,058	35,960,277
Deductions		
Benefit payments	12,308,130	-
Refunds and withdrawals	438,763	-
Deferred retirement option plan expenses	547,077	-
Administrative expenses	81,976	-
Tax distributions to other governments	-	35,359,021
State of Michigan reimbursement	-	565,588
Wayne County, Michigan reimbursement	-	35,668
Total deductions	13,375,946	35,960,277
Net Increase in Fiduciary Net Position	20,980,112	-
Net Position - Beginning of year	66,413,231	-
Net Position - End of year	\$ 87,393,343	\$ -

Charter Township of Redford

Component Units Statement of Net Position

March 31, 2021

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 218,116	\$ 1,082,319	\$ 1,300,435
Capital assets - Net (Note 5)	194,127	-	194,127
Total assets	412,243	1,082,319	1,494,562
Deferred Outflows of Resources - Bond refunding loss being amortized			
	-	85,081	85,081
Liabilities			
Accounts payable	9,053	3,591	12,644
Due to other governmental units	-	1,496	1,496
Accrued liabilities and other	-	1,957	1,957
Noncurrent liabilities:			
Due within one year	-	860,000	860,000
Due in more than one year:			
Advances from primary government	-	901,801	901,801
Long-term debt (Note 7)	-	2,490,251	2,490,251
Total liabilities	9,053	4,259,096	4,268,149
Net Position (Deficit)			
Net investment in capital assets	194,127	-	194,127
Unrestricted	209,063	(3,091,696)	(2,882,633)
Total net position (deficit)	\$ 403,190	\$ (3,091,696)	\$ (2,688,506)

Charter Township of Redford

**Component Units
Statement of Activities**

Year Ended March 31, 2021

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Functions/Programs						
Downtown Development Authority	\$ 95,513	\$ -	\$ -	\$ (95,513)	\$ -	\$ (95,513)
Brownfield Redevelopment Financing Authority	1,927,677	-	1,074,798	-	(852,879)	(852,879)
Total	\$ 2,023,190	\$ -	\$ 1,074,798	(95,513)	(852,879)	(948,392)
General revenue:						
Property taxes				74,197	1,552,638	1,626,835
Unrestricted investment income				618	4,192	4,810
Total general revenue				74,815	1,556,830	1,631,645
Change in Net Position				(20,698)	703,951	683,253
Net Position (Deficit) - Beginning of year				423,888	(3,795,647)	(3,371,759)
Net Position (Deficit) - End of year				\$ 403,190	\$ (3,091,696)	\$ (2,688,506)

March 31, 2021

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

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

Blended Component Units

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

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

The General Employees' OPEB Plan and Police and Fire OPEB Plan have also been blended into the Township's financial statements. The General Employees' OPEB Plan is governed by a seven-member board that includes the township board and the Chief Judge of the 17th District Court. The Police and Fire OPEB Plan is governed by the same board as the Redford Township Police and Fire Retirement System.

The 17th District Court is governed by a chief judge. Although it is legally separate from the Township, the 17th District Court is reported as if it were part of the primary government because its sole purpose is to perform court-related activities on behalf of the Township.

Discretely Presented Component Units

Downtown Development Authority

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

Note 1 - Significant Accounting Policies (Continued)

Brownfield Redevelopment Financing Authority

The Brownfield Redevelopment Financing Authority (the "Authority") was established pursuant to Public Act 381 of 1996. The Authority was created to promote revitalization of environmentally distressed areas within the boundaries of the Charter Township. The Authority's governing body is approved by the township board. It is reported within the component unit column in the combined financial statements to emphasize that it is legally separate from the Charter Township. The Authority does not publish separately issued financial statements. The Authority can be contacted at the township offices at 15145 Beech Daly Road, Redford Township, MI 48239.

Economic Development Corporation

The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Charter Township, primarily through loans to eligible businesses. The EDC had no financial activity during the year ended March 31, 2021.

Report Presentation

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

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

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

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

Basis of Accounting

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

March 31, 2021

Note 1 - Significant Accounting Policies (Continued)

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Charter Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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

Fund Accounting

The Charter Township accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Charter Township to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

Proprietary Funds

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

- The Water and Sewer Fund accounts for the results of operations for providing water and sewer services to the citizens and businesses of the Charter Township. The fund's primary revenue is generated through user charges from those requesting water and sewer services.
- The Protective Inspection Fund accounts for the results of operations of building, electrical, and heating inspections serviced to the citizens and businesses of the Charter Township. The fund's primary revenue is generated through permit charges.

The Charter Township's internal service funds are used to allocate insurance costs and machinery and equipment purchases and maintenance to the various funds on a full accrual basis so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

March 31, 2021

Note 1 - Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Charter Township's programs. Activities that are reported as fiduciary include the following:

- The Police and Fire Pension Trust Fund accounts for the activities of the police and fire employees' retirement system, which accumulates resources for pension benefit payments to qualified police and fire employees.
- The Police and Fire Other Postemployment Benefits Trust Fund accumulates resources to fund the Township's obligation to provide health care benefits to retirees.
- The General Employees' Other Postemployment Benefits Trust Fund accumulates resources to fund the Township's obligation to provide health care benefits to retirees.
- The 17th District Court collects fines and fees on behalf of the State of Michigan and Wayne County, Michigan.
- The Tax Collection Fund collects taxes on behalf of all taxing authorities (state, county, school district, township, and the various smaller authorities).

Interfund Activity

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

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

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. To the extent that cash from various funds has been pooled, investment income is generally allocated to each fund using a weighted average of balance for the principal.

Inventories and Prepaid Items

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

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

Unspent bond proceeds of the water and sewer fund are required to be set aside for construction. These amounts have also been classified as restricted assets.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

	<u>Depreciable Life - Years</u>
Land improvements	7-50
Intangible road rights	15
Buildings and improvements	7-50
Water and sewer facilities	50-100
Water meters	20-60
CSO basin	30
Vehicles	3-10
Equipment	5-10

Amortization

Bond discounts recorded in the business-type activities are being amortized over the life of the bonds. For the year ended March 31, 2021, amortization of \$3,150 has been included in the operating expenses of the business-type activities, and accumulated amortization totaled \$548,435 for business-type activities. Additionally, there was \$13,502 of amortization for deferred cost of refunding for component units.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Charter Township reports the following deferred outflows of resources and deferred inflows of resources:

	Inflows	Outflows
Unavailable revenue (not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred charge on bond refunding		✓
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓

Net Position

Net position of the Charter Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Charter Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the Charter Township’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Charter Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Charter Township’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. A portion of the public safety special assessment has been set aside to fund future capital asset purchases and compensated absence payouts. These funds are restricted but are long term in nature; therefore, the Charter Township will spend the funds as allowable expenditures are incurred. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Charter Township has, by resolution, authorized the finance director to assign fund balance. The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Charter Township's 2020 property tax revenue was levied and collectible on December 1, 2020 and is recognized as revenue in the year ended March 31, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the Charter Township totaled \$890 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 4.1363 mills for general operating purposes, 1.2405 mills for police and fire general operating purposes, 8.1500 mills for police and fire special assessment district, 10.4000 mills for police and fire retirement benefits, 1.1500 mills for street lighting, and 0.1054 mills for Dial-A-Ride operating purposes. This resulted in \$3.5 million for general operating purposes, \$1.1 million for police and fire operating purposes, \$6.7 million for police and fire special assessment district, \$8.9 million for police and fire retirement benefits, \$938,000 for street lighting, and \$89,000 for Dial-A-Ride operating purposes. These amounts are recognized in the respective General Fund and special revenue funds financial statements as tax revenue.

Note 1 - Significant Accounting Policies (Continued)

Pension

The Charter Township offers a single-employer defined benefit plan to its police and fire employees and an agent multiemployer defined benefit pension plan to its general employees. The Charter Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Charter Township of Redford's pension plans and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net pension liability has generally been liquidated from the funds from which the individual employee's salaries are paid, which are primarily the General and Water and Sewer funds.

Other Postemployment Benefit Liability

The Charter Township offers retiree health care benefits to retirees. The Charter Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plans' fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the Charter Township of Redford OPEB plans and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported in the OPEB plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The net OPEB liability has generally been liquidated from the funds from which the individual employee's salaries are paid, which are primarily the General and Water and Sewer funds. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the Charter Township's policy to permit employees to accumulate earned but unused sick pay benefits, after five years of employment, and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Compensated absences will be liquidated by the fund from which the individual's salary is paid, primarily by the General Fund and Water and Sewer Fund. The claims and judgments liability will generally be liquidated through the Charter Township's General Fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund and internal service funds is charges to customers for sales or services. The Water and Sewer Fund 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 these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

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

Comparative Data/Reclassifications

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

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Charter Township's financial statements for the year ending March 31, 2022 but were extended to March 31, 2023 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Charter Township does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Charter Township's financial statements for the year ending March 31, 2024.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or another employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Charter Township's financial statements for the year ending March 31, 2023.

March 31, 2021

Note 1 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements

During the current year, the Charter Township adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: 17th District Court fines and fees collected and disbursed to other governments. The following activities were previously reported within governmental or proprietary funds but now meet the definition of a fiduciary activity and are reported as such: property taxes collected and remitted to other governments. The adoption of this statement had no impact on beginning fund balance/net position.

Note 2 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and cash equivalents	\$ 27,643,984	\$ 12,401,010	\$ 8,230,932	\$ 48,275,926	\$ 1,050,435
Investments	6,370,142	5,314,268	79,494,086	91,178,496	250,000
Restricted cash and investments	-	71,438	-	71,438	-
Total deposits and investments	\$ 34,014,126	\$ 17,786,716	\$ 87,725,018	\$ 139,525,860	\$ 1,300,435

These amounts are classified into the following deposits and investment categories:

	Primary Government	Component Units
Deposits with financial institutions	\$ 50,388,651	\$ 1,050,435
Investments:		
Short-term funds (2a7-like)	17,377,634	250,000
U.S. governmental securities	4,411,511	-
Stocks	24,163,151	-
Closely held - Equity	5,741,226	-
CIF - Equity	9,977,693	-
Bonds	7,721,166	-
Mutual funds	19,683,970	-
Real estate investment trust	51,097	-
Petty cash or cash on hand	9,761	-
Total	\$ 139,525,860	\$ 1,300,435

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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.

March 31, 2021

Note 2 - Deposits and Investments (Continued)

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

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had \$43,099,614 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Charter Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Charter Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had \$1,050,435 of bank deposits that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Charter Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Charter Township does not have a policy for custodial credit risk. At March 31, 2021, the Charter Township does not have investments with custodial credit risk.

Interest Rate Risk

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

At year end, the Charter Township had the following investments:

Investment	Fair Value	Weighted- average Maturity (Years)
Primary Government		
U.S. government agency securities (Court Building Fund)	\$ 111,361	1.00
U.S. government agency securities (pension)	4,300,150	13.28
Corporate bonds (pension)	<u>7,721,166</u>	9.77
Total	<u>\$ 12,132,677</u>	

March 31, 2021

Note 2 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Charter Township has no investment policy that would further limit its investment choices. As of March 31, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
U.S. Treasury (pension)	\$ 351,750	AAA	Moody's
U.S. government agency securities (pension)	2,616,874	AA+	S&P
Corporate bonds (pension)	451,198	AA1	Moody's
Corporate bonds (pension)	2,335,028	A3	Moody's
Corporate bonds (pension)	1,586,395	A2	Moody's
Corporate bonds (pension)	1,990,786	BAA2	Moody's
Corporate bonds (pension)	1,357,761	BAA1	Moody's
U.S. government agency securities	111,361	Not Rated	
Short-term funds - MI Class pooled accounts	4,519,941	Not Rated	
Comerica J-Fund	8,107,831	AI, PI	S&P, Moody's
Total	<u>\$ 23,428,925</u>		

Concentration of Credit Risk

The Charter Township's investment policy minimizes concentration of credit risk by limiting the amount it may invest in any one issuer to 5 percent. No more than 5 percent of the Charter Township's investments is invested in any one issuer.

Note 3 - Fair Value Measurements

The Charter Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Charter Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

March 31, 2021

Note 3 - Fair Value Measurements (Continued)

The Charter Township has the following recurring fair value measurements as of March 31, 2021:

	Assets Measured at Fair Value on a Recurring Basis at March 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Balance at March 31, 2021
ADR	\$ 955,565	\$ -	\$ -	\$ 955,565
Collateralized mortgage obligations	-	19	-	19
Common stock	22,221,885	-	-	22,221,885
Corporate bonds	-	7,721,166	-	7,721,166
Foreign stock	985,701	-	-	985,701
Mortgage-backed securities	-	2,967,477	-	2,967,477
Open-end MF - Equity	16,234,002	-	-	16,234,002
Open-end mutual funds - Fixed income	1,613,251	-	-	1,613,251
Mutual funds	1,836,717	-	-	1,836,717
U.S. government securities	1,332,673	-	-	1,332,673
Partnerships	-	-	51,097	51,097
Total	\$ 45,179,794	\$ 10,688,662	\$ 51,097	\$ 55,919,553

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of collateralized mortgage obligations, corporate bonds, and mortgage-backed securities at March 31, 2021 was determined primarily based on Level 2 inputs. The Charter Township estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of partnerships at March 31, 2021 was determined primarily based on Level 3 inputs. The Charter Township estimates the fair value of these investments using the Charter Township's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The valuation method for investments measured at net asset value per share (NAV) (or its equivalent) is presented in the following table.

Investments in Entities that Calculate Net Asset Value per Share

The Charter Township holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

March 31, 2021

Note 3 - Fair Value Measurements (Continued)

As of March 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
CIF - Equity	\$ 9,977,693	\$ -	None	None
Closely held equity	5,741,226	-	None	None
MI Class Investment Pool	4,519,941	-	None	None
Comerica Investment Pool	8,107,831	-	None	None
Total investments measured at NAV	<u>\$ 28,346,691</u>	<u>\$ -</u>		

The collective investment funds (CIF) - equity are global investment funds that invest exclusively in high-quality, short-term securities. The fair values of the investments of this type have been determined using NAV per share of the investments.

The closely held equity funds class includes several private equity funds with diversified portfolios. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The Comerica Investment Pool is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

Note 4 - Receivables

Receivables as of March 31, 2021 for the Charter Township's individual major funds and the nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Funds	Total Governmental Funds	Water and Sewer Fund	Protective Inspection Fund	Nonmajor Enterprise Funds	Total Proprietary Funds	Total Primary Government
Receivables:								
Property taxes receivable - Net of allowance	\$ 1,997,394	\$ 351,547	\$ 2,348,941	\$ -	\$ -	\$ -	\$ -	\$ 2,348,941
Special assessments receivable	-	54	54	-	-	-	-	54
Customer receivables	-	19,541	19,541	4,665,786	12,592	-	4,678,378	4,697,919
Other receivables	322,712	549,548	872,260	-	-	1,346	1,346	873,606
Due from other governments	2,290,117	732,182	3,022,299	83,228	-	-	83,228	3,105,527
Net receivables	<u>\$ 4,610,223</u>	<u>\$ 1,652,872</u>	<u>\$ 6,263,095</u>	<u>\$ 4,749,014</u>	<u>\$ 12,592</u>	<u>\$ 1,346</u>	<u>\$ 4,762,952</u>	<u>\$ 11,026,047</u>

March 31, 2021

Note 4 - Receivables (Continued)

Enterprise funds had unearned revenue in the amount of \$1,185 at the end of the current fiscal year. Governmental funds report deferred inflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue are as follows:

	Governmental Funds	
	Unavailable	Unearned
Delinquent property taxes	\$ 2,230,562	\$ -
Special assessments	252,242	-
Federal grants	1,074,184	-
Home Grant	-	5,095
Parks and recreation	-	4,167
Total	<u>\$ 3,556,988</u>	<u>\$ 9,262</u>

March 31, 2021

Note 5 - Capital Assets

Capital asset activity of the Charter Township was as follows:

Governmental Activities

	Balance April 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2021
Capital assets not being depreciated:					
Land	\$ 1,784,927	\$ -	\$ -	\$ -	\$ 1,784,927
Construction in progress	4,383,465	-	1,597,950	-	5,981,415
Subtotal	6,168,392	-	1,597,950	-	7,766,342
Capital assets being depreciated:					
Road usage rights	12,755,044	-	-	-	12,755,044
Buildings and improvements	17,597,905	-	128,512	-	17,726,417
Machinery and equipment	485,427	-	-	-	485,427
Vehicles	4,330,611	-	1,118,887	(398,758)	5,050,740
Office equipment	4,148,506	-	519,044	-	4,667,550
Land improvements	3,285,206	-	46,141	-	3,331,347
Furniture and fixtures	78,713	-	28,153	-	106,866
Subtotal	42,681,412	-	1,840,737	(398,758)	44,123,391
Accumulated depreciation:					
Road usage rights	10,565,777	-	809,477	-	11,375,254
Buildings and improvements	10,813,495	-	363,957	-	11,177,452
Machinery and equipment	384,308	-	28,719	-	413,027
Vehicles	3,569,916	-	457,372	(273,358)	3,753,930
Office equipment	2,777,038	-	322,838	-	3,099,876
Land improvements	2,004,752	-	122,106	-	2,126,858
Furniture and fixtures	73,706	-	2,839	-	76,545
Subtotal	30,188,992	-	2,107,308	(273,358)	32,022,942
Net capital assets being depreciated	12,492,420	-	(266,571)	(125,400)	12,100,449
Net governmental activities capital assets	<u>\$ 18,660,812</u>	<u>\$ -</u>	<u>\$ 1,331,379</u>	<u>\$ (125,400)</u>	<u>\$ 19,866,791</u>

March 31, 2021

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance April 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2021
Capital assets not being depreciated:					
Land	\$ 868,128	\$ -	\$ -	\$ -	\$ 868,128
Construction in progress	6,966,297	-	311,957	-	7,278,254
Subtotal	7,834,425	-	311,957	-	8,146,382
Capital assets being depreciated:					
Water and sewer lines	39,385,555	-	16,234	(19,064)	39,382,725
Road rights	37,077	-	-	-	37,077
Water meters	4,553,964	-	-	-	4,553,964
Buildings and improvements	9,988,117	-	8,802	-	9,996,919
Equipment	2,885,338	-	164,193	(80,645)	2,968,886
Vehicles	1,979,191	-	439,265	(39,590)	2,378,866
CSO basin	19,109,560	-	-	-	19,109,560
Land improvements	74,215	-	-	-	74,215
Subtotal	78,013,017	-	628,494	(139,299)	78,502,212
Accumulated depreciation:					
Water and sewer lines	14,630,393	-	698,369	(2,828)	15,325,934
Road rights	18,539	-	2,472	-	21,011
Water meters	484,803	-	227,076	-	711,879
Buildings and improvements	5,937,529	-	219,927	-	6,157,456
Equipment	2,339,256	-	212,280	(80,000)	2,471,536
Vehicles	1,685,100	-	127,236	(39,590)	1,772,746
CSO basin	14,290,837	-	639,844	-	14,930,681
Land improvements	39,174	-	4,947	-	44,121
Subtotal	39,425,631	-	2,132,151	(122,418)	41,435,364
Net capital assets being depreciated	38,587,386	-	(1,503,657)	(16,881)	37,066,848
Net business-type activities capital assets	\$ 46,421,811	\$ -	\$ (1,191,700)	\$ (16,881)	\$ 45,213,230

March 31, 2021

Note 5 - Capital Assets (Continued)

Component Units

	Balance April 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2021
Capital assets not being depreciated - Land	\$ 75,690	\$ -	\$ -	\$ -	\$ 75,690
Capital assets being depreciated:					
Machinery and equipment	14,416	-	-	-	14,416
Land improvements	272,812	-	-	-	272,812
Subtotal	287,228	-	-	-	287,228
Accumulated depreciation:					
Machinery and equipment	14,416	-	-	-	14,416
Land improvements	137,185	-	17,190	-	154,375
Subtotal	151,601	-	17,190	-	168,791
Net capital assets being depreciated	135,627	-	(17,190)	-	118,437
Net component units capital assets	<u>\$ 211,317</u>	<u>\$ -</u>	<u>\$ (17,190)</u>	<u>\$ -</u>	<u>\$ 194,127</u>

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

Governmental activities:		
General government		\$ 144,499
Public safety		942,904
Public works		892,334
Community and economic development		26,000
Recreation and culture		100,231
Court		1,340
Total governmental activities		<u>\$ 2,107,308</u>
Business-type activities:		
Water and sewer		\$ 1,840,813
Senior housing		124,892
Protective inspection		23,613
Golf course		142,833
Total business-type activities		<u>\$ 2,132,151</u>
Component unit activities - Downtown Development Authority		<u>\$ 17,190</u>

Construction Commitments

The Charter Township has active construction projects at year end. At year end, the Charter Township's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Phase XIII water main replacement project	\$ 1,479,873	\$ 300,851
District court building project	4,304,501	216,014
North Fire Station project	259,625	75,375

March 31, 2021

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Block Grant Fund	\$ 918,074
	Michigan Indigent Defense Commission	83,892
	Neighborhood Stabilization Grant Fund	2,210
	Water and Sewer Fund	870
	Road Paving Debt Service	480
	Fire Station Building Fund	306,108
	Golf Course Fund	399,168
	Total General Fund	1,710,802
Water and Sewer Fund	General Fund	73
	Total	<u>\$ 1,710,875</u>

The balance of amounts loaned to discretely presented component units is as follows:

Fund Borrowed From	Fund Loaned To	Amount
Water and Sewer Fund	Brownfield Redevelopment Financing Authority	\$ 901,801

The balance between the Water and Sewer Fund and the Brownfield Redevelopment Financing Authority relates to financing provided as part of the Shamrock redevelopment project.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 874,250
Nonmajor governmental funds	General Fund	201,080
	Nonmajor governmental funds	799,353
	Total nonmajor governmental funds	1,000,433
	Total	<u>\$ 1,874,683</u>

The transfers were related to funding debt payments, operating expenditures, and capital improvements.

March 31, 2021

Note 7 - Long-term Debt

Long-term debt activity for the year ended March 31, 2021 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
2019 Installment Purchase - Court Project							
Amount of issue - \$1,000,000							
Maturing through 2030	2.61%	\$100,000	\$ 1,000,000	\$ -	\$ (100,000)	\$ 900,000	\$ 100,000
2016 Lease Purchase Agreement - Fire truck							
Amount of issue - \$300,000		\$75,991 -					
Maturing through 2020	2.75%	\$78,081	78,085	-	(78,085)	-	-
2019 Lease Purchase Agreement - Ladder truck							
Amount of issue - \$700,000		\$94,008-					
Maturing through 2027	3.04%	\$109,219	700,000	-	(91,230)	608,770	94,008
2019 Lease Purchase Agreement - Motorola radios							
Amount of issue - \$361,853							
Maturing through 2022	0.00%	\$120,618	361,853	-	(120,618)	241,235	120,618
Total direct borrowings and direct placements principal outstanding			2,139,938	-	(389,933)	1,750,005	314,626
Other debt:							
2017 Capital Improvement Refunding Bonds							
Amount of issue - \$4,490,855 (Part of \$5,090,000 issue)		\$470,000-					
Maturing through 2024	2.00%	\$1,005,000	2,575,304	-	(878,708)	1,696,596	725,181
Premium on 2017 Capital improvement bond			44,025	-	(9,784)	34,241	-
2007 CDBG Bond:							
Amount of issue \$3,545,000		\$345,000-					
Maturing though 2023	4.55%-5.13%	\$365,000	1,035,000	-	(325,000)	710,000	345,000
Total other debt principal outstanding			3,654,329	-	(1,213,492)	2,440,837	1,070,181
Total bonds and contracts payable			5,794,267	-	(1,603,425)	4,190,842	1,384,807
Compensated absences			2,413,012	1,711,668	(1,428,205)	2,696,475	62,799
Total governmental activities long-term debt			<u>\$ 8,207,279</u>	<u>\$ 1,711,668</u>	<u>\$ (3,031,630)</u>	<u>\$ 6,887,317</u>	<u>\$ 1,447,606</u>

March 31, 2021

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt:							
2016 Capital Improvement Bonds Limited Tax General Obligation:							
Amount of issue - \$7,765,000		\$350,000-					
Maturing through 2030	2.00%-3.00%	\$475,000	\$ 6,875,000	\$ -	\$ (350,000)	\$ 6,525,000	\$ 350,000
2017 Capital Improvement Refunding Bonds							
Amount of issue - \$599,144.75 (Part of \$5,090,000 issue)		\$470,000-					
Maturing through 2024	2.00%	\$1,005,000	254,698	-	(126,290)	128,408	124,819
Total other debt principal outstanding			7,129,698	-	(476,290)	6,653,408	474,819
Unamortized bond premiums			108,631	-	(15,049)	93,582	-
Unamortized bond discounts			(4,725)	-	3,150	(1,575)	-
Total bonds and contracts payable			7,233,604	-	(488,189)	6,745,415	474,819
Compensated absences			495,420	49,343	(87,879)	456,884	5,666
Total business-type activities long-term debt			<u>\$ 7,729,024</u>	<u>\$ 49,343</u>	<u>\$ (576,068)</u>	<u>\$ 7,202,299</u>	<u>\$ 480,485</u>

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt:							
Limited Tax General Obligation 2017 Refunding Bonds -							
Amount of issue - \$2,375,000		\$250,000-					
Maturing through 2026	4.00%	\$310,000	\$ 1,680,000	\$ -	\$ (250,000)	\$ 1,430,000	\$ 540,000
Limited Tax General Obligation Bonds, Series 2015A -							
Amount of issue - \$3,135,000		\$300,000-					
Maturing through 2026	3.80%-4.00%	\$390,000	2,080,000	-	(300,000)	1,780,000	320,000
Total other debt principal outstanding			3,760,000	-	(550,000)	3,210,000	860,000
Unamortized bond premiums			165,751	-	(25,500)	140,251	-
Total component unit long-term debt			<u>\$ 3,925,751</u>	<u>\$ -</u>	<u>\$ (575,500)</u>	<u>\$ 3,350,251</u>	<u>\$ 860,000</u>

March 31, 2021

Note 7 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The Charter Township issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Charter Township. The Charter Township's qualified bonds are fully guaranteed by the State of Michigan. County contractual agreements and installment purchase agreements are also general obligations of the Charter Township. General obligations outstanding at March 31, 2021 for governmental activities are the 2017 Capital Improvement Refunding Bonds and the 2007 CDBG Bond and for business-type activities are the 2016 Capital Improvement Bonds and the 2017 Capital Improvement Refunding Bonds.

County Contractual Obligations

The above contractual obligations to the county are the result of the county issuance of bonds on the Charter Township's behalf. The Charter Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations.

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. Business-type activities utilize revenue bonds to finance the water and sewer system. The Charter Township has pledged substantially all of the Water and Sewer Fund, net of operating expenses, to repay the water and sewer revenue bonds.

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

Years Ending March 31	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 314,626	\$ 40,722	\$ 1,070,181	\$ 40,482	\$ 1,466,011
2023	317,488	35,249	835,000	19,448	1,207,185
2024	199,820	29,240	501,415	5,050	735,525
2025	202,860	23,590	-	-	226,450
2026	205,992	18,298	-	-	224,290
2027-2031	509,219	24,206	-	-	533,425
Thereafter	-	-	-	-	-
Total	\$ 1,750,005	\$ 171,305	\$ 2,406,596	\$ 64,980	\$ 4,392,886

Years Ending March 31	Business-type Activities		
	Other Debt		
	Principal	Interest	Total
2022	\$ 474,819	\$ 187,779	\$ 662,598
2023	350,000	179,531	529,531
2024	375,000	172,531	547,531
2025	400,000	165,031	565,031
2026	400,000	153,031	553,031
2027-2031	2,300,000	573,906	2,873,906
Thereafter	2,353,589	185,375	2,538,964
Total	\$ 6,653,408	\$ 1,617,184	\$ 8,270,592

Years Ending March 31	Component Unit Activities		
	Other Debt		
	Principal	Interest	Total
2022	\$ 860,000	\$ 123,163	\$ 983,163
2023	615,000	101,843	716,843
2024	640,000	78,773	718,773
2025	670,000	54,238	724,238
2026	425,000	28,000	453,000
2027-2031	-	-	-
Thereafter	-	-	-
Total	\$ 3,210,000	\$ 386,017	\$ 3,596,017

Note 7 - Long-term Debt (Continued)

Revenue Pledged

The Charter Township has pledged a portion of future property tax revenue to repay \$5,765,000 in brownfield redevelopment bonds issued in 2007 (subsequently refunded in 2017) and 2015 to finance various capital improvements. The bonds are payable from the incremental property taxes captured by the Authority and are guaranteed by the Charter Township in the event the captures do not cover the debt service requirements over the life of the bonds. Principal and interest remaining on the bonds total \$3,596,015, payable through 2026. For the current year, principal and interest paid and total property tax captures were \$692,703 and \$1,552,638, respectively.

Note 8 - Restricted Assets

Net position has been restricted in the amount of \$71,438 for unspent bond proceeds in the business-type activities at March 31, 2021.

Note 9 - Risk Management

The Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation).

The Michigan Municipal Risk Management Authority (the "Risk Management Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Risk Management Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Charter Township.

The Charter Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. These estimates are recorded in the Self-insurance (internal service) Fund. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability	
	2021	2020
Estimated liability - Beginning of year	\$ 1,573,395	\$ 773,530
Estimated claims incurred, including changes in estimates	185,781	1,747,368
Claim payments	(937,568)	(947,503)
Estimated liability - End of year	<u>\$ 821,608</u>	<u>\$ 1,573,395</u>

Note 10 - Pension Plans

Plans Description

The Charter Township of Redford provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the Police and Fire Employees Retirement System, a single-employer plan administered by the Police and Fire Employees Retirement System board, and the Municipal Employees' Retirement System of Michigan (MERS) plan, an agent multiple-employer plan administered by MERS of Michigan.

The MERS plan issues a publicly available financial report that can be obtained at 1134 Municipal Way, Lansing, MI 48197; the Police and Fire Employees Retirement System's public financial report is included within these financial statements.

Management of the Police and Fire Employees Retirement System is vested in the pension board, which consists of five members: the treasurer, by state statute, and four appointed by the Charter Township.

Note 10 - Pension Plans (Continued)

Benefits Provided

The Police and Fire Employees Retirement System and MERS plan provide retirement, disability, and death benefits to all full-time general and public safety employees. Retirement benefits are calculated as various percentages (ranging from 1.5 to 2.5 percent) of the employee's final three-year average compensation times the employee's years of service. To be eligible, employees must have a minimum number of years of service (ranging from 10 to 25) and meet minimum retirement age in most circumstances. The benefits also include nonduty disability benefits and disability retirement benefits, in limited situations. An employee who leaves the Charter Township's service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms do not provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

Benefit terms are generally established and amended by authority of the board of trustees, generally after negotiations of these terms with the affected unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Police and Fire Employees Retirement System	MERS Plan
Date of member count	March 31, 2021	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	204	182
Inactive plan members entitled to but not yet receiving benefits	1	27
Active plan members	87	91
Total employees covered by the plan	292	300

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. MERS and the Charter Township hire an independent actuary for this purpose, and annually the Charter Township contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the amounts agreed upon in union contracts. The Charter Township's required contribution is determined after consideration of the required contribution rate of employees.

For the year ended March 31, 2021, the average active employee contribution rate was 0 to 5.0 percent of annual pay, and the Charter Township's average contribution rate was 36.71 to 87.72 percent of annual payroll for the various employee groups.

March 31, 2021

Note 10 - Pension Plans (Continued)

Net Pension Liability

The Charter Township chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	Police and Fire Employees Retirement System	MERS Plan
Measurement date used for the Charter Township's net pension liability	March 31, 2021	December 31, 2020
Based on a comprehensive actuarial valuation as of	March 31, 2020	December 31, 2020

Changes in the net pension liability during the measurement year were as follows:

Police and Fire Employees Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 1, 2020	\$ 121,460,058	\$ 58,911,552	\$ 62,548,506
Changes for the year:			
Service cost	1,254,112	-	1,254,112
Interest	8,844,310	-	8,844,310
Changes in benefits	(323,703)	-	(323,703)
Differences between expected and actual experience	4,035,418	-	4,035,418
Changes in assumptions	2,088,941	-	2,088,941
Contributions - Employer	-	6,074,494	(6,074,494)
Contributions - Employee	-	161,111	(161,111)
Net investment income	-	21,999,035	(21,999,035)
Benefit payments, including refunds	(9,580,077)	(9,580,077)	-
Administrative expenses	-	(67,563)	67,563
Net changes	6,319,001	18,587,000	(12,267,999)
Balance at March 31, 2021	\$ 127,779,059	\$ 77,498,552	\$ 50,280,507

The plan's fiduciary net position represents 60.7 percent of the total pension liability.

March 31, 2021

Note 10 - Pension Plans (Continued)

MERS Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 53,118,553	\$ 29,006,164	\$ 24,112,389
Changes for the year:			
Service cost	525,136	-	525,136
Interest	3,905,935	-	3,905,935
Differences between expected and actual experience	54,761	-	54,761
Changes in assumptions	1,786,269	-	1,786,269
Contributions - Employer	-	2,203,056	(2,203,056)
Contributions - Employee	-	99,600	(99,600)
Net investment income	-	3,878,613	(3,878,613)
Benefit payments, including refunds	(3,974,476)	(3,974,476)	-
Administrative expenses	-	(56,831)	56,831
Net changes	2,297,625	2,149,962	147,663
Balance at December 31, 2020	<u>\$ 55,416,178</u>	<u>\$ 31,156,126</u>	<u>\$ 24,260,052</u>

Of the net pension liability for the MERS plan, \$17,894,067 has been allocated to governmental activities, \$5,344,609 has been allocated to the Water and Sewer Fund, \$463,299 has been allocated to the Senior Housing Fund, and \$558,077 has been allocated to the Protective Inspection Fund.

The plan's fiduciary net position represents 56.2 percent of the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended March 31, 2021, the Charter Township recognized pension expense of \$8,930,112 from all plans.

At March 31, 2021, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,590,506	\$ (1,745,969)
Changes in assumptions	2,970,837	-
Net difference between projected and actual earnings on pension plan investments	-	(10,752,157)
Employer contributions to the plan subsequent to the measurement date	530,842	-
Total	<u>\$ 8,092,185</u>	<u>\$ (12,498,126)</u>

Of the net deferred outflows of resources, \$7,711,341 has been allocated to governmental activities, \$319,741 has been allocated to the Water and Sewer Fund, \$27,717 has been allocated to the Senior Housing Fund, and \$33,386 has been allocated to the Protective Inspection Fund.

Of the net deferred inflows of resources, \$12,187,897 has been allocated to governmental activities, \$260,456 has been allocated to the Water and Sewer Fund, \$22,577 has been allocated to the Senior Housing Fund, and \$27,196 has been allocated to the Protective Inspection Fund.

March 31, 2021

Note 10 - Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending March 31	Amount
2022	\$ 379,360
2023	(1,391,147)
2024	(2,076,760)
2025	(2,868,964)
2026	1,020,726
Total	<u>\$ (4,936,785)</u>

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Police and Fire Employees Retirement System	MERS Plan
Inflation	2.50%	2.50%
Salary increases (including inflation)	Age-based rates	3.00%
Investment rate of return (net of investment expenses)	7.50%	7.60
Mortality rates	Pub-2010 Mortality Table	Pub-2010 Mortality Table

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees:

	Police and Fire Employees Retirement System	MERS Plan
Assumed investment rate of return	7.50%	7.60%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.50%	7.60%

March 31, 2021

Note 10 - Pension Plans (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Police and Fire Employees Retirement System’s policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following table presents best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plan's target asset allocation, as well as the pension board's adopted asset allocation policy as of March 31, 2021:

Police and Fire Employees Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50.00 %	7.50 %
International equity	13.00	8.50
Domestic bonds	22.50	2.50
International bonds	5.00	3.50
Real estate	9.50	4.50

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Charter Township, calculated using the current discount rate, as well as what the Charter Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1 Percentage Point Decrease</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Increase</u>
Net pension liability of the Police and Fire Employees Retirement System	\$ 62,740,943	\$ 50,280,507	\$ 39,817,785
Net pension liability of the MERS plan	29,850,354	24,260,052	19,510,219

March 31, 2021

Note 10 - Pension Plans (Continued)

Pension Plans Fiduciary Net Position

Detailed information about the plans' fiduciary net positions is available in the separately issued financial report for the MERS plan and in these financial statements for the Police and Fire Employees Retirement System. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plans' fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

In the 2020 MERS valuation and 2021 police and fire pension valuation, the mortality tables were updated from RP-2014 tables with the Pub-2010 mortality tables.

Pension Plan Reserves

In accordance with the Redford Township Police and Fire Employees Retirement System, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at applied rates as follows: command at 5 percent, patrol at 5 percent, and fire at 5 percent. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, the balances are transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at March 31, 2021 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 92,528,430	\$ 73,785,977
Employee reserve	3,712,575	3,712,575
Total	\$ 96,241,005	\$ 77,498,552

Deferred Retirement Option Program (DROP)

The Charter Township offers certain employees the ability to continue services and be paid a salary after they are fully vested; this program credits the employee for benefit payments that would have been paid and pays them out with interest at 5 percent after the employee has fully retired (discontinued providing employee services to the Charter Township). At March 31, 2021, the plan has \$8,935,253 accumulated in DROP accounts.

March 31, 2021

Note 11 - Other Postemployment Benefit Plan

Plans Description

The Charter Township provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the General Employees' OPEB Plan, a single-employer plan administered by the township board, and Police and Fire OPEB Plan, a single-employer plan administered by the township board.

The financial statements of each OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plans is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Charter Township, and the Charter Township's treasurer, who serves as an ex officio member.

Benefits Provided

The General Employees' OPEB Plan and Police and Fire OPEB Plan provide health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plans.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Date of member count	March 31, 2020	March 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	135	173
Active plan members	87	100
Total plan members	<u>222</u>	<u>273</u>

Contributions

Retiree health care costs are paid by the Charter Township on a pay-as-you-go basis. The Charter Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended March 31, 2021, the Charter Township made payments for postemployment health benefit premiums of \$3,713,893.

Net OPEB Liability

The Charter Township has chosen to use the March 31 measurement date as its measurement date for the net OPEB liability. The March 31, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the March 31, 2021 measurement date. The March 31, 2021 total OPEB liability was determined by an actuarial valuation performed as of March 31, 2020, which used update procedures to roll forward the estimated liability to March 31, 2021. The net OPEB liability of the Charter Township has been measured as follows:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Measurement date used for the Charter Township net OPEB liability	March 31, 2021	March 31, 2021
Based on a comprehensive actuarial valuation as of	March 31, 2020	March 31, 2020

March 31, 2021

Note 11 - Other Postemployment Benefit Plan (Continued)

General Employees' OPEB Plan

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at April 1, 2020	\$ 62,717,693	\$ 2,522,749	\$ 60,194,944
Changes for the year:			
Service cost	1,453,040	-	1,453,040
Interest	1,554,202	-	1,554,202
Differences between expected and actual experience	(18,257,362)	-	(18,257,362)
Changes in assumptions	(65,893)	-	(65,893)
Contributions - Employer	-	3,806,634	(3,806,634)
Net investment income	-	3,026	(3,026)
Benefit payments, including refunds	(1,549,528)	(1,549,528)	-
Administrative expenses	-	(6,625)	6,625
Net changes	(16,865,541)	2,253,507	(19,119,048)
Balance at March 31, 2021	\$ 45,852,152	\$ 4,776,256	\$ 41,075,896

Of the net OPEB liability for the General Employees' OPEB Plan, \$27,209,422 has been allocated to governmental activities, \$10,434,099 has been allocated to the Water and Sewer Fund, \$594,427 has been allocated to the Senior Housing Fund, and \$2,837,948 has been allocated to the Protective Inspection Fund.

The plan's fiduciary net position represents 10.4 percent of the total OPEB Liability.

Police and Fire OPEB Plan

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at April 1, 2020	\$ 117,432,214	\$ 4,978,931	\$ 112,453,283
Changes for the year:			
Service cost	3,290,453	-	3,290,453
Interest	2,910,522	-	2,910,522
Differences between expected and actual experience	(27,367,459)	-	(27,367,459)
Changes in assumptions	(3,164,239)	-	(3,164,239)
Contributions - Employer	-	2,411,214	(2,411,214)
Net investment income	-	490,232	(490,232)
Benefit payments, including refunds	(2,754,053)	(2,754,053)	-
Administrative expenses	-	(7,788)	7,788
Net changes	(27,084,776)	139,605	(27,224,381)
Balance at March 31, 2021	\$ 90,347,438	\$ 5,118,536	\$ 85,228,902

The plan's fiduciary net position represents 5.67 percent of the total OPEB liability.

March 31, 2021

Note 11 - Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2021, the Charter Township recognized OPEB expense of \$6,774,077 from all plans.

At March 31, 2021, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 160,567	\$ (40,114,853)
Changes in assumptions	25,025,985	(2,554,489)
Net difference between projected and actual earnings on OPEB plan investments	107,856	(158,423)
Total	\$ 25,294,408	\$ (42,827,765)

Of the net deferred outflows of resources, \$23,587,670 has been allocated to governmental activities, \$1,284,269 has been allocated to the Water and Sewer Fund, \$73,163 has been allocated to the Senior Housing Fund, and \$349,306 has been allocated to the Protective Inspection Fund.

Of the net deferred inflows of resources, \$37,990,720 has been allocated to governmental activities, \$3,639,728 has been allocated to the Water and Sewer Fund, \$207,354 has been allocated to the Senior Housing Fund, and \$989,963 has been allocated to the Protective Inspection Fund.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense)

Years Ending March 31	Amount
2022	\$ (2,596,699)
2023	(4,029,848)
2024	(5,748,244)
2025	(5,158,567)
Total	\$ (17,533,358)

March 31, 2021

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Inflation	2.5%	2.5%
Salary increases (including inflation)	3.0% - 9.7%	3.0% - 7.40%
Investment rate of return (net of investment expenses)	3.00%	3.00%
Health care cost trend rate	Non-Medicare (Pre-65): Initial trend of 7.50% gradually decreasing to an ultimate trend rate of 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25% gradually decreasing to an ultimate trend rate of 3.50% in year 12	Non-Medicare (Pre-65): Initial trend of 7.50% gradually decreasing to an ultimate trend rate of 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25% gradually decreasing to an ultimate trend rate of 3.50% in year 12
Mortality rates	Pub-2010 General Mortality Tables	Pub-2010 General Mortality Tables

Inactive plan members share in the cost of OPEB by making biweekly contributions for medical coverage based on the plan and coverage election they have made in accordance with the contract in effect at the date of retirement.

Discount Rate

The discount used to measure the total OPEB liability was 2.27 percent for both plans. The projection of cash flows used to determine the discount rate assumed that the Charter Township's contributions will be consistent with the pay-as-you-go amount. The discount rate was based on the 20-year AA bond rate measured by the Fidelity General Obligation AA bond index as of March 2021.

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Assumed investment rate of return	2.27%	2.27%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	No	No
Discount rate used to measure total OPEB liability	2.27%	2.27%

Investment Policy

The plans' policy in regard to the allocation of invested assets is established and may be amended by the board by a majority vote of its members. It is the policy of the board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

General Employees' OPEB Plan and Police and Fire OPEB Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash or cash equivalents	100.00 %	- %

March 31, 2021

Note 11 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Charter Township, calculated using the discount rate of 2.27 percent, as well as what the Charter Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (1.27%)	Current Discount Rate (2.27%)	1 Percentage Point Increase (3.27%)
Net OPEB liability of the General Employees' OPEB Plan	\$ 49,007,083	\$ 41,075,896	\$ 34,837,301
Net OPEB liability of the Police and Fire OPEB Plan	103,346,968	85,228,902	71,414,566

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Charter Township, as well as what the Charter Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability of the General Employees' OPEB Plan	\$ 34,155,588	\$ 41,075,896	\$ 49,982,561
Net OPEB liability of the Police and Fire OPEB Plan	70,052,697	85,228,902	105,422,110

OPEB Plans Fiduciary Net Position

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Change

As of March 31, 2021, the Charter Township changed the discount rate assumption from 2.48 percent in 2020 to 2.27 percent in 2021. The Township also changed the health care cost trend rate from 8.5 percent decreasing to an ultimate trend rate of 4.5 percent to non-Medicare (pre-65): Initial trend of 7.50 percent gradually decreasing to an ultimate trend rate of 3.50 percent and Medicare (post-65): Initial trend of 6.25 percent gradually decreasing to an ultimate trend rate of 3.50 percent. Additionally, the mortality tables were updated to the Pub-2010 general tables from the RP-2014 tables previously used.

Rate of Return

For the year ended March 31, 2021, the annual money-weighted rate of return on plan investments, net of investment expense was 11.75 percent for the Police and Fire OPEB plan and 0.0 percent for the General OPEB plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

March 31, 2021

Note 12 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the defined benefit pension plans (see Note 10) and the postemployment health care plans (see Note 11). The plans do not issue separate financial statements:

	Police and Fire Pension Trust	Police and Fire OPEB Trust	General Employees' OPEB Trust
Statement of Net Position			
Cash and investments	\$ 77,952,899	\$ 4,914,824	\$ 4,777,506
Other assets	106,613	215,857	-
Liabilities	560,960	12,146	1,250
Net position	<u>\$ 77,498,552</u>	<u>\$ 5,118,535</u>	<u>\$ 4,776,256</u>
Statement of Changes in Net Position			
Investment income	\$ 21,999,035	\$ 490,232	\$ 3,026
Contributions	6,235,605	1,999,446	3,628,714
Benefit payments	9,580,077	2,342,285	1,371,608
Other deductions	67,563	7,788	6,625
Net change in net position	<u>\$ 18,587,000</u>	<u>\$ 139,605</u>	<u>\$ 2,253,507</u>

Note 13 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Nonmajor Funds	Total
Nonspendable - Prepaids	\$ 388,495	\$ 15,710	\$ 404,205
Restricted:			
Road improvements	-	321,001	321,001
Drug law enforcement	-	893,917	893,917
Police and fire postemployment costs	1,027,295	-	1,027,295
Debt service	-	2,075,142	2,075,142
Storm water improvements	-	72,065	72,065
Police grants	143,685	-	143,685
Dial-A-Ride services	-	465,800	465,800
Solid waste activities	-	2,678,927	2,678,927
911 services	-	552,133	552,133
Drain improvements	-	943,950	943,950
Future CDBG/NSP expenditures	-	195,381	195,381
Police and fire SAD	324,883	625,220	950,103
PEG purposes	210,489	-	210,489
Grant programs	30,966	-	30,966
Street lighting	153,046	-	153,046
Total restricted	1,890,364	8,823,536	10,713,900
Committed:			
Court building improvements	-	182,336	182,336
Parks and recreation	346,442	-	346,442
Total committed	346,442	182,336	528,778
Assigned - Capital projects	-	811,498	811,498
Unassigned	21,966,118	(866,653)	21,099,465
Total fund balance	<u>\$ 24,591,419</u>	<u>\$ 8,966,427</u>	<u>\$ 33,557,846</u>

March 31, 2021

Note 14 - Tax Abatements

The Charter Township uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Charter Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years.

For the fiscal year ended March 31, 2021, the Charter Township abated \$134,472 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Financing Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the Authority's tax revenue is reduced. For the fiscal year ended March 31, 2021, the Authority abated \$591,601 of taxes under this program. There are no provisions to recapture taxes.

There are no significant abatements made by other governments that reduce the Charter Township's tax revenue.

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended March 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 21,804,440	\$ 21,794,050	\$ 21,650,450	\$ (143,600)
Intergovernmental:				
Federal grants	120	3,226,550	2,111,267	(1,115,283)
State-shared revenue and grants	6,503,740	6,331,930	6,492,315	160,385
Charges for services	1,447,800	1,174,260	1,316,969	142,709
Fines and forfeitures	2,328,650	1,597,120	1,645,366	48,246
Licenses and permits	939,800	852,200	832,150	(20,050)
Investment income	350,000	95,000	8,444	(86,556)
Other revenue	1,418,720	1,875,150	2,065,027	189,877
	<u>34,793,270</u>	<u>36,946,260</u>	<u>36,121,988</u>	<u>(824,272)</u>
Total revenue				
Expenditures				
Current services:				
General government:				
Legislative	161,940	159,810	154,943	4,867
Executive	465,960	397,940	379,435	18,505
Accounting	706,870	699,490	639,503	59,987
Information systems	530,850	545,850	487,765	58,085
Treasurer	379,390	338,890	371,750	(32,860)
Assessing	397,050	344,000	342,489	1,511
Clerk	514,690	422,390	366,240	56,150
Buildings and grounds	357,350	458,690	410,234	48,456
Attorney	148,000	193,000	152,345	40,655
Elections	261,490	357,570	351,756	5,814
Civil service	295,820	299,400	279,069	20,331
Police and fire civil service	1,500	1,000	-	1,000
Public service building maintenance	56,000	51,100	24,324	26,776
Marquee maintenance	106,000	106,800	6,812	99,988
Public education government	144,510	146,080	118,399	27,681
Insurance and other functions	1,032,190	1,056,760	1,057,791	(1,031)
District court:				
District court costs	2,282,000	2,035,670	1,889,893	145,777
Criminal justice	326,500	98,000	110,551	(12,551)
Probation	335,480	329,940	292,395	37,545
Work program	30,540	2,240	1,378	862
Public safety:				
Police	13,281,740	12,946,090	12,653,114	292,976
Fire	9,918,110	10,950,090	10,449,821	500,269
Dispatch	615,240	552,500	323,332	229,168
School resource officer	349,040	344,880	323,076	21,804
School crossing	53,330	1,720	1,222	498
ALS transport collection fee	97,500	87,000	75,120	11,880
Public works:				
Highway and streets	1,020,000	905,000	896,633	8,367
DPW	168,000	60,000	59,508	492
Health and welfare - Animal control	52,060	-	-	-
Community and economic development:				
Community promotion	13,600	660	665	(5)
Zoning board of appeals	8,220	2,570	-	2,570
Other community and economic development	99,050	63,670	49,880	13,790
Redevelopment	15,960	15,960	-	15,960
Recreation and culture:				
Parks and recreation	468,410	288,470	255,541	32,929
Parks facilities	677,830	527,610	432,265	95,345
Senior citizens	37,150	26,600	3,238	23,362
Cultural	3,500	500	-	500
Debt service	-	21,320	21,315	5
	<u>35,412,870</u>	<u>34,839,260</u>	<u>32,981,802</u>	<u>1,857,458</u>
Total expenditures				

See notes to required supplemental information.

Charter Township of Redford

**Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)**

Year Ended March 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Excess of Revenue (Under) Over Expenditures	\$ (619,600)	\$ 2,107,000	\$ 3,140,186	\$ 1,033,186
Other Financing Sources (Uses)				
Transfers in	-	-	201,080	201,080
Transfers out	(299,800)	(820,470)	(874,250)	(53,780)
Proceeds from sale of capital assets	10,000	80,400	20,400	(60,000)
Total other financing uses	(289,800)	(740,070)	(652,770)	87,300
Net Change in Fund Balance	(909,400)	1,366,930	2,487,416	1,120,486
Fund Balance - Beginning of year	16,789,658	16,789,658	16,789,658	-
Fund Balance - End of year	\$ 15,880,258	\$ 18,156,588	\$ 19,277,074	\$ 1,120,486

Charter Township of Redford

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios General Employees' Retirement System (MERS)

Last Six Plan Years

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 525,136	\$ 529,845	\$ 549,087	\$ 522,284	\$ 519,162	\$ 536,952
Interest	3,905,935	3,985,900	3,981,386	3,937,631	3,941,351	3,824,685
Changes in benefit terms	-	-	-	-	2,407	10,493
Differences between expected and actual experience	54,761	(546,625)	(465,356)	13,130	(695,452)	145,971
Changes in assumptions	1,786,269	1,600,009	-	-	-	2,154,773
Benefit payments, including refunds	(3,974,476)	(4,018,797)	(3,979,361)	(3,873,222)	(3,757,876)	(3,704,706)
Miscellaneous other charges	-	-	-	(13,209)	-	-
Net Change in Total Pension Liability	2,297,625	1,550,332	85,756	586,614	9,592	2,968,168
Total Pension Liability - Beginning of year	53,118,553	51,568,221	51,482,465	50,895,851	50,886,259	47,918,091
Total Pension Liability - End of year	\$ 55,416,178	\$ 53,118,553	\$ 51,568,221	\$ 51,482,465	\$ 50,895,851	\$ 50,886,259
Plan Fiduciary Net Position						
Contributions - Employer	\$ 2,203,056	\$ 2,114,540	\$ 1,895,544	\$ 2,199,682	\$ 1,609,912	\$ 1,551,380
Contributions - Member	99,600	98,337	139,402	83,315	77,347	80,905
Net investment income (loss)	3,878,613	3,600,166	(1,125,307)	3,634,908	3,022,812	(422,384)
Administrative expenses	(56,831)	(61,963)	(57,383)	(57,740)	(59,771)	(63,614)
Benefit payments, including refunds	(3,974,476)	(4,018,797)	(3,979,361)	(3,873,222)	(3,757,876)	(3,704,706)
Other	-	-	-	(783)	784	-
Net Change in Plan Fiduciary Net Position	2,149,962	1,732,283	(3,127,105)	1,986,160	893,208	(2,558,419)
Plan Fiduciary Net Position - Beginning of year	29,006,164	27,273,881	30,400,986	28,414,826	27,521,618	30,080,037
Plan Fiduciary Net Position - End of year	\$ 31,156,126	\$ 29,006,164	\$ 27,273,881	\$ 30,400,986	\$ 28,414,826	\$ 27,521,618
Charter Township's Net Pension Liability - Ending	\$ 24,260,052	\$ 24,112,389	\$ 24,294,340	\$ 21,081,479	\$ 22,481,025	\$ 23,364,641
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	56.22 %	54.61 %	52.89 %	59.05 %	55.83 %	54.08 %
Covered Payroll	\$ 4,518,084	\$ 4,551,042	\$ 4,620,161	\$ 4,321,893	\$ 4,204,172	\$ 4,270,547
Charter Township's Net Pension Liability as a Percentage of Covered Payroll	536.95 %	529.82 %	525.83 %	487.78 %	534.73 %	547.11 %

This statement is being built prospectively from the date of adoption of GASB 68.

In the 2020 MERS valuation, the mortality table was adjusted to the Pub-2010 Mortality Tables. In the 2019 MERS valuation, the investment rate of return was reduced from 7.75 percent to 7.35 percent. Additionally, the inflation assumption was changed from 3.75 percent to 3.0 percent. In the 2015 MERS valuation, the mortality table was adjusted to the RP-2014 tables.

See notes to required supplemental information.

Charter Township of Redford

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Police and Fire Employees Retirement System

Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 1,254,112	\$ 1,442,304	\$ 1,025,096	\$ 878,923	\$ 934,642	\$ 1,245,350	\$ 1,069,633
Interest	8,844,310	8,975,548	8,426,118	8,081,179	8,131,387	8,059,966	7,463,736
Changes in benefit terms	(323,703)	-	-	-	-	-	5,036,434
Differences between expected and actual experience	4,035,418	(3,264,202)	5,701,316	-	(1,187,143)	(260,869)	3,930,269
Changes in assumptions	2,088,941	-	1,600,363	4,600,159	-	1,037,913	-
Benefit payments, including refunds	(9,580,077)	(9,292,835)	(9,858,842)	(8,329,327)	(8,711,613)	(9,237,821)	(10,038,589)
Net Change in Total Pension Liability	6,319,001	(2,139,185)	6,894,051	5,230,934	(832,727)	844,539	7,461,483
Total Pension Liability - Beginning of year	121,460,058	123,599,243	116,705,192	111,474,258	112,306,985	111,462,446	104,000,963
Total Pension Liability - End of year	\$ 127,779,059	\$ 121,460,058	\$ 123,599,243	\$ 116,705,192	\$ 111,474,258	\$ 112,306,985	\$ 111,462,446
Plan Fiduciary Net Position							
Contributions - Employer	\$ 6,074,494	\$ 6,828,794	\$ 4,944,226	\$ 4,428,716	\$ 4,320,943	\$ 3,963,149	\$ 4,560,754
Contributions - Member	161,111	140,270	117,347	86,506	44,477	63,710	34,652
Net investment income (loss)	21,999,035	(1,938,782)	2,157,950	6,608,147	6,245,985	113,222	4,376,535
Administrative expenses	(67,563)	(79,218)	(94,965)	(88,231)	(80,675)	(53,304)	(53,162)
Benefit payments, including refunds	(9,580,077)	(9,292,835)	(9,858,842)	(8,329,327)	(8,711,613)	(9,237,821)	(10,038,589)
Other	-	-	-	-	(23)	-	-
Net Change in Plan Fiduciary Net Position	18,587,000	(4,341,771)	(2,734,284)	2,705,811	1,819,094	(5,151,044)	(1,119,810)
Plan Fiduciary Net Position - Beginning of year	58,911,552	63,253,323	65,987,607	63,281,796	61,462,702	66,613,746	67,733,556
Plan Fiduciary Net Position - End of year	\$ 77,498,552	\$ 58,911,552	\$ 63,253,323	\$ 65,987,607	\$ 63,281,796	\$ 61,462,702	\$ 66,613,746
Charter Township's Net Pension Liability - Ending	\$ 50,280,507	\$ 62,548,506	\$ 60,345,920	\$ 50,717,585	\$ 48,192,462	\$ 50,844,283	\$ 44,848,700
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.65 %	48.50 %	51.18 %	56.54 %	56.77 %	54.73 %	59.76 %
Covered Payroll	\$ 6,132,658	\$ 5,566,399	\$ 5,015,022	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614
Charter Township's Net Pension Liability as a Percentage of Covered Payroll	819.88 %	1,123.68 %	1,203.30 %	1,139.50 %	1,278.45 %	1,267.89 %	1,097.72 %

This statement is being built prospectively from the date of adoption of GASB 68.

In 2021, the mortality tables were adjusted to the Pub-2010 Mortality Tables. In 2019, the Township adopted new demographic assumptions based on a five-year experience study conducted. In 2018, the Township changed the inflation assumption from 4.5 percent to 2.7 percent. In 2015, the Township updated the mortality tables from the 2000 projected to the RP-2014 tables.

See notes to required supplemental information.

Charter Township of Redford

Required Supplemental Information Schedule of Pension Contributions General Employees' Retirement System (MERS)

**Last Ten Fiscal Years
Years Ended March 31**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,204,029	\$ 2,132,737	\$ 1,958,500	\$ 1,736,897	\$ 1,609,912	\$ 1,514,624	\$ 1,258,669	\$ 893,945	\$ 922,879	\$ 962,999
Contributions in relation to the actuarially determined contribution	2,204,029	2,132,737	1,958,500	2,236,897	1,609,912	1,714,624	1,258,669	893,945	922,879	962,999
Contribution Excess	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,518,084	\$ 4,551,042	\$ 4,620,161	\$ 4,321,893	\$ 4,204,172	\$ 4,270,547	\$ 3,912,707	\$ 3,865,436	\$ 3,917,961	\$ 4,268,956
Contributions as a Percentage of Covered Payroll	48.78 %	46.86 %	42.39 %	51.76 %	38.27 %	40.15 %	32.17 %	23.13 %	23.56 %	22.56 %

Notes to Schedule of Pension Contributions - General Employees' Retirement System (MERS)

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, which is 15 months prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.00 percentage long-term wage inflation
Investment rate of return	7.75 percent
Retirement age	60
Mortality	50 percent male - 50 percent female blend of the following tables: <ol style="list-style-type: none"> 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables
Other information	None

Charter Township of Redford

Required Supplemental Information Schedule of Pension Contributions Police and Fire Employees Retirement System

**Last Ten Fiscal Years
Years Ended March 31**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 6,074,494	\$ 5,647,869	\$ 4,944,226	\$ 4,428,716	\$ 4,320,943	\$ 3,963,149	\$ 4,560,754	\$ 4,257,948	\$ 4,082,568	\$ 4,407,240
Contributions in relation to the actuarially determined contribution	6,074,494	6,828,794	4,944,226	4,428,716	4,320,943	3,963,149	4,560,754	4,257,948	4,082,568	4,407,240
Contribution Excess	\$ -	\$ 1,180,925	\$ -	\$ -	\$ -					
Covered Payroll	\$ 6,132,658	\$ 5,566,399	\$ 5,015,022	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614	\$ 3,909,678	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	99.05 %	122.68 %	98.59 %	99.50 %	114.63 %	98.83 %	111.63 %	108.91 %	- %	- %

Notes to Schedule of Pension Contributions - Police and Fire Employees Retirement System

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of March 31, the year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	16 years remaining as of March 31, 2021
Asset valuation method	4-year smoothed
Inflation	2.50 percent
Salary increase	4.50 - 8.90 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment plan expense, including inflation
Retirement age	Age-based table of rates that are specific to the eligibility condition
Mortality	Mortality rates that were based on the RP-2014 Healthy Annuitant Mortality Table
Other information	None

Charter Township of Redford

Required Supplemental Information
Schedule of Pension Investment Returns
Police and Fire Employees Retirement System

	Last Seven Fiscal Years Years Ended March 31						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return - Net of investment expense	36.80 %	(5.30)%	3.27 %	10.30 %	12.30 %	0.80 %	7.30 %

This statement is being built prospectively from the date of adoption of GASB 68.

Charter Township of Redford

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios General Employees'

	Last Four Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 1,453,040	\$ 1,296,319	\$ 879,159	\$ 723,766
Interest	1,554,202	1,810,261	1,810,557	1,842,066
Differences between expected and actual experience	(18,257,362)	248,608	(8,966,452)	(230,934)
Changes in assumptions	(65,893)	8,103,575	10,732,748	1,176,327
Benefit payments, including refunds	<u>(1,549,528)</u>	<u>(2,049,058)</u>	<u>(1,724,769)</u>	<u>(2,096,059)</u>
Net Change in Total OPEB Liability	(16,865,541)	9,409,705	2,731,243	1,415,166
Total OPEB Liability - Beginning of year	<u>62,717,693</u>	<u>53,307,988</u>	<u>50,576,745</u>	<u>49,161,579</u>
Total OPEB Liability - End of year	<u>\$ 45,852,152</u>	<u>\$ 62,717,693</u>	<u>\$ 53,307,988</u>	<u>\$ 50,576,745</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,806,634	\$ 2,349,058	\$ 1,874,769	\$ 2,079,404
Net investment income	3,026	40,072	40,633	20,246
Administrative expenses	(6,625)	(17,443)	(7,375)	(11,257)
Benefit payments, including refunds	<u>(1,549,528)</u>	<u>(2,049,058)</u>	<u>(1,724,769)</u>	<u>(2,096,059)</u>
Net Change in Plan Fiduciary Net Position	2,253,507	322,629	183,258	(7,666)
Plan Fiduciary Net Position - Beginning of year	<u>2,522,749</u>	<u>2,200,120</u>	<u>2,016,862</u>	<u>2,024,528</u>
Plan Fiduciary Net Position - End of year	<u>\$ 4,776,256</u>	<u>\$ 2,522,749</u>	<u>\$ 2,200,120</u>	<u>\$ 2,016,862</u>
Net OPEB Liability - Ending	<u>\$ 41,075,896</u>	<u>\$ 60,194,944</u>	<u>\$ 51,107,868</u>	<u>\$ 48,559,883</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	10.42 %	4.02 %	4.13 %	3.99 %
Covered-employee Payroll	\$ 4,517,141	\$ 4,702,729	\$ 4,928,920	\$ 4,384,701
Net OPEB Liability as a Percentage of Covered-employee Payroll	909.33 %	1,280.00 %	1,036.90 %	1,107.48 %

This statement is being built prospectively from the date of adoption of GASB 74.

As of March 31, 2021, the Charter Township changed the discount rate assumption from 2.48 percent in 2020 to 2.27 percent in 2021. The Township also changed the health care cost trend rate from 8.5 percent decreasing to an ultimate trend rate of 4.5 percent to non-Medicare (Pre-65): Initial trend of 7.50 percent gradually decreasing to an ultimate trend rate of 3.50 percent and Medicare (Post-65): Initial trend of 6.25 percent gradually decreasing to an ultimate trend rate of 3.50 percent. Additionally, the mortality tables were updated to the Pub-2010 general tables from the RP-2014 tables previously used.

As of March 31, 2020, the Charter Township changed the discount rate assumption from 3.42 percent in 2019 to 2.48 percent in 2020.

As of March 31, 2019, the Charter Township changed the discount rate assumption from 3.61 to 3.42 percent.

As of March 31, 2018, the Charter Township changed the discount rate assumption from 3.8 to 3.61 percent.

Charter Township of Redford

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios Police and Fire

	Last Four Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 3,290,453	\$ 2,216,694	\$ 1,230,517	\$ 1,023,694
Interest	2,910,522	3,303,460	2,932,396	2,981,126
Differences between expected and actual experience	(27,367,459)	90,144	(10,361,830)	(123,186)
Changes in assumptions	(3,164,239)	17,403,757	24,258,614	2,089,917
Benefit payments, including refunds	(2,754,053)	(2,472,362)	(3,567,469)	(3,024,192)
Net Change in Total OPEB Liability	(27,084,776)	20,541,693	14,492,228	2,947,359
Total OPEB Liability - Beginning of year	117,432,214	96,890,521	82,398,293	79,450,934
Total OPEB Liability - End of year	<u>\$ 90,347,438</u>	<u>\$ 117,432,214</u>	<u>\$ 96,890,521</u>	<u>\$ 82,398,293</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 2,411,214	\$ 3,221,117	\$ 3,668,239	\$ 3,089,873
Net investment income (loss)	490,232	(23,703)	77,052	35,856
Administrative expenses	(7,788)	(18,192)	(6,625)	(12,000)
Benefit payments, including refunds	(2,754,053)	(2,472,362)	(3,567,469)	(3,024,192)
Net Change in Plan Fiduciary Net Position	139,605	706,860	171,197	89,537
Plan Fiduciary Net Position - Beginning of year	4,978,931	4,272,071	4,100,874	4,011,337
Plan Fiduciary Net Position - End of year	<u>\$ 5,118,536</u>	<u>\$ 4,978,931</u>	<u>\$ 4,272,071</u>	<u>\$ 4,100,874</u>
Net OPEB Liability - Ending	<u>\$ 85,228,902</u>	<u>\$ 112,453,283</u>	<u>\$ 92,618,450</u>	<u>\$ 78,297,419</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	5.67 %	4.24 %	4.41 %	4.98 %
Covered-employee Payroll	\$ 8,303,071	\$ 8,111,498	\$ 8,196,771	\$ 7,430,998
Net OPEB Liability as a Percentage of Covered-employee Payroll	1,026.47 %	1,386.34 %	1,129.94 %	1,053.66 %

This statement is being built prospectively from the date of adoption of GASB 74.

As of March 31, 2021, the Charter Township changed the discount rate assumption from 2.48 percent in 2020 to 2.27 percent in 2021. The Township also changed the health care cost trend rate from 8.5 percent decreasing to an ultimate trend rate of 4.5 percent to non-Medicare (Pre-65): Initial trend of 7.50 percent gradually decreasing to an ultimate trend rate of 3.50 percent and Medicare (Post-65): Initial trend of 6.25 percent gradually decreasing to an ultimate trend rate of 3.50 percent. Additionally, the mortality tables were updated to the Pub-2010 general tables from the RP-2014 tables previously used.

As of March 31, 2020, the Charter Township changed the discount rate assumption from 3.42 percent in 2019 to 2.48 percent in 2020.

As of March 31, 2019, the Charter Township changed the discount rate assumption from 3.61 to 3.42 percent.

As of March 31, 2018, the Charter Township changed the discount rate assumption from 3.8 to 3.61 percent.

Charter Township of Redford

**Required Supplemental Information
Schedule of OPEB Investment Returns
General Employees'**

	Last Four Fiscal Years Years Ended March 31			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	- %	1.03 %	2.01 %	1.00 %

This statement is being built prospectively from the date of adoption of GASB 74.

Charter Township of Redford

**Required Supplemental Information
Schedule of OPEB Investment Returns
Police and Fire**

	Last Four Fiscal Years Years Ended March 31			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	11.75 %	0.01 %	1.88 %	0.89 %

This statement is being built prospectively from the date of adoption of GASB 74.

Charter Township of Redford

Required Supplemental Information Schedule of OPEB Contributions General Employees'

**Last Ten Fiscal Years
Years Ended March 31**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,556,607	\$ 3,624,070	\$ 3,518,514	\$ 3,035,098	\$ 2,792,937	\$ 2,418,432	\$ 2,325,415	\$ 3,372,489	\$ 3,311,555	\$ 2,537,298
Contributions in relation to the actuarially determined contribution	3,806,634	2,349,058	1,874,769	1,208,924	1,991,118	2,374,603	2,579,514	2,433,758	2,175,545	2,151,460
Contribution Excess (Deficiency)	\$ 1,250,027	\$ (1,275,012)	\$ (1,643,745)	\$ (1,826,174)	\$ (801,819)	\$ (43,829)	\$ 254,099	\$ (938,731)	\$ (1,136,010)	\$ (385,838)
Covered-employee Payroll	\$ 4,517,141	\$ 4,702,729	\$ 4,928,920	\$ 4,384,701	\$ 4,595,363	\$ 3,917,961	\$ 3,917,961	\$ 4,315,561	\$ 4,315,561	\$ 4,268,956
Contributions as a Percentage of Covered-employee Payroll	84.27 %	49.95 %	38.04 %	27.57 %	43.33 %	60.61 %	65.84 %	56.39 %	50.41 %	50.40 %

**Last Ten Fiscal Years
Years Ended March 31**

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of March 31, 2020.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent
Remaining amortization period	22 years, closed
Asset valuation method	Market value of assets
Inflation	2.5 percent
Health care cost trend rates	Non-Medicare (pre-65): Initial trend of 7.5 percent gradually decreasing to an ultimate trend rate of 3.5 percent in year 12 Medicare (post-65): Initial trend of 6.25 percent gradually decreasing to an ultimate trend rate of 3.5 percent in year 12
Salary increase	3.0 - 9.7 percent
Investment rate of return	3.00 percent net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition

Healthy Pre-Retirement Mortality: Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. 90 percent of active member deaths are assumed to be nonduty deaths and 10 percent of the deaths are assumed to be duty related.

Healthy Post-Retirement Mortality: Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106 percent. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.

Disability Retirement Mortality: Sex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.

Mortality
Other information

None

Charter Township of Redford

Required Supplemental Information Schedule of OPEB Contributions Police and Fire

**Last Ten Fiscal Years
Years Ended March 31**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,674,168	\$ 6,208,952	\$ 6,028,109	\$ 4,614,926	\$ 4,480,511	\$ 4,223,742	\$ 4,061,291	\$ 5,423,626	\$ 5,319,946	\$ 4,041,285
Contributions in relation to the actuarially determined contribution	2,411,214	3,221,117	3,668,239	3,089,873	2,945,195	3,192,322	2,791,641	3,302,024	2,551,343	2,600,000
Contribution Deficiency	<u>\$ (3,262,954)</u>	<u>\$ (2,987,835)</u>	<u>\$ (2,359,870)</u>	<u>\$ (1,525,053)</u>	<u>\$ (1,535,316)</u>	<u>\$ (1,031,420)</u>	<u>\$ (1,269,650)</u>	<u>\$ (2,121,602)</u>	<u>\$ (2,768,603)</u>	<u>\$ (1,441,285)</u>
Covered-employee Payroll	\$ 8,303,071	\$ 8,111,498	\$ 8,196,771	\$ 7,430,998	\$ 7,427,465	\$ 6,182,760	\$ 6,182,760	\$ 5,871,250	\$ 5,871,250	\$ 6,547,439
Contributions as a Percentage of Covered-employee Payroll	29.04 %	39.71 %	44.75 %	41.58 %	39.65 %	51.63 %	45.15 %	56.24 %	43.45 %	39.71 %

Budgetary Information

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the "Uniform Budgeting Act"). The following is a summary of the requirements of this Act according to the *State Treasurer's Bulletin for Audits of Local Units of Government in Michigan* dated April 1982:

1. Budgets must be adopted for the General Fund and special revenue funds.
2. Budgeted expenditures cannot exceed budgeted revenue and fund balance.
3. The budgets must be amended when necessary.
4. Public hearings must be held before budget adoptions.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures must be authorized by a budget before being incurred.

The Charter Township adopts its budget on a fund-total basis for all funds, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations. A comparison of actual results of operations to the General Fund budget adopted by the township board is included as required supplemental information. A comparison of actual results of operations, including budget overruns, to the nonmajor fund budgets adopted by the township board is available at the clerk's office for inspection.

The Charter Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The township superintendent on or before 75 days prior to the commencement of the fiscal and budgetary year (April 1) shall prepare and submit to the board a complete itemized proposed budget for the next fiscal year.
2. A public hearing on the budget shall be held before its final adoption, at such time and place as the board shall direct, and notice of such public hearing shall be published at least 10 days in advance thereof by the clerk.
3. The board shall, on or before 15 days prior to the commencement of the next fiscal year, adopt a budget for the ensuing fiscal year.

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

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

The budgeted statements are presented on the same basis of accounting used in preparing the adopted budget. A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	Total Revenue	Total Expenditures	Other Financing Uses
Amounts per operating statement	\$ 37,592,040	\$ 33,687,611	\$ (652,770)
Accrued employee benefits fund	(389,080)	(174,590)	-
Accrued police and fire SAD	-	181,570	-
Ordinance enforcement fund	(1,080,972)	(712,789)	-
Amounts per budget statement	<u>\$ 36,121,988</u>	<u>\$ 32,981,802</u>	<u>\$ (652,770)</u>

March 31, 2021

Fund Deficit

The Charter Township has a deficit in unrestricted net position in the Protective Inspection Fund in the amount of \$2,529,396. Additionally, the Township has a deficit in unassigned fund balance in the Fire Station Building Fund in the amount of \$316,193 and in the Community Development Block Grant Fund in the amount of \$550,460.

Other Supplemental Information

March 31, 2021

	Special Revenue Funds									
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Michigan Indigent Defense Commission	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures
Assets										
Cash and cash equivalents	\$ 453,828	\$ 5,095	\$ 729,508	\$ 2,630,301	\$ 498,287	\$ 21,284	\$ 88,559	\$ 72,065	\$ 453,908	\$ 166,751
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	32,175	-	-	511,861	54,643	79,433	-	-	952,169	-
Prepaid expenses	2,774	-	-	2,047	5,256	-	-	-	5,633	-
Assets held for resale	-	-	-	-	-	-	43,073	-	65,779	-
Total assets	\$ 488,777	\$ 5,095	\$ 729,508	\$ 3,144,209	\$ 558,186	\$ 100,717	\$ 131,632	\$ 72,065	\$ 1,477,489	\$ 166,751
Liabilities										
Accounts payable	\$ 629	\$ -	\$ -	\$ 43,709	\$ -	\$ 16,645	\$ -	\$ -	\$ 79,881	\$ 2,310
Due to other governmental units	4,526	-	-	74,935	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	83,892	2,210	-	918,074	-
Accrued liabilities and other	6,205	-	-	2,080	797	-	-	-	6,466	32
Unearned revenue	-	5,095	-	-	-	-	-	-	-	-
Provision for property tax refunds	840	-	-	-	-	-	-	-	-	-
Total liabilities	12,200	5,095	-	120,724	797	100,537	2,210	-	1,004,421	2,342
Deferred Inflows of Resources	8,003	-	-	342,511	-	-	-	-	952,116	-
Total liabilities and deferred inflows of resources	20,203	5,095	-	463,235	797	100,537	2,210	-	1,956,537	2,342
Fund Balances (Deficit)										
Nonspendable	2,774	-	-	2,047	5,256	-	-	-	5,633	-
Restricted:										
Roads	-	-	-	-	-	-	-	-	-	-
Drug law enforcement	-	-	729,508	-	-	-	-	-	-	164,409
Debt service	-	-	-	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	-	72,065	-	-
Dial-A-Ride services	465,800	-	-	-	-	-	-	-	-	-
Solid waste activities	-	-	-	2,678,927	-	-	-	-	-	-
911 services	-	-	-	-	552,133	-	-	-	-	-
Drain improvements	-	-	-	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	180	129,422	-	65,779	-
Police and fire SAD	-	-	-	-	-	-	-	-	-	-
Committed - Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(550,460)	-
Total fund balances (deficit)	468,574	-	729,508	2,680,974	557,389	180	129,422	72,065	(479,048)	164,409
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 488,777	\$ 5,095	\$ 729,508	\$ 3,144,209	\$ 558,186	\$ 100,717	\$ 131,632	\$ 72,065	\$ 1,477,489	\$ 166,751

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds

March 31, 2021

	Debt Service Funds					Capital Project Funds			
	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	2017 Capital Refunding	Capital Improvement	Smith Drain	Court Building Improvement
Assets									
Cash and cash equivalents	\$ -	\$ 200,000	\$ 229,120	\$ 632,244	\$ 892,037	\$ 122,221	\$ 1,023,632	\$ 943,950	\$ 72,313
Investments	-	-	-	-	-	-	450,000	-	111,361
Receivables	-	-	-	-	-	-	-	-	22,537
Prepaid expenses	-	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 200,000	\$ 229,120	\$ 632,244	\$ 892,037	\$ 122,221	\$ 1,473,632	\$ 943,950	\$ 206,211
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,875
Due to other governmental units	-	-	-	-	-	-	36,914	-	-
Due to other funds	-	480	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Provision for property tax refunds	-	-	-	-	-	-	-	-	-
Total liabilities	-	480	-	-	-	-	36,914	-	23,875
Deferred Inflows of Resources									
Total liabilities and deferred inflows of resources	-	480	-	-	-	-	36,914	-	23,875
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted:									
Roads	-	-	-	-	-	-	-	-	-
Drug law enforcement	-	-	-	-	-	-	-	-	-
Debt service	-	199,520	229,120	632,244	892,037	122,221	-	-	-
Storm water improvements	-	-	-	-	-	-	-	-	-
Dial-A-Ride services	-	-	-	-	-	-	-	-	-
Solid waste activities	-	-	-	-	-	-	-	-	-
911 services	-	-	-	-	-	-	-	-	-
Drain improvements	-	-	-	-	-	-	-	943,950	-
Grant expenditures	-	-	-	-	-	-	-	-	-
Police and fire SAD	-	-	-	-	-	-	625,220	-	-
Committed - Capital projects	-	-	-	-	-	-	-	-	182,336
Assigned	-	-	-	-	-	-	811,498	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	-	199,520	229,120	632,244	892,037	122,221	1,436,718	943,950	182,336
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ -	\$ 200,000	\$ 229,120	\$ 632,244	\$ 892,037	\$ 122,221	\$ 1,473,632	\$ 943,950	\$ 206,211

March 31, 2021

	Capital Project Funds		
	Road Improvement	Fire Station Building Fund	Total
Assets			
Cash and cash equivalents	\$ 320,947	\$ -	\$ 9,556,050
Investments	-	-	561,361
Receivables	54	-	1,652,872
Prepaid expenses	-	-	15,710
Assets held for resale	-	-	108,852
	<u>\$ 321,001</u>	<u>\$ -</u>	<u>\$ 11,894,845</u>
Total assets			
Liabilities			
Accounts payable	\$ -	\$ 10,085	\$ 177,134
Due to other governmental units	-	-	116,375
Due to other funds	-	306,108	1,310,764
Accrued liabilities and other	-	-	15,580
Unearned revenue	-	-	5,095
Provision for property tax refunds	-	-	840
	<u>-</u>	<u>316,193</u>	<u>1,625,788</u>
Total liabilities			
Deferred Inflows of Resources			
	<u>-</u>	<u>-</u>	<u>1,302,630</u>
Total liabilities and deferred inflows of resources			
	<u>-</u>	<u>316,193</u>	<u>2,928,418</u>
Fund Balances (Deficit)			
Nonspendable	-	-	15,710
Restricted:			
Roads	321,001	-	321,001
Drug law enforcement	-	-	893,917
Debt service	-	-	2,075,142
Storm water improvements	-	-	72,065
Dial-A-Ride services	-	-	465,800
Solid waste activities	-	-	2,678,927
911 services	-	-	552,133
Drain improvements	-	-	943,950
Grant expenditures	-	-	195,381
Police and fire SAD	-	-	625,220
Committed - Capital projects	-	-	182,336
Assigned	-	-	811,498
Unassigned	-	(316,193)	(866,653)
	<u>321,001</u>	<u>(316,193)</u>	<u>8,966,427</u>
Total fund balances (deficit)			
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 321,001</u>	<u>\$ -</u>	<u>\$ 11,894,845</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended March 31, 2021

	Special Revenue Funds									
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Michigan Indigent Defense Commission	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures
Revenue										
Property taxes	\$ 88,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Federal grants	6,248	-	228,659	-	-	-	-	-	990,384	-
State sources	122,549	3,725	-	-	4,245	163,678	-	-	-	45,438
Local grants and contributions	-	-	-	-	-	-	-	-	-	-
Charges for services	6,516	-	-	3,899,931	207,079	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	1,479	-	1,744	4,811	2,125	344	-	233	-	894
Other revenue - Other miscellaneous income	61,317	-	-	-	-	-	-	-	-	-
Total revenue	286,765	3,725	230,403	3,904,742	213,449	164,022	-	233	990,384	46,332
Expenditures										
Current services:										
General government	-	-	-	-	-	-	-	-	-	-
District court	-	-	-	-	-	227,539	-	-	-	-
Public safety	-	-	17,990	-	326,537	-	-	-	-	48,458
Public works	305,291	-	-	3,493,859	-	-	-	-	-	-
Community and economic development	-	3,725	-	-	-	-	25,200	-	1,247,978	-
Capital outlay	-	-	-	-	-	-	-	-	-	235,013
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	534	-	-	10,460	-	-	-	-	-	-
Total expenditures	305,825	3,725	17,990	3,504,319	326,537	227,539	25,200	-	1,247,978	283,471
Excess of Revenue (Under) Over Expenditures	(19,060)	-	212,413	400,423	(113,088)	(63,517)	(25,200)	233	(257,594)	(237,139)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	63,518	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(50,000)	-
Total other financing sources (uses)	-	-	-	-	-	63,518	-	-	(50,000)	-
Net Change in Fund Balances	(19,060)	-	212,413	400,423	(113,088)	1	(25,200)	233	(307,594)	(237,139)
Fund Balances (Deficit) - Beginning of year	487,634	-	517,095	2,280,551	670,477	179	154,622	71,832	(171,454)	401,548
Fund Balances (Deficit) - End of year	\$ 468,574	\$ -	\$ 729,508	\$ 2,680,974	\$ 557,389	\$ 180	\$ 129,422	\$ 72,065	\$ (479,048)	\$ 164,409

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds

Year Ended March 31, 2021

	Debt Service Funds					Capital Project Funds			
	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	2017 Capital Refunding	Capital Improvement	Smith Drain	Court Building Improvement
Revenue									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental:									
Federal grants	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Local grants and contributions	-	-	72,599	672,710	707,498	129,119	-	-	35,201
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	153,405
Investment income	-	1,147	1,433	798	2,070	183	2,960	2,689	564
Other revenue - Other miscellaneous income	-	-	-	-	-	-	5,527	-	-
Total revenue	-	1,147	74,032	673,508	709,568	129,302	8,487	2,689	189,170
Expenditures									
Current services:									
General government	3,814	-	-	-	-	-	-	-	-
District court	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	34,852	-	1,273,674
Debt service:									
Principal	-	-	-	325,000	-	878,709	-	-	100,000
Interest and fiscal charges	-	-	-	22,307	-	53,340	-	-	24,801
Total expenditures	3,814	-	-	347,307	-	932,049	34,852	-	1,398,475
Excess of Revenue (Under) Over Expenditures	(3,814)	1,147	74,032	326,201	709,568	(802,747)	(26,365)	2,689	(1,209,305)
Other Financing Sources (Uses)									
Transfers in	-	-	-	50,000	-	855,785	704,300	-	-
Transfers out	-	(141,400)	(242,686)	-	(365,267)	-	(201,080)	-	-
Total other financing sources (uses)	-	(141,400)	(242,686)	50,000	(365,267)	855,785	503,220	-	-
Net Change in Fund Balances	(3,814)	(140,253)	(168,654)	376,201	344,301	53,038	476,855	2,689	(1,209,305)
Fund Balances (Deficit) - Beginning of year	3,814	339,773	397,774	256,043	547,736	69,183	959,863	941,261	1,391,641
Fund Balances (Deficit) - End of year	\$ -	\$ 199,520	\$ 229,120	\$ 632,244	\$ 892,037	\$ 122,221	\$ 1,436,718	\$ 943,950	\$ 182,336

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds

Year Ended March 31, 2021

	Capital Project Funds		Total
	Road Improvement	Fire Station Building Fund	
Revenue			
Property taxes	\$ -	\$ -	\$ 88,656
Special assessments	7,471	-	7,471
Intergovernmental:			
Federal grants	-	-	1,225,291
State sources	19,458	-	359,093
Local grants and contributions	-	-	1,617,127
Charges for services	-	-	4,113,526
Fines and forfeitures	-	-	153,405
Investment income	990	-	24,464
Other revenue - Other miscellaneous income	-	-	66,844
Total revenue	27,919	-	7,655,877
Expenditures			
Current services:			
General government	-	-	3,814
District court	-	-	227,539
Public safety	-	-	392,985
Public works	-	-	3,799,150
Community and economic development	-	-	1,276,903
Capital outlay	2,135	316,193	1,861,867
Debt service:			
Principal	-	-	1,303,709
Interest and fiscal charges	-	-	111,442
Total expenditures	2,135	316,193	8,977,409
Excess of Revenue (Under) Over Expenditures	25,784	(316,193)	(1,321,532)
Other Financing Sources (Uses)			
Transfers in	-	-	1,673,603
Transfers out	-	-	(1,000,433)
Total other financing sources (uses)	-	-	673,170
Net Change in Fund Balances	25,784	(316,193)	(648,362)
Fund Balances (Deficit) - Beginning of year	295,217	-	9,614,789
Fund Balances (Deficit) - End of year	<u>\$ 321,001</u>	<u>\$ (316,193)</u>	<u>\$ 8,966,427</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds

March 31, 2021

	Golf Course Fund	Senior Housing Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 1,554,596	\$ 575,625	\$ 2,130,221
Receivables	-	1,346	1,346
Deposits	9,519	-	9,519
Prepaid expenses	-	1,576	1,576
Total current assets	1,564,115	578,547	2,142,662
Noncurrent assets - Capital assets	1,858,414	2,548,313	4,406,727
Total assets	3,422,529	3,126,860	6,549,389
Deferred Outflows of Resources			
Deferred pension costs	-	27,717	27,717
Deferred OPEB costs	-	73,163	73,163
Total deferred outflows of resources	-	100,880	100,880
Liabilities			
Current liabilities:			
Accounts payable	84,713	14,317	99,030
Due to other funds	399,168	-	399,168
Accrued liabilities and other	-	3,188	3,188
Unearned revenue	1,185	-	1,185
Other liabilities	-	48,074	48,074
Total current liabilities	485,066	65,579	550,645
Noncurrent liabilities:			
Compensated absences	-	52,914	52,914
Net pension liability	-	463,299	463,299
Net OPEB liability	-	594,427	594,427
Total noncurrent liabilities	-	1,110,640	1,110,640
Total liabilities	485,066	1,176,219	1,661,285
Deferred Inflows of Resources			
Deferred pension cost reductions	-	22,577	22,577
Deferred OPEB cost reductions	-	207,354	207,354
Total deferred inflows of resources	-	229,931	229,931
Net Position			
Net investment in capital assets	1,858,414	2,548,313	4,406,727
Unrestricted	1,079,049	(726,723)	352,326
Total net position	<u>\$ 2,937,463</u>	<u>\$ 1,821,590</u>	<u>\$ 4,759,053</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds

Year Ended March 31, 2021

	Golf Course Fund	Senior Housing Fund	Total Nonmajor Enterprise Funds
Operating Revenue - Charges for services	\$ 1,200,523	\$ 641,774	\$ 1,842,297
Operating Expenses			
General and administrative costs	-	428,439	428,439
Cost of services	1,073,481	-	1,073,481
Depreciation and amortization	142,833	124,892	267,725
Total operating expenses	1,216,314	553,331	1,769,645
Operating (Loss) Income	(15,791)	88,443	72,652
Nonoperating Revenue			
Investment income	7,507	1,535	9,042
Gain on sale of assets	23,054	-	23,054
Total nonoperating revenue	30,561	1,535	32,096
Change in Net Position	14,770	89,978	104,748
Net Position - Beginning of year	2,922,693	1,731,612	4,654,305
Net Position - End of year	\$ 2,937,463	\$ 1,821,590	\$ 4,759,053

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended March 31, 2021

	Golf Course Fund	Senior Housing Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,200,523	\$ 641,774	\$ 1,842,297
Receipts from interfund services and reimbursements	225,238	-	225,238
Payments to suppliers	(1,156,254)	(187,343)	(1,343,597)
Payments to employees	-	(213,601)	(213,601)
Net cash and cash equivalents provided by operating activities	269,507	240,830	510,337
Cash Flows Used in Financing Activities - Purchase of capital assets	(38,787)	(28,830)	(67,617)
Cash Flows Provided by Investing Activities - Interest received on investments	7,507	1,535	9,042
Net Increase in Cash and Cash Equivalents	238,227	213,535	451,762
Cash and Cash Equivalents - Beginning of year	1,316,369	362,090	1,678,459
Cash and Cash Equivalents - End of year	<u>\$ 1,554,596</u>	<u>\$ 575,625</u>	<u>\$ 2,130,221</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 1,554,596</u>	<u>\$ 575,625</u>	<u>\$ 2,130,221</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (15,791)	\$ 88,443	\$ 72,652
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	142,833	124,892	267,725
Changes in assets and liabilities:			
Due to and from other funds	225,238	-	225,238
Inventories	(2,412)	-	(2,412)
Prepaid and other assets	-	1,437	1,437
Net pension or OPEB liability	-	33,203	33,203
Accounts payable	(80,361)	(7,145)	(87,506)
Total adjustments	285,298	152,387	437,685
Net cash and cash equivalents provided by operating activities	<u>\$ 269,507</u>	<u>\$ 240,830</u>	<u>\$ 510,337</u>

Charter Township of Redford

**Other Supplemental Information
Combining Statement of Net Position
Internal Service Funds**

March 31, 2021

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Assets				
Current assets:				
Cash and investments	\$ 4,689	\$ 14,171	\$ 8,865	\$ 27,725
Deposits	3,195,506	-	-	3,195,506
Total assets	3,200,195	14,171	8,865	3,223,231
Liabilities				
Current liabilities:				
Accounts payable	-	9,316	1,821	11,137
Accrued liabilities and other	-	4,855	7,044	11,899
Total current liabilities	-	14,171	8,865	23,036
Noncurrent liabilities - Provision for claims	821,608	-	-	821,608
Total liabilities	821,608	14,171	8,865	844,644
Net Position - Unrestricted	\$ 2,378,587	\$ -	\$ -	\$ 2,378,587

Charter Township of Redford

Other Supplemental Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds

Year Ended March 31, 2021

	<u>Self-insurance</u>	<u>Vehicle Maintenance Internal Service</u>	<u>Central Maintenance Internal Service</u>	<u>Total Internal Service Funds</u>
Operating Revenue - Township contributions	\$ 937,568	\$ 298,969	\$ 277,721	\$ 1,514,258
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	1,530,241	-	-	1,530,241
Cost of services	-	298,969	277,721	576,690
Total operating expenses	<u>1,530,241</u>	<u>298,969</u>	<u>277,721</u>	<u>2,106,931</u>
Operating Loss	(592,673)	-	-	(592,673)
Nonoperating Revenue - Investment income	<u>76,093</u>	-	-	<u>76,093</u>
Change in Net Position	(516,580)	-	-	(516,580)
Net Position - Beginning of year	<u>2,895,167</u>	-	-	<u>2,895,167</u>
Net Position - End of year	<u><u>\$ 2,378,587</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,378,587</u></u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended March 31, 2021

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 937,568	\$ 298,969	\$ 277,721	\$ 1,514,258
Payments to suppliers	-	(31,397)	(14,124)	(45,521)
Payments to employees and fringes	-	(261,127)	(263,789)	(524,916)
Claims paid	(2,968,988)	-	-	(2,968,988)
Net cash and cash equivalents (used in) provided by operating activities	(2,031,420)	6,445	(192)	(2,025,167)
Cash Flows Provided by Investing Activities -				
Interest received on investments	76,093	-	-	76,093
Net (Decrease) Increase in Cash and Cash Equivalents	(1,955,327)	6,445	(192)	(1,949,074)
Cash and Cash Equivalents - Beginning of year	1,960,016	7,726	9,057	1,976,799
Cash and Cash Equivalents - End of year	<u>\$ 4,689</u>	<u>\$ 14,171</u>	<u>\$ 8,865</u>	<u>\$ 27,725</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 4,689</u>	<u>\$ 14,171</u>	<u>\$ 8,865</u>	<u>\$ 27,725</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities				
Operating loss	\$ (592,673)	\$ -	\$ -	\$ (592,673)
Adjustments to reconcile operating loss to net cash from operating activities:				
Changes in assets and liabilities:				
Net pension or OPEB liability	-	682	(858)	(176)
Accounts payable	-	5,763	666	6,429
Estimated claims liability	(1,438,747)	-	-	(1,438,747)
Total adjustments	(1,438,747)	6,445	(192)	(1,432,494)
Net cash and cash equivalents (used in) provided by operating activities	<u>\$ (2,031,420)</u>	<u>\$ 6,445</u>	<u>\$ (192)</u>	<u>\$ (2,025,167)</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Fiduciary Net Position Fiduciary Funds

March 31, 2021

	Pension and Other Employee Benefit Trust Funds				Custodial Funds		Total Fiduciary Funds
	Police and Fire Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total Pension and OPEB Funds	17th District Court	Tax Fund	
Assets							
Cash and cash equivalents	\$ 8,151,143	\$ -	\$ -	\$ 8,151,143	\$ 79,789	\$ -	8,230,932
Investments:							79,494,086
U.S. government securities	1,332,673	-	-	1,332,673	-	-	1,332,673
Agency securities	2,967,497	-	-	2,967,497	-	-	2,967,497
Closely held - Equity	5,741,226	-	-	5,741,226	-	-	5,741,226
Mutual funds	17,847,253	1,836,717	-	19,683,970	-	-	19,683,970
Stocks	24,163,151	-	-	24,163,151	-	-	24,163,151
Bonds	7,721,166	-	-	7,721,166	-	-	7,721,166
Real estate investment trust	51,097	-	-	51,097	-	-	51,097
Short-term funds (2a7-like)	-	3,078,107	4,777,506	7,855,613	-	-	7,855,613
CIF - Equity	9,977,693	-	-	9,977,693	-	-	9,977,693
Receivables	106,613	-	-	106,613	-	-	106,613
Due from primary government	-	215,857	-	215,857	-	-	215,857
Total assets	78,059,512	5,130,681	4,777,506	87,967,699	79,789	-	88,047,488
Liabilities							
Accounts payable	75,671	12,146	-	87,817	-	-	87,817
Due to other governmental units	-	-	-	-	79,789	-	79,789
Due to primary government	485,289	-	1,250	486,539	-	-	486,539
Total liabilities	560,960	12,146	1,250	574,356	79,789	-	654,145
Net Position							
Restricted:							
Pension	77,498,552	-	-	77,498,552	-	-	77,498,552
Postemployment benefits other than pension	-	5,118,535	4,776,256	9,894,791	-	-	9,894,791
Total net position	\$ 77,498,552	\$ 5,118,535	\$ 4,776,256	\$ 87,393,343	\$ -	\$ -	\$ 87,393,343

Charter Township of Redford

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended March 31, 2021

	Pension and Other Employee Benefit Trust Funds				Custodial Funds		Total Fiduciary Funds
	Police and Fire Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total Pension and OPEB Funds	17th District Court	Tax Fund	
Additions							
Investment income (loss):							
Interest and dividends	\$ 1,086,726	\$ 35,182	\$ 3,026	\$ 1,124,934	\$ -	\$ -	\$ 2,316,312
Net increase in fair value of investments	21,218,824	455,050	-	21,673,874	-	-	18,828,267
Investment-related expenses	(306,515)	-	-	(306,515)	-	-	(574,701)
Net investment income	21,999,035	490,232	3,026	22,492,293	-	-	20,569,878
Contributions	6,235,605	1,999,446	3,628,714	11,863,765	-	-	23,785,856
Property tax collections	-	-	-	-	-	35,359,021	35,359,021
Fines and fees	-	-	-	-	601,256	-	601,256
Total additions	28,234,640	2,489,678	3,631,740	34,356,058	601,256	35,359,021	80,316,011
Deductions							
Benefit payments	8,594,237	2,342,285	1,371,608	12,308,130	-	-	24,768,350
Refunds and withdrawals	438,763	-	-	438,763	-	-	540,078
Deferred retirement option plan expenses	547,077	-	-	547,077	-	-	1,182,649
Administrative expenses	67,563	7,788	6,625	81,976	-	-	196,831
Tax distributions to other governments	-	-	-	-	-	35,359,021	35,359,021
State of Michigan	-	-	-	-	565,588	-	565,588
Wayne County, Michigan	-	-	-	-	35,668	-	35,668
Total deductions	9,647,640	2,350,073	1,378,233	13,375,946	601,256	35,359,021	62,648,185
Net Increase in Fiduciary Net Position	18,587,000	139,605	2,253,507	20,980,112	-	-	17,667,826
Net Position - Beginning of year	58,911,552	4,978,930	2,522,749	66,413,231	-	-	12,544,483
Net Position - End of year	<u>\$ 77,498,552</u>	<u>\$ 5,118,535</u>	<u>\$ 4,776,256</u>	<u>\$ 87,393,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,212,309</u>