
Charter Township of Redford

Wayne County, Michigan

Financial Report
with Supplemental Information
March 31, 2018

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9-10
Statement of Activities	11-12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds:	
Statement of Net Position	17
Statement of Revenue, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19-20
Fiduciary Funds:	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Component Units:	
Statement of Net Position	23
Statement of Activities	24
Notes to Financial Statements	25-61
Required Supplemental Information	62
Budgetary Comparison Schedule - General Fund	63-64
General Employees Retirement System (MERS)	
Schedule of Changes in the Net Pension Liability and Related Ratios	65
Police and Fire Employees Retirement System	
Schedule of Changes in the Net Pension Liability and Related Ratios	66
General Employees Retirement System (MERS)	
Schedule of Pension Contributions	67
Police and Fire Employees Retirement System	
Schedule of Pension Contributions	68
Police and Fire Employees Retirement System	
Schedule of Pension Investment Returns	69
Schedule of Changes in the Net OPEB Liability and Related Ratios - General Employees	70
Schedule of Changes in the Net OPEB Liability and Related Ratios - Police and Fire	71
Schedule of OPEB Investment Returns - General Employees	72
Schedule of OPEB Investment Returns - Police and Fire	73
Schedule of OPEB Contributions - General Employees	74
Schedule of OPEB Contributions - Police and Fire	75
Schedule of OPEB Funding Progress	76
Note to Required Supplemental Information	77-78

Other Supplemental Information	79
Nonmajor Governmental Funds:	
Combining Balance Sheet	80-81
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	82-83
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	84
Combining Statement of Revenue, Expenses, and Changes in Net Position	85
Combining Statement of Cash Flows	86
Internal Service Funds:	
Combining Statement of Net Position	87
Combining Statement of Revenue, Expenses, and Changes in Net Position	88
Combining Statement of Cash Flows	89
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	90
Combining Statement of Changes in Fiduciary Net Position	91

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, 2018 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, 2018 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.

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 an opinion 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 September 25, 2018 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.



September 25, 2018

As management of the Charter Township of Redford (the "Charter Township"), we offer readers this narrative overview and analysis of the financial activities for the year ended March 31, 2018. Please read it in conjunction with the Township's financial statements and notes to the financial statements that follow.

Financial Highlights

- State-shared revenue, our second largest revenue source, increased approximately \$139,000 for the year ended March 31, 2018 to approximately \$5,161,000.
- After the Charter Township experienced an average 27 percent increase from Blue Cross Blue Shield for health care beginning January 1, 2017, the Charter Township realized a significant reduction in healthcare costs of about 10 percent for the period beginning January 1, 2018. After researching options, the Township met with retirees in a series of meetings to explain why the majority of them would switch to the same Health Savings Account (HSA) plan that the active employees have. After board approval, the majority of the retirees switched to the new plan effective May 1, 2017.
- FY 2016-2017 was the first year that the State's Personal Property Tax Reimbursement was sent to municipalities. In the second year, FY 2017-2018, the Charter Township received \$591,000, which is significantly less than the \$1,067,000 received in FY 2016-2017.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$3,764,324 at the close of the most recent fiscal year.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Charter Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets:						
Cash and investments	\$ 29,200,871	\$ 29,101,673	\$ 7,949,734	\$ 6,176,288	\$ 37,150,605	\$ 35,277,961
Receivables	7,727,992	7,324,162	6,344,073	5,532,990	14,072,065	12,857,152
Other assets	2,412,861	2,501,087	3,880,665	5,229,298	6,293,526	7,730,385
Capital assets	15,782,475	17,358,689	47,399,198	47,091,952	63,181,673	64,450,641
Total assets	55,124,199	56,285,611	65,573,670	64,030,528	120,697,869	120,316,139
Deferred Outflows of Resources	3,595,556	2,993,101	147,723	900,062	3,743,279	3,893,163
Liabilities						
Current liabilities	1,570,691	1,675,049	2,675,867	1,993,578	4,246,558	3,668,627
Noncurrent liabilities	95,813,626	93,893,490	18,634,541	20,235,719	114,448,167	114,129,209
Total liabilities	97,384,317	95,568,539	21,310,408	22,229,297	118,694,725	117,797,836
Deferred Inflows of Resources	1,735,478	967,503	246,621	368,481	1,982,099	1,335,984
Net Position						
Net investment in capital assets	9,486,113	9,804,997	41,608,193	41,298,823	51,094,306	51,103,820
Restricted	9,104,303	8,815,715	353,394	505,087	9,457,697	9,320,802
Unrestricted	(58,990,456)	(55,878,042)	2,202,777	528,902	(56,787,679)	(55,349,140)
Total net position	<u>\$ (40,400,040)</u>	<u>\$ (37,257,330)</u>	<u>\$ 44,164,364</u>	<u>\$ 42,332,812</u>	<u>\$ 3,764,324</u>	<u>\$ 5,075,482</u>

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Charter Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Program revenue:						
Charges for services	\$ 5,956,545	\$ 6,125,361	\$ 21,221,859	\$ 20,074,350	\$ 27,178,404	\$ 26,199,711
Operating grants	2,428,142	3,341,378	-	-	2,428,142	3,341,378
Capital grants	221,034	275,789	-	-	221,034	275,789
General revenue:						
Taxes	20,361,381	20,204,832	-	-	20,361,381	20,204,832
Intergovernmental	5,160,845	5,021,864	-	-	5,160,845	5,021,864
Investment earnings	236,657	70,803	142,280	61,837	378,937	132,640
Other revenue	1,875,261	1,708,040	6,118	7,003	1,881,379	1,715,043
Total revenue	36,239,865	36,748,067	21,370,257	20,143,190	57,610,122	56,891,257
Expenses						
General government	5,238,747	4,268,959	-	-	5,238,747	4,268,959
District Court	2,605,595	2,532,877	-	-	2,605,595	2,532,877
Public safety	24,050,551	21,478,819	-	-	24,050,551	21,478,819
Public works	4,876,375	4,909,880	-	-	4,876,375	4,909,880
Health and welfare	296,509	385,057	-	-	296,509	385,057
Community and economic development	955,032	625,608	-	-	955,032	625,608
Recreation and culture	972,408	905,337	-	-	972,408	905,337
Debt service	387,358	364,100	-	-	387,358	364,100
Water and Sewer Fund	-	-	16,972,343	17,094,379	16,972,343	17,094,379
Senior Housing Fund	-	-	347,473	496,402	347,473	496,402
Golf course	-	-	1,186,500	1,111,108	1,186,500	1,111,108
Protective inspection	-	-	1,032,389	886,697	1,032,389	886,697
Total expenses	39,382,575	35,470,637	19,538,705	19,588,586	58,921,280	55,059,223
Change in Net Position	\$ (3,142,710)	\$ 1,277,430	\$ 1,831,552	\$ 554,604	\$ (1,311,158)	\$ 1,832,034

The Charter Township is a mature community that developed, post-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.

An example of successful redevelopment is a large financial investment, Shamrock Village Subdivision, by a private developer in partnership with the Charter Township. Phases I and II have provided additional housing stock and improved infrastructure to the community. These two phases are complete, and the Charter Township is working with the developer and builder on Phase III.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Governmental Activities

Local property taxes and state-shared revenue make up approximately 70 percent, or \$25,522,000, of the Charter Township's total governmental revenue of \$36,240,000. The majority of the remaining amount of revenue is related to charges for services and operating and capital grants. Charges for services revenue decreased by approximately \$174,000, which is attributable to a decrease in fines and fees compared to the previous fiscal year.

The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$24,051,000, or 61 percent of the total governmental expenses. Public safety expenditures increased by approximately \$2,319,000 in the current year, mostly in wage and fringe benefits as a result of hiring additional personnel. The public works activities, including solid waste disposal, cost approximately \$4,876,000, or 12 percent of governmental expenses. The remaining approximately \$10,456,000 of expenses, or 27 percent, pays for recreation, community development, health and welfare, general government activities, and interest on debt. General government expenditures increased by approximately \$955,000 due mainly to an additional contribution made to the MERS pension plan.

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 \$1,832,000 for the business-type activities (Enterprise Funds) in FY 2017-2018. This is an increase of approximately \$1,277,000 from the change in net position in the previous fiscal year.
- 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. 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 fund realized operating income of approximately \$1,752,000 and an increase in net position of approximately \$1,597,000.
- 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 2021.
- The golf course operations produced a surplus of approximately \$30,000, a decrease of \$106,000 from FY 2017. The golf course experienced a sales decrease of \$39,000, while operating expenses increased by \$75,000 from the previous year. Some of the revenue decrease can be attributed to a slight reduction in rounds of golf. Operating expenses increased as a result of contractual obligations.
- 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 surplus of approximately \$336,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds. These bonds were paid off in FY 2017-2018.
- 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.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Financial Analysis of the Township's Funds

Our analysis of the major funds is included in Note 1, following the government-wide financial statements. The fund financial statements provide detail 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 2017-2018 was the General Fund.

- The General Fund pays for most of the Charter Township's governmental services. The most costly services are police and fire, which incurred expenses of approximately \$19,023,000 in fiscal year 2017-2018. These two activities are partially funded by two police and fire millages. During the current year, this amounted to approximately \$6,309,000 (of which \$5,325,000 is further restricted as to use) for police and fire operations and \$7,153,000 for the retirement system. The remaining approximately \$5,561,000 of operating cost of the police and fire departments is funded by other revenue of the General Fund. 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 exceeding \$11,536,000.

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 \$290,000. Expenditures were amended as necessary.

Capital Assets and Debt Administration

At the end of the fiscal year, the Charter Township had approximately \$63,427,000 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 52 percent of the Charter Township's total assets of approximately \$122,557,000 (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 \$20,394,000 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 \$6.3 million in debt in the governmental activities, while business-type activities had \$9.1 million outstanding. Component unit debt was \$5.0 million.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The Charter Township's General Fund budget for the 2018-2019 fiscal year anticipates an increase in revenue and expenditures over the prior year's original budget of approximately \$1,638,000.

Property tax revenue from the set millage is expected to be relatively similar to FY 2017-2018. The police and fire pension millage, street lighting millage, and Police and Fire Special Assessment District are set and levied to cover costs. In 2018-2019, the Charter Township expects to receive state reimbursement for lost personal property taxes. This reimbursement amounts to almost \$591,000 in the General Fund. There is also a projected decrease in fines and forfeitures of \$82,000 below the 2017-2018 budget.

The increase in expenditures is related to multiple factors. The General Fund is budgeting for anticipated employee contractual raises and associated fringe benefits, inflationary increases, etc. The budget also includes three additional police officers budgeted for half of the fiscal year. Finally, the Fire Department applied for, and received approval for, a FEMA SAFER grant that will add six additional firefighters. If approved, the grant would pay for 75 percent of these positions for the first year.

The Charter Township has contracted for the construction of a new courthouse. The cost of construction will be paid from funds set aside from court fees over the past decade in the amount of approximately \$4,000,000.

Like other metro-Detroit communities, the Charter Township has experienced a severe decline in housing values, reflective of the national housing and mortgage crisis. However, for the third year in a row, we are projecting a slight increase in taxable value.

Water and sewer variable rates will remain unchanged in the 2018-2019 fiscal year.

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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 29,200,871	\$ 7,949,734	\$ 37,150,605	\$ 1,321,585
Receivables - Net (Note 4)	6,816,075	6,402,715	13,218,790	292,035
Due from component units	853,275	-	853,275	-
Internal balances	58,642	(58,642)	-	-
Deposits	1,665,346	91,349	1,756,695	-
Prepaid expenses	493,652	127,563	621,215	-
Inventories and other assets	4,911	-	4,911	-
Restricted assets (Note 8)	1,251	3,661,753	3,663,004	-
Assets held for resale	247,701	-	247,701	-
Capital assets: (Note 5)				
Assets not subject to depreciation	1,378,029	11,416,298	12,794,327	75,690
Assets subject to depreciation - Net	14,404,446	35,982,900	50,387,346	170,006
Total assets	55,124,199	65,573,670	120,697,869	1,859,316
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	5,157	5,157	127,804
Deferred pension costs (Note 10)	3,595,556	142,566	3,738,122	-
Total deferred outflows of resources	3,595,556	147,723	3,743,279	127,804
Liabilities				
Accounts payable	452,554	1,747,585	2,200,139	7,363
Due to other governmental units	34,098	-	34,098	1,788
Due to primary government	-	-	-	853,275
Accrued liabilities and other	620,910	874,616	1,495,526	607
Unearned revenue	13,932	1,185	15,117	-
Other liabilities	449,197	52,481	501,678	-
Noncurrent liabilities:				
Due within one year: (Note 7)				
Compensated absences	73,611	-	73,611	-
Current portion of CSO installment agreement	-	358,560	358,560	-
Provision for property tax refunds	587,921	-	587,921	-
Current portion of long-term debt	1,277,942	1,094,012	2,371,954	495,000
Due in more than one year:				
Compensated absences	2,097,051	433,449	2,530,500	-
Estimated insurance and other liabilities	571,086	-	571,086	-
Advances from primary government	-	-	-	993,689
Net pension liability (Note 10)	65,229,213	6,569,853	71,799,066	-
Net OPEB obligation (Notes 11 and 12)	20,957,131	1,988,899	22,946,030	-
Long-term debt (Note 7)	5,019,671	8,010,509	13,030,180	4,496,751
CSO installment agreement	-	179,259	179,259	-
Total liabilities	97,384,317	21,310,408	118,694,725	6,848,473
Deferred Inflows of Resources - Deferred pension cost reductions	1,735,478	246,621	1,982,099	-

See notes to financial statements.

Charter Township of Redford

Statement of Net Position (Continued)

March 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 9,486,113	\$ 41,608,193	\$ 51,094,306	\$ 245,696
Restricted:				
Road improvements	404,401	-	404,401	-
PEG fees	207,035	-	207,035	-
Debt service	1,417,618	353,394	1,771,012	-
Solid waste activities	1,831,244	-	1,831,244	-
Grant programs	880,659	-	880,659	-
Dial-a-ride	416,559	-	416,559	-
Street lighting	23,390	-	23,390	-
Drain improvements	903,622	-	903,622	-
Drug law enforcement	800,743	-	800,743	-
911	372,790	-	372,790	-
Storm water improvements	69,337	-	69,337	-
Public safety SAD	1,776,905	-	1,776,905	-
Unrestricted	(58,990,456)	2,202,777	(56,787,679)	(5,107,049)
Total net position	\$ (40,400,040)	\$ 44,164,364	\$ 3,764,324	\$ (4,861,353)

Charter Township of Redford

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,238,747	\$ 1,069,940	\$ 552,396	\$ 91,648
District court	2,605,595	2,062,735	-	-
Public safety	24,050,551	2,087,880	215,092	9,739
Public works	4,876,375	473,314	474,745	119,647
Health and welfare	296,509	-	47,375	-
Community and economic development	955,032	6,227	1,133,683	-
Recreation and culture	972,408	256,449	4,851	-
Interest on long-term debt	387,358	-	-	-
Total governmental activities	<u>39,382,575</u>	<u>5,956,545</u>	<u>2,428,142</u>	<u>221,034</u>
Business-type activities:				
Water and Sewer Fund	16,972,343	18,448,443	-	-
Golf Course	1,186,500	1,204,763	-	-
Senior Housing Fund	347,473	679,284	-	-
Protective Inspection	1,032,389	889,369	-	-
Total business-type activities	<u>19,538,705</u>	<u>21,221,859</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 58,921,280</u>	<u>\$ 27,178,404</u>	<u>\$ 2,428,142</u>	<u>\$ 221,034</u>
Component units:				
Downtown Development Authority	\$ 210,315	\$ 3,481	\$ -	\$ -
Brownfield Redevelopment Financing Authority	1,465,505	-	-	-
Total component units	<u>\$ 1,675,820</u>	<u>\$ 3,481</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities

Year Ended March 31, 2018

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,524,763)	\$ -	\$ (3,524,763)	\$ -
(542,860)	-	(542,860)	-
(21,737,840)	-	(21,737,840)	-
(3,808,669)	-	(3,808,669)	-
(249,134)	-	(249,134)	-
184,878	-	184,878	-
(711,108)	-	(711,108)	-
(387,358)	-	(387,358)	-
(30,776,854)	-	(30,776,854)	-
-	1,476,100	1,476,100	-
-	18,263	18,263	-
-	331,811	331,811	-
-	(143,020)	(143,020)	-
-	1,683,154	1,683,154	-
(30,776,854)	1,683,154	(29,093,700)	-
-	-	-	(206,834)
-	-	-	(1,465,505)
-	-	-	(1,672,339)
20,361,381	-	20,361,381	1,949,383
5,160,845	-	5,160,845	-
236,657	142,280	378,937	13,999
815,487	-	815,487	-
525	6,118	6,643	-
1,059,249	-	1,059,249	3,500
27,634,144	148,398	27,782,542	1,966,882
(3,142,710)	1,831,552	(1,311,158)	294,543
(37,257,330)	42,332,812	5,075,482	(5,155,896)
\$ (40,400,040)	\$ 44,164,364	\$ 3,764,324	\$ (4,861,353)

Charter Township of Redford

Governmental Funds Balance Sheet

March 31, 2018

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 14,762,844	\$ 8,994,791	\$ 23,757,635
Investments	-	3,538,020	3,538,020
Receivables: (Note 4)			
Property taxes receivable	1,988,505	238,398	2,226,903
Special assessments receivable	-	109,276	109,276
Customer receivables	-	776,042	776,042
Other receivables	502,754	356,339	859,093
Due from other governments	2,539,162	298,817	2,837,979
Due from component units	853,275	-	853,275
Due from other funds (Note 6)	812,532	-	812,532
Prepaid expenses	460,088	33,564	493,652
Inventories and other assets	4,911	-	4,911
Restricted assets	-	1,251	1,251
Assets held for resale	-	247,701	247,701
	<u>\$ 21,924,071</u>	<u>\$ 14,594,199</u>	<u>\$ 36,518,270</u>
Total assets			
Liabilities			
Accounts payable	\$ 410,378	\$ 33,009	\$ 443,387
Due to other governmental units	34,098	-	34,098
Due to other funds	53	753,837	753,890
Accrued liabilities and other	586,917	7,822	594,739
Unearned revenue (Note 4)	4,167	9,765	13,932
Other liabilities	449,197	-	449,197
Provision for property tax refunds	358,095	41,946	400,041
	<u>1,842,905</u>	<u>846,379</u>	<u>2,689,284</u>
Total liabilities			
Deferred Inflows of Resources - Unavailable revenue	<u>2,118,367</u>	<u>1,671,718</u>	<u>3,790,085</u>
Total liabilities and deferred inflows of resources	3,961,272	2,518,097	6,479,369
Fund Balances (Note 15)			
Nonspendable	1,313,363	33,564	1,346,927
Restricted	1,807,196	5,890,506	7,697,702
Committed	165,006	4,270,672	4,435,678
Assigned	-	1,965,268	1,965,268
Unassigned	14,677,234	(83,908)	14,593,326
	<u>17,962,799</u>	<u>12,076,102</u>	<u>30,038,901</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,924,071</u>	<u>\$ 14,594,199</u>	<u>\$ 36,518,270</u>

Charter Township of Redford

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

March 31, 2018

Fund Balances Reported in Governmental Funds	\$ 30,038,901
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	15,782,475
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	3,790,085
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(6,297,613)
Accrued interest is not due and payable in the current period and is not reported in the funds	(18,617)
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	(2,170,662)
Pension benefits	(63,369,135)
Retiree healthcare benefits	(20,957,131)
The Charter Township reports a portion of the provision for property tax chargebacks only at the government-wide level, not in the individual funds	(187,880)
Internal service funds are included as part of governmental activities	2,989,537
Net Position of Governmental Activities	<u>\$ (40,400,040)</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended March 31, 2018

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes (Note 1)	\$ 18,226,684	\$ 2,090,594	\$ 20,317,278
Special assessments	-	84,089	84,089
Intergovernmental:			
Federal grants	118,336	1,253,675	1,372,011
State-shared revenue and grants	5,874,564	322,975	6,197,539
Local grants and contributions	-	606,414	606,414
Charges for services	2,616,844	1,187,327	3,804,171
Fines and forfeitures	2,554,724	240,562	2,795,286
Licenses and permits	911,110	-	911,110
Investment income	150,902	84,182	235,084
Other revenue	1,924,046	82,807	2,006,853
Total revenue	32,377,210	5,952,625	38,329,835
Expenditures			
Current services:			
General government	5,650,711	-	5,650,711
District Court	2,549,587	-	2,549,587
Public safety	20,966,595	279,301	21,245,896
Public works	1,122,229	3,048,629	4,170,858
Health and welfare	41,764	33,432	75,196
Community and economic development	80,262	1,210,151	1,290,413
Recreation and culture:			
Parks and recreation	379,850	-	379,850
Parks facilities	328,588	-	328,588
Senior citizens	72,998	-	72,998
Cultural	3,393	-	3,393
Capital outlay	-	80,670	80,670
Debt service	-	1,960,901	1,960,901
Total expenditures	31,195,977	6,613,084	37,809,061
Excess of Revenue Over (Under) Expenditures	1,181,233	(660,459)	520,774
Other Financing Sources (Uses)			
Transfers in (Note 6)	-	1,333,504	1,333,504
Transfers out (Note 6)	(493,220)	(840,284)	(1,333,504)
Issuance of refunding bonds	-	4,490,855	4,490,855
Debt premium or discount	-	68,485	68,485
Payment to bond refunding escrow agent (Note 7)	-	(4,239,940)	(4,239,940)
Proceeds from sale of capital assets	4,675	-	4,675
Total other financing (uses) sources	(488,545)	812,620	324,075
Net Change in Fund Balances	692,688	152,161	844,849
Fund Balances - Beginning of year	17,270,111	11,923,941	29,194,052
Fund Balances - End of year	\$ 17,962,799	\$ 12,076,102	\$ 30,038,901

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, 2018

Net Change in Fund Balances Reported in Governmental Funds	\$ 844,849
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	407,011
Depreciation expense	(1,982,274)
Net book value of assets disposed of	(951)
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	(470,264)
Issuing debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position	(4,559,340)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	6,270,037
Interest expense is recognized in the government-wide statements as it accrues	(3,183)
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	(4,027,257)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	146,902
Internal service funds are included as part of governmental activities:	<u>231,760</u>
Change in Net Position of Governmental Activities	<u>\$ (3,142,710)</u>

Charter Township of Redford

Proprietary Funds Statement of Net Position

March 31, 2018

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Nonmajor Enterprise	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,550,747	\$ 2,398,987	\$ 7,949,734	\$ 1,905,216
Receivables - Net	6,374,312	28,403	6,402,715	6,782
Due from other funds	53	-	53	-
Deposits	84,242	7,107	91,349	1,665,346
Prepaid expenses	97,971	29,592	127,563	-
Total current assets	12,107,325	2,464,089	14,571,414	3,577,344
Noncurrent assets:				
Restricted assets (Note 8)	3,661,753	-	3,661,753	-
Capital assets - Net (Note 5)	42,620,752	4,778,446	47,399,198	-
Total noncurrent assets	46,282,505	4,778,446	51,060,951	-
Total assets	58,389,830	7,242,535	65,632,365	3,577,344
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	5,157	5,157	-
Deferred pension costs	115,823	26,743	142,566	-
Total deferred outflows of resources	115,823	31,900	147,723	-
Liabilities				
Current liabilities:				
Accounts payable	1,691,526	56,059	1,747,585	9,167
Due to other funds	-	58,695	58,695	-
Accrued liabilities and other	851,853	22,763	874,616	7,554
Unearned revenue	-	1,185	1,185	-
Other liabilities	131	52,350	52,481	-
Current portion of CSO installment agreement	358,560	-	358,560	-
Current portion of long-term debt	749,012	345,000	1,094,012	-
Total current liabilities	3,651,082	536,052	4,187,134	16,721
Noncurrent liabilities:				
Compensated absences	341,563	91,886	433,449	-
Estimated insurance and other liabilities	-	-	-	571,086
Net pension liability	5,337,432	1,232,421	6,569,853	-
Net OPEB obligation	1,632,898	356,001	1,988,899	-
Long-term debt (Note 7)	8,010,509	-	8,010,509	-
CSO installment agreement	179,259	-	179,259	-
Total noncurrent liabilities	15,501,661	1,680,308	17,181,969	571,086
Total liabilities	19,152,743	2,216,360	21,369,103	587,807
Deferred Inflows of Resources - Deferred pension cost reductions				
	200,359	46,262	246,621	-
Net Position				
Net investment in capital assets	37,169,590	4,438,603	41,608,193	-
Restricted - Debt service	353,394	-	353,394	-
Unrestricted	1,629,567	573,210	2,202,777	2,989,537
Total net position	\$ 39,152,551	\$ 5,011,813	\$ 44,164,364	\$ 2,989,537

Charter Township of Redford

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

Year Ended March 31, 2018

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Nonmajor Enterprise	Total	Internal Service Funds
Operating Revenue				
Charges for services	\$ 18,448,443	\$ 1,884,047	\$ 20,332,490	\$ -
Township contributions	-	-	-	1,450,683
Fees and permits	-	889,369	889,369	-
Refunds	-	-	-	231,632
Total operating revenue	18,448,443	2,773,416	21,221,859	1,682,315
Operating Expenses				
Cost of water and sewer	12,560,277	-	12,560,277	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	1,029,046
General and administrative costs	2,603,193	230,003	2,833,196	-
Cost of services	-	2,036,114	2,036,114	464,312
Depreciation and amortization	1,533,100	278,278	1,811,378	-
Total operating expenses	16,696,570	2,544,395	19,240,965	1,493,358
Operating Income	1,751,873	229,021	1,980,894	188,957
Nonoperating Revenue (Expense)				
Investment income	118,347	23,933	142,280	42,803
Interest expense	(275,773)	(21,967)	(297,740)	-
Gain on sale of assets	2,668	3,450	6,118	-
Total nonoperating (expense) revenue	(154,758)	5,416	(149,342)	42,803
Change in Net Position	1,597,115	234,437	1,831,552	231,760
Net Position - Beginning of year	37,555,436	4,777,376	42,332,812	2,757,777
Net Position - End of year	\$ 39,152,551	\$ 5,011,813	\$ 44,164,364	\$ 2,989,537

Charter Township of Redford

Proprietary Funds Statement of Cash Flows

Year Ended March 31, 2018

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Nonmajor Enterprise	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	\$ 17,717,566	\$ 2,763,224	\$ 20,480,790	\$ 1,682,315
Payments for interfund services and reimbursements	(53)	(55,276)	(55,329)	-
Payments to suppliers	(12,290,897)	(1,321,661)	(13,612,558)	(128,081)
Payments to employees and fringes	(2,057,203)	(843,339)	(2,900,542)	(433,596)
Claims paid	-	-	-	(1,143,754)
Other (payments) receipts	(14,685)	-	(14,685)	148,421
Net cash and cash equivalents provided by operating activities	3,354,728	542,948	3,897,676	125,305
Cash Flows from Capital and Related Financing Activities				
Issuance of bonds	599,145	-	599,145	-
Proceeds from sale of capital assets	2,668	3,450	6,118	-
Purchase of capital assets	(2,047,924)	(70,700)	(2,118,624)	-
Principal and interest paid on capital debt	(1,746,694)	(372,644)	(2,119,338)	-
Net cash and cash equivalents used in capital and related financing activities	(3,192,805)	(439,894)	(3,632,699)	-
Cash Flows Provided by Investing Activities -				
Interest received on investments	118,347	23,933	142,280	42,803
Net Increase in Cash and Cash Equivalents	280,270	126,987	407,257	168,108
Cash and Cash Equivalents - Beginning of year	8,932,230	2,272,000	11,204,230	1,737,108
Cash and Cash Equivalents - End of year	\$ 9,212,500	\$ 2,398,987	\$ 11,611,487	\$ 1,905,216
Classification of Cash and Cash Equivalents				
Cash and investments	\$ 5,550,747	\$ 2,398,987	\$ 7,949,734	\$ 1,905,216
Restricted cash	3,661,753	-	3,661,753	-
Total cash and cash equivalents	\$ 9,212,500	\$ 2,398,987	\$ 11,611,487	\$ 1,905,216

Charter Township of Redford

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

Year Ended March 31, 2018

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Nonmajor Enterprise	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 1,751,873	\$ 229,021	\$ 1,980,894	\$ 188,957
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	1,533,100	278,278	1,811,378	-
Changes in assets and liabilities:				
Receivables	(745,562)	(10,192)	(755,754)	148,421
Due to and from other funds	(53)	(55,276)	(55,329)	-
Inventories	(20,188)	-	(20,188)	(101,065)
Prepaid and other assets	1,855	777	2,632	-
Net pension or OPEB asset	1,185,533	97,171	1,282,704	1,723
Accounts payable	(351,830)	3,169	(348,661)	1,977
Estimated claims liability	-	-	-	(114,708)
Total adjustments	<u>1,602,855</u>	<u>313,927</u>	<u>1,916,782</u>	<u>(63,652)</u>
Net cash and cash equivalents provided by operating activities	<u>\$ 3,354,728</u>	<u>\$ 542,948</u>	<u>\$ 3,897,676</u>	<u>\$ 125,305</u>

Charter Township of Redford

**Fiduciary Funds
Statement of Fiduciary Net Position**

March 31, 2018

	<u>Pension and OPEB</u>
Assets	
Cash and cash equivalents	\$ 106,772
Investments:	
Agency securities	12,056,923
Stocks	44,578,795
Bonds	9,995,086
Real estate investment trust	55,742
Short-term funds (2a7-like)	7,429,311
Receivables	154,258
Due from primary government	<u>86,506</u>
Total assets	74,463,393
Liabilities	
Accounts payable	68,536
Due to primary government	2,258,749
Other liabilities	<u>30,760</u>
Total liabilities	<u>2,358,045</u>
Net Position Restricted for Pension/OPEB	<u>\$ 72,105,348</u>

Charter Township of Redford

**Fiduciary Funds
Statement of Changes in Fiduciary Net Position**

Year Ended March 31, 2018

	<u>Pension and OPEB</u>
Additions	
Investment income:	
Interest and dividends	\$ 1,270,665
Net increase in fair value of investments	5,749,082
Investment-related expenses	<u>(355,497)</u>
Net investment income	6,664,250
Contributions	<u>9,065,909</u>
Total additions	15,730,159
Deductions	
Benefit payments	12,401,124
Refunds and withdrawals	184,239
Deferred retirement option plan expenses	245,621
Administrative expenses	<u>111,487</u>
Total deductions	<u>12,942,471</u>
Net Increase in Net Position	2,787,688
Net Position Restricted for Pension and Other Employee Benefits - Beginning of year	<u>69,317,660</u>
Net Position Restricted for Pension and Other Employee Benefits - End of year	<u>\$ 72,105,348</u>

Charter Township of Redford

Component Units Statement of Net Position

March 31, 2018

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 176,924	\$ 1,144,661	\$ 1,321,585
Receivables - Net	-	292,035	292,035
Capital assets - Net	245,696	-	245,696
Total assets	422,620	1,436,696	1,859,316
Deferred Outflows of Resources - Bond refunding loss being amortized			
	-	127,804	127,804
Liabilities			
Accounts payable	1,204	6,159	7,363
Due to other governmental units	-	1,788	1,788
Due to primary government	-	853,275	853,275
Accrued liabilities and other	607	-	607
Noncurrent liabilities:			
Due within one year	-	495,000	495,000
Due in more than one year:			
Advances from primary government	-	993,689	993,689
Long-term debt	-	4,496,751	4,496,751
Total liabilities	1,811	6,846,662	6,848,473
Net Position			
Net investment in capital assets	245,696	-	245,696
Unrestricted	175,113	(5,282,162)	(5,107,049)
Total net position	\$ 420,809	\$ (5,282,162)	\$ (4,861,353)

Charter Township of Redford

Component Units Statement of Activities

Year Ended March 31, 2018

	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Functions/Programs					
Downtown Development Authority	\$ 210,315	\$ 3,481	\$ (206,834)	\$ -	\$ (206,834)
Brownfield Redevelopment Financing Authority	1,465,505	-	-	(1,465,505)	(1,465,505)
Total	\$ 1,675,820	\$ 3,481	(206,834)	(1,465,505)	(1,672,339)
General revenue:					
Taxes			100,680	1,848,703	1,949,383
Unrestricted investment income			1,508	12,491	13,999
Other miscellaneous income			-	3,500	3,500
Total general revenue			102,188	1,864,694	1,966,882
Change in Net Position			(104,646)	399,189	294,543
Net Position - Beginning of year			525,455	(5,681,351)	(5,155,896)
Net Position - End of year			\$ 420,809	\$ (5,282,162)	\$ (4,861,353)

March 31, 2018

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The Charter Township of Redford (the "Charter 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 legal 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 also been blended into the Township's financial statements. The system is governed by a five-member pension board that includes four individuals chosen by the township board. 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.

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 to 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, Michigan 48239.

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, Michigan 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, 2018.

Note 1 - Significant Accounting Policies (Continued)

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.

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

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.

Note 1 - Significant Accounting Policies (Continued)

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 “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 fund as “major” enterprise fund:

- 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 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.

The Charter Township does not have any internal service funds.

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 healthcare benefits to retirees.
- The General Employees' Other Postemployment Benefits Trust Fund accumulates resources to fund the Township's obligation to provide healthcare benefits to retirees.

Note 1 - Significant Accounting Policies (Continued)

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.

Restricted Assets

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

Note 1 - Significant Accounting Policies (Continued)

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

	Depreciable Life - Years
Land improvements	7-50
Road usage 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, 2018, amortization of \$9,159 has been included in the operating expenses of the business-type activities, and accumulated amortization totaled \$533,402 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 an "other financing source" and bond discounts as "other financing uses." The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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.

The Charter Township reports deferred outflows related to the deferred charge on refunding reported in the component unit and government-wide statement of net position, and the deferred outflows of resources related to the defined benefit pension plan are reported in the government-wide and proprietary financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, the government-wide statements and proprietary fund report deferred outflows from differences between expected and actual experience, changes in assumptions, and township contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position 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.

Note 1 - Significant Accounting Policies (Continued)

The Charter Township reports deferred inflows related to unavailable revenue and pension. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from four sources: federal sources, grant reimbursements, special assessments, and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows related to pension represent the difference between expected and actual experience and the difference between projected and actual earnings on pension plan investments.

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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 2017 property tax revenue was levied and collectible on December 1, 2017 and is recognized as revenue in the year ended March 31, 2018 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2017 taxable valuation of the Charter Township totaled \$796 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 4.2306 mills for general operating purposes, 1.2689 mills for police and fire general operating purposes, 7.2700 mills for police and fire special assessment district, 9.2200 mills for police and fire pension, 2.5984 mills for solid waste management, 1.2000 mills for street lighting, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$3.3 million for general operating purposes, \$1.0 million for police and fire operating purposes, \$5.3 million for police and fire special assessment district, \$7.2 million for police and fire pension, \$2.0 million for solid waste management, \$0.9 million for street lighting, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General Fund and special revenue funds financial statements as tax revenue.

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 Redford Township 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 plan. 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 Costs

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

Note 1 - Significant Accounting Policies (Continued)

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. Claims and judgments liability will generally be liquidated through the 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, administrative expenses, and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Charter Township to recognize on the face of the financial statements its net OPEB liability related to its participation in its OPEB plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). 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, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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, 2020.

Note 1 - Significant Accounting Policies (Continued)

In June 2017, the GASB 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 are effective for the Charter Township's financial statements for the year ending June 30, 2021.

Note 2 - Deposits and Investments

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

	Governmental Activities	Business-type Activities	Fiduciary	Total Primary Government	Component Units
Cash and cash equivalents	\$ 20,418,996	\$ 6,700,615	\$ 106,772	\$ 27,226,383	\$ 1,071,585
Investments	8,781,875	1,249,119	74,115,857	84,146,851	250,000
Restricted cash and investments	1,251	3,661,753	-	3,663,004	-
Total deposits and investments	\$ 29,202,122	\$ 11,611,487	\$ 74,222,629	\$ 115,036,238	\$ 1,321,585

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

	Primary Government	Component Units
Deposits with financial institutions	\$ 30,881,898	\$ 1,071,585
Investments:		
Short-term funds (2a7-like)	15,319,790	250,000
U.S. governmental securities	13,133,715	-
Stocks	41,343,143	-
Bonds	9,995,086	-
Mutual funds	3,235,652	-
Real estate investment funds	55,734	-
Certificates of deposits	1,063,723	-
Petty cash or cash on hand	9,761	-
Total	\$ 115,038,502	\$ 1,321,585

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

Note 2 - Deposits and Investments (Continued)

The 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 five 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 \$34,763,261 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 \$1,071,585 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, 2018, 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 (Water and Sewer Fund)	\$ 1,076,792	4.01
U.S. government agency securities (pension)	12,056,923	22.34
Corporate bonds (pension)	9,995,086	7.47
Total	<u>\$ 23,128,801</u>	

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, 2018, 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	\$ 614,196	AAA	Moody's
U.S. government agency securities (pension)	3,729,617	AA+	S&P
U.S. government agency securities (pension)	7,713,110	Not Rated	
U.S. government agency securities (Water and Sewer Fund)	1,076,792	Not Rated	
Corporate bonds (pension)	513,454	AA2	Moody's
Corporate bonds (pension)	488,564	AA1	Moody's
Corporate bonds (pension)	2,291,020	A3	Moody's
Corporate bonds (pension)	978,102	A2	Moody's
Corporate bonds (pension)	498,345	A1	Moody's
Corporate bonds (pension)	450,234	BAA3	Moody's
Corporate bonds (pension)	1,906,900	BAA2	Moody's
Corporate bonds (pension)	2,868,461	BAA1	Moody's
Corporate bonds (pension)	798	Not Rated	
Short-term funds - MBIA pooled accounts	6,831,162	Not Rated	
Comerica J-Fund	8,488,628	AI, PI	S&P, Moody's
Total	<u>\$ 38,449,383</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; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances whereby 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.

Note 3 - Fair Value Measurements (Continued)

The Charter Township has the following recurring fair value measurements as of March 31, 2018:

	Assets Measured at Fair Value on a Recurring Basis at March 31, 2018			
	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, 2018
ADR	\$ 1,200,569	\$ -	\$ -	\$ 1,200,569
Collateralized mortgage obligations	-	798	-	798
Common stock	17,595,400	-	-	17,595,400
Corporate bonds	-	9,995,086	-	9,995,086
Foreign stock	680,974	-	-	680,974
Mortgage-backed securities	-	4,343,016	-	4,343,016
Open-end MF - Equity	12,572,320	-	-	12,572,320
U.S. government securities	-	1,076,792	-	1,076,792
Partnerships	-	-	55,742	55,742
Total	\$ 32,049,263	\$ 15,415,692	\$ 55,742	\$ 47,520,697

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, 2018 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, 2018 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 (NAV) per share (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 whereby 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, 2018

Note 3 - Fair Value Measurements (Continued)

As of March 31, 2018, 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	\$ 7,118,843	\$ -	None	None
Open-end mutual funds - Fixed income tax	3,235,652	-	None	None
Closely held equity	2,175,036	-	None	None
MI CLASS investment pool	6,831,162	-	None	None
Comerica Investment Pool	8,488,628	-	None	None
Total investments measured at NAV	\$ 27,849,321	\$ -		

The collective investment funds - equity, collective investment funds - fixed income, and open-end mutual funds 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 the 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 No. 79 to report its value for financial reporting purposes at amortized cost.

Note 4 - Receivables

Receivables as of March 31, 2018 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	Nonmajor Enterprise	Total Proprietary Funds	Total Primary Government	Component Units
Receivables:								
Property taxes receivable	\$ 2,034,813	\$ 238,398	\$ 2,273,211	\$ -	\$ -	\$ -	\$ 2,273,211	\$ -
Special assessments receivable	-	109,276	109,276	-	-	-	109,276	-
Customer receivables	-	776,042	776,042	4,846,908	27,057	4,873,965	5,650,007	-
Other receivables	502,754	356,339	859,093	993,689	1,346	995,035	1,854,128	-
Due from other governments	2,539,162	298,817	2,837,979	533,715	-	533,715	3,371,694	292,035
Allowance for doubtful accounts	(46,308)	-	(46,308)	-	-	-	(46,308)	-
Net receivables	\$ 5,030,421	\$ 1,778,872	\$ 6,809,293	\$ 6,374,312	\$ 28,403	\$ 6,402,715	\$ 13,212,008	\$ 292,035

March 31, 2018

Note 4 - Receivables (Continued)

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	\$ 2,143,474	\$ -
Special assessments	993,707	-
Community Development Block Grant	652,904	-
FEMA Grant	-	25,045
Home Grant	-	9,765
Parks and Recreation	-	4,167
Total	\$ 3,790,085	\$ 38,977

Note 5 - Capital Assets

Capital asset activity of the Charter Township was as follows:

Governmental Activities

	Balance April 1, 2017	Additions	Disposals and Adjustments	Balance March 31, 2018
Capital assets not being depreciated:				
Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Construction in progress	34,625	-	-	34,625
Subtotal	1,378,029	-	-	1,378,029
Capital assets being depreciated:				
Road usage rights	12,755,044	-	-	12,755,044
Buildings and improvements	17,590,101	69,314	-	17,659,415
Machinery and equipment	373,994	39,995	-	413,989
Vehicles	4,556,470	107,084	(225,326)	4,438,228
Office equipment	4,230,479	92,682	(1,383,192)	2,939,969
Land improvements	3,021,864	97,936	-	3,119,800
Furniture and fixtures	78,713	-	-	78,713
Subtotal	42,606,665	407,011	(1,608,518)	41,405,158
Accumulated depreciation:				
Road usage rights	8,014,883	850,371	-	8,865,254
Buildings and improvements	9,952,005	367,205	-	10,319,210
Machinery and equipment	298,272	22,567	-	320,839
Vehicles	3,172,898	408,498	(230,508)	3,350,888
Office equipment	3,498,838	198,515	(1,377,059)	2,320,294
Land improvements	1,620,303	133,078	-	1,753,381
Furniture and fixtures	68,806	2,040	-	70,846
Subtotal	26,626,005	1,982,274	(1,607,567)	27,000,712
Net capital assets being depreciated	15,980,660	(1,575,263)	(951)	14,404,446
Net governmental activities capital assets	\$ 17,358,689	\$ (1,575,263)	\$ (951)	\$ 15,782,475

March 31, 2018

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance April 1, 2017	Additions	Disposals and Adjustments	Balance March 31, 2018
Capital assets not being depreciated:				
Land	\$ 868,128	\$ -	\$ -	\$ 868,128
Construction in progress	8,722,128	1,826,042	-	10,548,170
Subtotal	9,590,256	1,826,042	-	11,416,298
Capital assets being depreciated:				
Water and sewer facilities	38,073,319	187,797	-	38,261,116
Road rights	37,077	-	-	37,077
Water meters	2,004,055	-	(1,666,160)	337,895
Buildings and improvements	9,289,006	8,500	-	9,297,506
Equipment	2,894,156	93,862	(277,111)	2,710,907
Vehicles	1,578,825	15,936	-	1,594,761
CSO basin	19,109,560	-	-	19,109,560
Land improvements	74,215	-	-	74,215
Subtotal	73,060,213	306,095	(1,943,271)	71,423,037
Accumulated depreciation:				
Water and sewer lines	12,585,497	648,050	-	13,233,547
Road rights	11,123	2,472	-	13,595
Water meters	1,947,968	16,205	(1,666,160)	298,013
Buildings and improvements	5,340,708	177,424	-	5,518,132
Equipment	2,068,101	232,744	(265,312)	2,035,533
Vehicles	1,214,034	89,894	-	1,303,928
CSO basin	12,366,753	641,356	-	13,008,109
Land improvements	24,331	4,949	-	29,280
Subtotal	35,558,515	1,813,094	(1,931,472)	35,440,137
Net capital assets being depreciated	37,501,698	(1,506,999)	(11,799)	35,982,900
Net business-type activity capital assets	\$ 47,091,954	\$ 319,043	\$ (11,799)	\$ 47,399,198

March 31, 2018

Note 5 - Capital Assets (Continued)

Component Units

	Balance April 1, 2017	Additions	Balance March 31, 2018
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	85,617	17,189	102,806
Subtotal	100,033	17,189	117,222
Net capital assets being depreciated	187,195	(17,189)	170,006
Net capital assets	<u>\$ 262,885</u>	<u>\$ (17,189)</u>	<u>\$ 245,696</u>

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

Governmental activities:	
General government	\$ 106,597
Public safety	798,615
Public works	933,549
Community and economic development	32,959
Recreation and culture	110,554
Total governmental activities	<u>\$ 1,982,274</u>
Business-type activities:	
Water and sewer	\$ 1,539,972
Senior housing	90,347
Protective inspection	41,174
Golf course	141,601
Total business-type activities	<u>\$ 1,813,094</u>
Component unit activities - Downtown Development Authority	<u>\$ 17,189</u>

March 31, 2018

Note 5 - Capital Assets (Continued)

Construction Commitments

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Phase XIII water main replacement project	\$ 3,814,304	\$ 1,078,151

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Block Grant Fund	\$ 721,243
	NSP Block Grant Fund	2,209
	Debt service fund	1,523
	Capital improvement fund	28,862
	Glenhurst Golf Course Fund	58,695
	Total General Fund	812,532
Water and Sewer Fund	General Fund	53
	Total	<u>\$ 812,585</u>

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

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Brownfield Redevelopment Financing Authority	\$ 853,275

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 493,220
Nonmajor governmental funds	Nonmajor governmental funds	840,284
	Total	<u>\$ 1,333,504</u>

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

Note 7 - Long-term Debt

The Charter Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Charter Township. County contractual agreements and installment purchase agreements are also general obligations of the government. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. The Building Authority bond commitments are limited by the Charter Township's legal ability to levy property taxes.

Long-term debt activity can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds:							
2006 Capital Improvement Bonds:							
Amount of issue - \$2,695,000		\$150,000 -					
Maturing through 2021	3.75% - 4.00%	\$200,000	\$ 695,000	\$ -	\$ (695,000)	\$ -	\$ -
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000		\$300,000 -					
Maturing through 2024	4.00% - 4.50%	\$500,000	2,900,000	-	(2,500,000)	400,000	400,000
2017 Capital Improvement Refunding Bonds:							
Amount of issue - \$4,490,855		\$500,000 -					
(Part of \$5,090,000 issue)		\$1,005,000	-	4,490,855	(509,864)	3,980,991	518,988
Maturing through 2024	4.00% - 5.00%	\$1,005,000	-	4,490,855	(509,864)	3,980,991	518,988
Premium on 2017 Capital improvement bond			-	63,593	-	63,593	-
Building Authority Bonds:							
2011 Refunding Bonds for 1998A Fire Station:							
Amount of issue - \$1,525,000		\$245,000	245,000	-	(245,000)	-	-
(Part of \$3,105,000 issue)	3.00%	\$245,000	245,000	-	(245,000)	-	-
Maturing through 2018	3.00%	\$245,000	245,000	-	(245,000)	-	-
2011 Refunding Bonds for 1998B Service Building:							
Amount of issue - \$830,000		\$125,000	125,000	-	(125,000)	-	-
(Part of \$3,105,000 issue)	3.00%	\$125,000	125,000	-	(125,000)	-	-
Maturing through 2018	3.00%	\$125,000	125,000	-	(125,000)	-	-
2007 Capital Improvement Bonds:							
Lyndon:							
Amount of issue \$507,461 (Part of \$4,500,000 issue)		\$30,670 -					
Maturing through 2022	4.00% - 5.00%	\$47,400	195,312	-	(195,312)	-	-
Glendale:							
Amount of issue \$304,486 (Part of \$4,500,000 issue)		\$18,403 -					
Maturing through 2022	4.00% - 5.00%	\$28,441	117,190	-	(117,190)	-	-
2007 Capital Improvement Bond - Roads:							
Amount of issue - \$2,812,401		\$169,980 -					
(Part of \$4,500,000 issue)		\$262,697	1,082,438	-	(1,082,438)	-	-
Maturing through 2022	4.00% - 5.00%	\$262,697	1,082,438	-	(1,082,438)	-	-
2007 CDBG Bond:							
Amount of issue \$3,545,000		\$285,000 -					
Maturing through 2023	4.55% - 5.13%	\$365,000	1,895,000	-	(270,000)	1,625,000	285,000
2016 Lease Purchase Agreement - Fire Truck -							
Amount of issue - \$300,000		\$73,954 -					
Maturing through 2020	2.75%	\$78,054	300,000	-	(71,971)	228,029	73,954
Total bonds payable			7,554,940	4,554,448	(5,811,775)	6,297,613	1,277,942
Accumulated compensated absences			2,047,635	954,320	(831,293)	2,170,662	73,611
Total governmental activities			\$ 9,602,575	\$ 5,508,768	\$ (6,643,068)	\$ 8,468,275	\$ 1,351,553

March 31, 2018

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
General obligation bonds -							
2004 Refunding Bonds Senior Housing:							
Amount of issue - \$1,695,000							
Maturing through 2018	4.00%	\$345,000	\$ 695,000	\$ -	\$ (350,000)	\$ 345,000	\$ 345,000
2016 Capital Improvement Bonds Limited Tax General Obligation -							
Amount of issue - \$7,765,000		\$300,000 -					
Maturing through 2030	2.00% - 3.00%	\$475,000	7,765,000	-	(290,000)	7,475,000	300,000
Revenue bonds:							
2012 Water Supply Sewage and Disposal Bonds	1.55%	\$333,000 - \$348,000	1,178,000	-	(497,000)	681,000	333,000
2007 Capital Improvement Bonds Water Mains:							
Amount of issue - \$925,642 (Part of \$4,500,000 issue)		\$55,946 -					
Maturing through 2022	4.00% - 5.00%	\$86,462	580,052	-	(580,052)	-	-
2017 Capital Improvement Refunding Bonds:							
Amount of issuance - \$599,144.75 (Part of \$5,090,000 issue)		\$500,000 -					
Maturing through 2024	4.00% - 5.00%	\$1,005,000	-	599,145	(110,137)	489,008	116,012
Less deferred amounts - Issuance discounts			(15,454)	-	4,003	(11,451)	-
Unamortized bond premiums			123,699	9,137	(6,872)	125,964	-
Total bonds payable			10,326,297	608,282	(1,830,058)	9,104,521	1,094,012
CSO installment agreement			896,379	-	(358,560)	537,819	358,560
Accumulated compensated absences			413,997	123,319	(103,867)	433,449	-
Total business-type activities			\$ 11,636,673	\$ 731,601	\$ (2,292,485)	\$ 10,075,789	\$ 1,452,572

Component Unit

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited Tax General Obligation Bonds, Series 2007 -							
Amount of issue - \$3,805,000		\$180,000 -					
Maturity through 2026	4.00% - 5.00%	\$320,000	\$ 2,460,000	\$ -	\$ (2,460,000)	\$ -	\$ -
Limited Tax General Obligation 2017 Refunding Bonds -							
Amount of issue - \$2,375,000		\$2350,000 -					
Maturity through 2026	1.25% - 4.00%	\$310,000	-	2,375,000	(220,000)	2,155,000	235,000
Limited Tax General Obligation Bonds, Series 2015A -							
Amount of issue - \$3,135,000		\$50,000 -					
Maturity through 2026	1.25% - 4.00%	\$390,000	2,860,000	-	(240,000)	2,620,000	260,000
Unamortized bond premiums			-	229,501	(12,750)	216,751	-
Total bonds payable			\$ 5,320,000	\$ 2,604,501	\$ (2,932,750)	\$ 4,991,751	\$ 495,000

March 31, 2018

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$860,000 Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending March 31	Governmental Activities			Business-type Activities			Component Unit Activities		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,277,942	\$ 160,999	\$ 1,438,941	\$ 1,094,012	\$ 238,507	\$ 1,332,519	\$ 495,000	\$ 181,349	\$ 676,349
2020	1,264,106	131,774	1,395,880	769,886	211,166	981,052	520,000	165,267	685,267
2021	1,281,793	97,209	1,379,002	476,291	197,291	673,582	550,000	145,203	695,203
2022	1,070,179	62,899	1,133,078	474,819	187,779	662,598	585,000	123,163	708,163
2023	835,000	33,525	868,525	350,000	179,531	529,531	615,000	101,843	716,843
2024-2028	505,000	5,050	510,050	2,025,000	760,656	2,785,656	2,010,000	161,000	2,171,000
2029-2033	-	-	-	2,575,000	431,406	3,006,406	-	-	-
2034-2038	-	-	-	1,225,000	57,813	1,282,813	-	-	-
Total	\$ 6,234,020	\$ 491,456	\$ 6,725,476	\$ 8,990,008	\$ 2,264,149	\$ 11,254,157	\$ 4,775,000	\$ 877,825	\$ 5,652,825

Bond Refunding

During the year, the Charter Township issued \$5,090,000 in general obligation bonds with an average interest rate of 2 percent. The proceeds of these bonds were used to advance refund \$4,820,000 million of outstanding bonds with an average interest rate of 4.25 percent. The net proceeds of \$5 million (after payment of \$143,883 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from the general long-term debt account group. The advance refunding reduced total debt service payments over the next seven years by approximately \$176,347, which represents an economic gain of approximately \$174,101.

Additionally, during the year, the Charter Township issued \$2,375,000 in tax increment refunding bonds with an average interest rate of 4 percent. The proceeds of these bonds were used to advance refund \$2,460,000 million of outstanding bonds with an average interest rate of 4 percent. The net proceeds of \$2,514,120 million (after payment of \$90,381 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from the general long-term debt account group. The advance refunding reduced total debt service payments over the next five years by approximately \$146,933, which represents an economic gain of approximately \$138,740.

Revenue Pledged for Debt Payments

The Charter Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for the construction of the water supply and sewage disposal systems. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$1,205,824.

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 \$5,652,833, payable through 2026. For the current year, principal and interest paid and total property tax captures were \$646,003 and \$1,960,755, respectively.

Note 7 - Long-term Debt (Continued)

No Commitment Debt

Excluded from the basic financial statements are revenue bonds issued by the Economic Development Corporation. The revenue bonds are payable solely from the net revenue derived from the respective leases and are not a general obligation of the Charter Township. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the Charter Township's financial statements. The information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. The outstanding balance on all of the bond issues as of March 31, 2018 was \$5,065,000.

Note 8 - Restricted Assets

Net position has been restricted in the amount of \$1,251 and \$3,308,359 for unspent bond proceeds in the governmental and business-type activities, respectively, and \$353,394 in the business-type activities for the 2012 Revenue Bonds Debt.

At March 31, 2018, restricted assets are composed of the following:

Description	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 1,251	\$ 3,661,753

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), as well as medical benefits provided to employees.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the 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 and medical benefit claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. 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	
	2018	2017
Estimated liability - Beginning of year	\$ 685,794	\$ 731,066
Estimated claims incurred, including changes in estimates	860,640	886,276
Claim payments	(975,348)	(931,548)
Estimated liability - End of year	\$ 571,086	\$ 685,794

Note 10 - Pension Plans

Plan 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 Pension Plan, a single-employer plan administered by the Police and Fire Pension Plan Board, and 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 Redford Police and Fire Pension Plan's public financial report is included within these financial statements.

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

Benefits Provided

The Police and Fire Pension Plan 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), as well as meeting 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 Township 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 Pension Plan	MERS Plan
Date of member count	March 31, 2018	December 31, 2017
Inactive plan members or beneficiaries currently receiving benefits	174	177
Inactive plan members entitled to but not yet receiving benefits	1	35
Active plan members	91	98
Total employees covered by the plan	266	310

Note 10 - Pension Plans (Continued)

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, 2018, the average active employee contribution rate was 0 to 5.0 percent of annual pay, and the Charter Township's average contribution rate was 38.3 to 84.7 percent of annual payroll for the various employee groups.

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 Pension Plan	MERS Plan
Measurement date used for the Charter Township NPL	March 31, 2018	December 31, 2017
Based on a comprehensive actuarial valuation as of	March 31, 2017	December 31, 2017

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

Police and Fire Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at March 31, 2017	\$ 111,474,258	\$ 63,281,796	\$ 48,192,462
Changes for the year:			
Service cost	878,923	-	878,923
Interest	8,081,179	-	8,081,179
Changes in assumptions	4,600,159	-	4,600,159
Contributions - Employer	-	4,428,716	(4,428,716)
Contributions - Employee	-	86,506	(86,506)
Net investment income	-	6,608,147	(6,608,147)
Benefit payments, including refunds	(8,329,327)	(8,329,327)	-
Administrative expenses	-	(88,231)	88,231
Net changes	5,230,934	2,705,811	2,525,123
Balance at March 31, 2018	\$ 116,705,192	\$ 65,987,607	\$ 50,717,585

The plan's fiduciary net position represents 56.5 percent of the total pension liability.

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, 2016	\$ 50,895,851	\$ 28,414,826	\$ 22,481,025
Changes for the year:			
Service cost	522,284	-	522,284
Interest	3,937,631	-	3,937,631
Differences between expected and actual experience	13,130	-	13,130
Contributions - Employer	-	2,199,682	(2,199,682)
Contributions - Employee	-	83,315	(83,315)
Net investment income	-	3,634,908	(3,634,908)
Benefit payments, including refunds	(3,873,222)	(3,873,222)	-
Administrative expenses	-	(57,740)	57,740
Miscellaneous other charges	(13,209)	(785)	(12,424)
Net changes	586,614	1,986,158	(1,399,544)
Balance at December 31, 2017	\$ 51,482,465	\$ 30,400,984	\$ 21,081,481

Of the net pension liability for the MERS plan, \$14,511,628 has been allocated to governmental activities, \$5,337,432 has been allocated to the Water and Sewer Fund, \$300,748 has been allocated to the Senior Housing Fund, and \$931,673 has been allocated to the Protective Inspection Fund.

The plan's fiduciary net position represents 59.1 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, 2018, the Charter Township recognized pension expense of \$8,581,808 from all plans.

At March 31, 2018, 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	\$ 2,275,546	\$ (608,656)
Changes in assumptions	1,013,861	-
Net difference between projected and actual earnings on pension plan investments	-	(1,373,443)
Employer contributions to the plan subsequent to the measurement date	448,715	-
Total	\$ 3,738,122	\$ (1,982,099)

Of the net deferred outflows of resources, \$3,595,556 has been allocated to governmental activities, \$115,823 has been allocated to the Water and Sewer Fund, \$6,526 has been allocated to the Senior Housing Fund, and \$20,217 has been allocated to the Protective Inspection Fund.

Of the net deferred inflows of resources, \$1,735,478 has been allocated to governmental activities, \$200,359 has been allocated to the Water and Sewer Fund, \$11,289 has been allocated to the Senior Housing Fund, and \$34,973 has been allocated to the Protective Inspection Fund.

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
2019	\$ 1,053,529
2020	1,628,704
2021	(687,721)
2022	(687,204)
Total	<u>\$ 1,307,308</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 Pension Plan	MERS Plan
Inflation	2.70%	2.5%
Salary increases (including inflation)	4.50 - 8.90%	3.75%
Investment rate of return (net of investment expenses)	7.5%	7.75%
Mortality rates	RP-2014 Mortality Table	RP-2014 Mortality Table

The actuarial assumptions used in the December 31, 2017 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from 2008 - 2013 performed in 2015.

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.

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.

	Police and Fire Pension Plan	MERS Plan
Assumed investment rate of return	7.5%	7.75%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure TPL	7.5%	7.75%

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 pension plan’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, 2018:

Police and Fire Pension Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	61.00 %	7.50 %
International equity	1.00	8.50
Domestic bonds	26.00	2.50
International bonds	-	3.50
Real estate	1.00	4.50
Cash or cash equivalents	11.00	-

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	8.65 %
Global fixed income	18.50	3.76
Real assets	13.50	9.72
Diversifying strategies	12.50	7.50

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:

	1 Percent Decrease	Current Discount Rate	1 Percent Increase
Net pension liability of the Police and Fire Pension Plan	\$ 62,251,100	\$ 50,717,585	\$ 41,004,152
Net pension liability of the MERS Plan	26,039,752	21,081,481	16,831,520

Note 10 - Pension Plans (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report for the MERS plan and in these financial statements for the Police and Fire Pension Plan. 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 plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses 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 2018 Police and Fire valuation, the Charter Township changed the inflation assumption from 4.5 percent to 2.7 percent. Additionally, the Charter Township updated mortality tables to the 2014-RP mortality table.

Pension Plan Reserves

In accordance with the Redford Township Police and Fire 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 balance is 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, 2018 are as follows:

	<u>Required Reserve</u>	<u>Amount Funded</u>
Retiree reserve	\$ 80,650,015	\$ 62,118,842
Employee reserve	<u>3,868,770</u>	<u>3,868,770</u>
Total	<u>\$ 84,518,785</u>	<u>\$ 65,987,612</u>

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, 2018, the plan has \$7,125,789 accumulated in DROP accounts.

March 31, 2018

Note 11 - Other Postemployment Benefits - General Employees - Under GASB 45

Plan Description

The Charter Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and are accounted for separately. Currently, the plan has 222 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single-employer defined benefit plan administered by the Charter Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

Funding Policy

The collective bargaining agreements require a premium sharing payment contribution of up to \$1,040 a year. Retiree healthcare costs are recognized when 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.

Funding Progress

For the year ended March 31, 2018, the Charter Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2016. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 28 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 3,035,098
Interest on the prior year's net OPEB obligation	171,718
Less adjustment to the annual required contribution	<u>(320,188)</u>
Annual OPEB cost	2,886,628
Amounts contributed	<u>(1,826,174)</u>
Increase in net OPEB obligation	1,060,454
OPEB obligation - Beginning of year	<u>5,723,956</u>
OPEB obligation - End of year	<u>\$ 6,784,410</u>

Employer contributions and annual OPEB cost data for the current and preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution*	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
March 31, 2013	March 31, 2012	\$ 3,311,555	\$ 3,195,581	66.00 %	68.00 %	\$ 4,473,738
March 31, 2014	March 31, 2012	3,372,489	3,292,721	72.00	74.00	5,332,701
March 31, 2015	March 31, 2014	2,325,415	2,224,734	111.00	116.00	4,977,921
March 31, 2016	March 31, 2014	2,418,432	2,318,809	98.00	116.00	4,922,127
March 31, 2017	March 31, 2016	2,946,697	2,792,937	67.60	71.30	5,723,956
March 31, 2018	March 31, 2016	3,035,098	2,886,629	60.17	63.26	6,784,400

*The required contribution is expressed to the Charter Township as a percentage of payroll.

March 31, 2018

Note 11 - Other Postemployment Benefits - General Employees - Under GASB 45 (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
March 31, 2006	\$ -	\$ 43,388,361	\$ 43,388,361	- %	\$ 6,074,730	714.24 %
March 31, 2008	412,368	42,630,000	42,217,632	0.97	5,750,510	734.15
March 31, 2010	824,735	41,871,717	41,046,982	1.97	4,268,956	961.52
March 31, 2012	1,052,884	64,178,229	63,125,345	1.64	4,315,561	1,462.74
March 31, 2014	1,459,769	47,910,814	46,451,045	3.05	3,917,961	1,185.59
March 31, 2016	2,016,917	54,131,489	52,114,572	3.73	4,595,363	1,134.07

Actuarial Methods and Assumptions

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

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

In the March 31, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 12 percent initially reduced by decrements to an ultimate rate of 6 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was 3 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 25 years.

Note 12 - Other Postemployment Benefits - Police and Fire - Under GASB 45

Plan Description

The Charter Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and are accounted for separately. Currently, the plan has 243 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single-employer defined benefit plan administered by the Charter Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

March 31, 2018

**Note 12 - Other Postemployment Benefits - Police and Fire - Under GASB 45
(Continued)**

Funding Policy

The collective bargaining agreements require a premium sharing payment for their health care of up to \$1,040 a year. Retiree healthcare costs are recognized when 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. However, as shown below, the Charter Township has made contributions to advance-fund these benefits for police and fire, as determined by the charter township board through annual budget resolutions.

Funding Progress

For the year ended March 31, 2018, the Charter Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2016. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 28 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 4,614,926
Interest on the prior year's net OPEB obligation	439,537
Less adjustment to the annual required contribution	<u>(819,566)</u>
Annual OPEB cost	4,234,897
Amounts contributed	<u>(2,724,513)</u>
Increase in net OPEB obligation	1,510,384
OPEB obligation - Beginning of year	<u>14,651,236</u>
OPEB obligation - End of year	<u>\$ 16,161,620</u>

Employer contributions and annual OPEB cost data for the current and preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution*	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
March 31, 2013	March 31, 2012	\$ 5,319,946	\$ 5,076,788	48.00 %	50.00 %	\$ 9,766,923
March 31, 2014	March 31, 2012	5,423,626	5,249,481	61.00	63.00	11,714,381
March 31, 2015	March 31, 2014	4,061,291	3,840,124	69.00	73.00	12,762,864
March 31, 2016	March 31, 2014	4,223,742	3,968,319	75.60	80.40	13,538,853
March 31, 2017	March 31, 2016	4,480,511	4,057,577	65.70	72.60	14,651,236
March 31, 2018	March 31, 2016	4,614,926	4,234,898	59.04	64.33	16,161,620

*The required contribution is expressed to the Charter Township as a percentage of payroll.

March 31, 2018

**Note 12 - Other Postemployment Benefits - Police and Fire - Under GASB 45
(Continued)**

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
March 31, 2006	\$ -	\$ 59,892,022	\$ 59,892,022	- %	\$ 7,779,088	769.91 %
March 31, 2008	1,229,359	61,070,000	59,840,641	2.01	6,743,929	887.33
March 31, 2010	2,458,718	62,256,519	59,797,801	3.95	6,547,439	913.30
March 31, 2012	2,707,436	99,006,507	96,299,071	2.73	5,871,250	1,640.18
March 31, 2014	4,224,443	83,755,784	79,531,341	5.04	6,182,760	1,286.34
March 31, 2016	4,134,869	88,060,417	83,925,548	4.70	7,427,465	1,129.94

Actuarial Methods and Assumptions

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

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

In the March 31, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 12 percent initially reduced by decrements to an ultimate rate of 6 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was 4 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 25 years.

Note 13 - Other Postemployment Benefit Plans - Under GASB 74

Plan 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 plan 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.

March 31, 2018

Note 13 - Other Postemployment Benefit Plans - Under GASB 74 (Continued)

Benefits Provided

The General Employees' OPEB Plan and Police and Fire OPEB Plan provide healthcare 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 plan.

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, 2016	March 31, 2016
Inactive plan members or beneficiaries currently receiving benefits	133	159
Active plan members	89	84
Total plan members	<u>222</u>	<u>243</u>

Contributions

Retiree healthcare 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, 2018, the Charter Township made payments for postemployment health benefit premiums of \$4,550,687.

Net OPEB Liability

The Charter Township reports OPEB expense based on funding requirements, as directed by GASB Statement No. 45. Beginning next year, the Charter Township will adopt GASB Statement No. 75, which will require the measurement of OPEB expense as it is earned, rather than as it is funded. The net OPEB liability of the Charter Township has been measured as of March 31, 2018 and is composed of the following:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Total OPEB liability	\$ 50,576,745	\$ 82,398,293
Less plan fiduciary net position	<u>(2,016,862)</u>	<u>(4,100,874)</u>
Total	<u>\$ 48,559,883</u>	<u>\$ 78,297,419</u>

The General Employees' OPEB Plan's fiduciary net position represents 3.99 percent of the total OPEB liability.

The Police and Fire OPEB Plan's fiduciary net position represents 4.98 percent of the total OPEB liability.

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Measurement date used for the Charter Township NOL	March 31, 2018	March 31, 2018
Based on a comprehensive actuarial valuation as of	March 31, 2016	March 31, 2016

March 31, 2018

Note 13 - Other Postemployment Benefit Plans - Under GASB 74 (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, 2017	\$ 49,161,579	\$ 2,024,528	\$ 47,137,051
Changes for the year:			
Service cost	723,766	-	723,766
Interest	1,842,066	-	1,842,066
Differences between expected and actual experience	(230,934)	-	(230,934)
Changes in assumptions	1,176,327	-	1,176,327
Contributions - Employer	-	2,079,404	(2,079,404)
Net investment income	-	20,246	(20,246)
Benefit payments, including refunds	(2,096,059)	(2,096,059)	-
Administrative expenses	-	(11,257)	11,257
Net changes	1,415,166	(7,666)	1,422,832
Balance at March 31, 2018	\$ 50,576,745	\$ 2,016,862	\$ 48,559,883

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, 2017	\$ 79,450,934	\$ 4,011,337	\$ 75,439,597
Changes for the year:			
Service cost	1,023,694	-	1,023,694
Interest	2,981,126	-	2,981,126
Differences between expected and actual experience	(123,186)	-	(123,186)
Changes in assumptions	2,089,917	-	2,089,917
Contributions - Employer	-	3,089,873	(3,089,873)
Net investment income	-	35,856	(35,856)
Benefit payments, including refunds	(3,024,192)	(3,024,192)	-
Administrative expenses	-	(12,000)	12,000
Net changes	2,947,359	89,537	2,857,822
Balance at March 31, 2018	\$ 82,398,293	\$ 4,100,874	\$ 78,297,419

March 31, 2018

Note 13 - Other Postemployment Benefit Plans - Under GASB 74 (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:

	<u>General Employees' OPEB Plan</u>	<u>Police and Fire OPEB Plan</u>
Inflation	2.5%	2.5%
Salary increases (including inflation)	3.0 to 16.0%	3.0 to 7.4%
Investment rate of return (net of investment expenses)	3.0%	3.0%
Healthcare cost trend rate	9.00 decreasing to an ultimate trend rate of 3.0% after 10 years	9.00 decreasing to an ultimate trend rate of 3.0% after 10 years
Mortality rates	RP-2000 Mortality Table projected 20 years with US Projection scale BB	RP-2000 Mortality Table projected 20 years with US Projection scale BB

Discount Rate

The discount used to measure the total OPEB liability was 3.61 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.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Policy

The plan's 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.

Investment Rate of Return

The long-term expected rate of return on OPEB 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 OPEB 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the March 31, 2018 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

General Employees' OPEB Plan and Police and Fire OPEB Plan

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

March 31, 2018

Note 13 - Other Postemployment Benefit Plans - Under GASB 74 (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 3.61 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 Percent Decrease (2.61%)	Current Discount Rate (3.61%)	1 Percent Increase (4.61%)
Net OPEB liability of the General Employees' OPEB Plan	\$ 55,565,162	\$ 48,559,883	\$ 42,834,070
Net OPEB liability of the Police and Fire OPEB Plan	90,905,278	78,297,419	68,201,782

Sensitivity of the Net OPEB Liability to Changes in the Healthcare 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 healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease	Current Healthcare Cost Trend Rate	1 Percent Increase
Net OPEB liability of the General Employees' OPEB Plan	\$ 41,858,714	\$ 48,559,883	\$ 56,810,031
Net OPEB liability of the Police and Fire OPEB Plan	66,609,927	78,297,419	92,987,329

Rate of Return

For the year ended March 31, 2018, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was not tracked because the investments are in what is considered cash equivalents.

Assumption Change

In the 2018 GASB 74 valuation, the Charter Township changed the discount rate assumption from 3.8 percent to 3.61 percent.

March 31, 2018

Note 14 - 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 healthcare plans (see Notes 11 and 12). The plans do not issue separate financial statements:

	Pension Trust	Police and Fire OPEB Trust	General Employees' OPEB Trust
Statement of Net Position			
Cash and Investments	\$ 66,793,318	\$ 5,394,544	\$ 2,034,767
Other assets	240,764	-	-
Liabilities	1,046,470	1,293,670	17,905
Net position	<u>\$ 65,987,612</u>	<u>\$ 4,100,874</u>	<u>\$ 2,016,862</u>
Statement of Changes in Net Position			
Investment income	\$ 6,608,147	\$ 35,856	\$ 20,247
Contributions	4,515,222	2,724,513	1,826,174
Benefit payments	8,329,322	2,658,832	1,842,830
Other deductions	88,231	11,999	11,257
Net change in net position	<u>\$ 2,705,816</u>	<u>\$ 89,538</u>	<u>\$ (7,666)</u>

Note 15 - Fund Balance Constraints

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

	General Fund	Nonmajor Funds	Total
Nonspendable:			
Prepays	\$ 460,088	\$ 33,564	\$ 493,652
Long-term receivable	853,275	-	853,275
Total nonspendable	1,313,363	33,564	1,346,927
Restricted:			
Road improvements	-	295,125	295,125
Drug law enforcement	342,212	458,531	800,743
Debt service	-	1,418,869	1,418,869
Storm water improvements	-	69,337	69,337
Street lighting	23,390	-	23,390
Dial-A-Ride services	-	403,635	403,635
Solid waste activities	-	1,605,724	1,605,724
911 services	-	367,303	367,303
Drain improvements	-	903,622	903,622
Future CDBG/NSP expenditures	-	334,050	334,050
Police and Fire SAD	1,215,416	34,310	1,249,726
PEG purposes	207,035	-	207,035
Grant programs	19,143	-	19,143
Total restricted	1,807,196	5,890,506	7,697,702
Committed:			
Court building improvements	-	4,270,672	4,270,672
Parks and recreation	165,006	-	165,006
Total committed	165,006	4,270,672	4,435,678
Assigned - Capital projects			
Unassigned	-	1,965,268	1,965,268
	14,677,234	(83,908)	14,593,326
Total fund balance	<u>\$ 17,962,799</u>	<u>\$ 12,076,102</u>	<u>\$ 30,038,901</u>

March 31, 2018

Note 16 - 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 years ended March 31, 2018, the Charter Township abated \$459,497 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 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 Brownfield's tax revenue is reduced. For the fiscal year ended March 31, 2018, the Authority abated \$814,210 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.

Note 17 - Commitments

The Charter Township has entered into a contract with a corporation that will manage the operations of the Glenhurst Golf Course. Under the terms of this contract, the Charter Township has agreed to pay the corporation from its Golf Course (Enterprise) Fund fees based on the golf course revenue attained. The Charter Township will pay a total of \$615,000 between April 1, 2018 and November 30, 2018, and the remaining amounts owed to the corporation for services rendered during calendar year 2018 will be paid by March 31, 2019. In the case of overpayment, the corporation will refund the Charter Township.

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended March 31, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 18,226,403	\$ 18,066,266	\$ 18,226,684	\$ 160,418
Intergovernmental:				
Federal grants	407,667	411,583	118,336	(293,247)
State-shared revenue and grants	5,732,558	6,068,249	5,874,564	(193,685)
Charges for services	1,616,308	2,107,906	1,673,651	(434,255)
Fines and forfeitures	2,444,000	2,437,800	2,315,956	(121,844)
Licenses and permits	999,645	825,519	847,713	22,194
Investment income	15,000	234,019	138,963	(95,056)
Other revenue	1,440,805	1,021,435	1,455,846	434,411
Total revenue	30,882,386	31,172,777	30,651,713	(521,064)
Expenditures				
Current services:				
General government:				
Legislative	109,290	155,504	153,401	2,103
Executive	166,930	164,870	160,969	3,901
Accounting	704,550	676,343	659,392	16,951
Information systems	455,830	557,588	555,332	2,256
Treasurer	402,460	411,041	390,736	20,305
Assessing	333,250	334,998	298,980	36,018
Clerk	485,995	479,923	500,636	(20,713)
Buildings and grounds	245,000	183,241	187,600	(4,359)
Attorney	91,000	100,000	89,467	10,533
Elections	113,230	10,705	12,353	(1,648)
Civil service	317,210	391,512	404,862	(13,350)
Police and fire civil service	6,100	940	940	-
Public service building maintenance	217,122	51,198	173,321	(122,123)
Marquee maintenance	106,215	102,844	106,105	(3,261)
Public education government	57,840	88,550	67,929	20,621
Insurance and other functions	866,758	2,998,302	1,983,060	1,015,242
District Court:				
District court costs	2,061,062	1,756,030	1,723,653	32,377
Criminal justice	509,500	541,250	502,814	38,436
Probation	326,430	312,533	307,132	5,401
Work program	34,335	17,332	15,988	1,344
Public safety:				
Police	11,694,079	12,753,463	11,185,968	1,567,495
Fire	8,269,831	8,961,819	7,837,194	1,124,625
Dispatch	806,970	594,854	609,406	(14,552)
School resource officer	350,180	411,880	369,189	42,691
School crossing	35,720	41,941	41,737	204
ALS transport collection fee	71,250	73,663	81,867	(8,204)
Public works:				
Street construction	894,411	941,115	934,061	7,054
DPW	246,700	245,657	188,168	57,489
Health and welfare - Animal control	35,000	41,793	41,764	29
Community and economic development:				
Community promotion	11,500	3,774	2,653	1,121
Zoning board of appeals	11,000	10,001	10,946	(945)
Other community and economic development	86,665	75,241	66,408	8,833
Redevelopment	36,465	12,465	12,268	197
Recreation and culture:				
Parks and recreation	412,870	426,002	379,850	46,152
Parks facilities	590,382	475,714	328,588	147,126
Senior citizens	70,500	74,404	72,998	1,406
Cultural	5,500	3,730	3,393	337
Total expenditures	31,239,130	34,482,220	30,461,128	4,021,092

Charter Township of Redford

Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended March 31, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Excess of Revenue (Under) Over Expenditures	\$ (356,744)	\$ (3,309,443)	\$ 190,585	\$ 3,500,028
Other Financing Sources				
Transfers in	332,300	1,370,600	-	(1,370,600)
Proceeds from sale of capital assets	10,000	8,525	4,675	(3,850)
Total other financing sources	<u>342,300</u>	<u>1,379,125</u>	<u>4,675</u>	<u>(1,374,450)</u>
Net Change in Fund Balance	(14,444)	(1,930,318)	195,260	2,125,578
Fund Balance - Beginning of year	<u>15,721,574</u>	<u>15,721,574</u>	<u>15,721,574</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 15,707,130</u></u>	<u><u>\$ 13,791,256</u></u>	<u><u>\$ 15,916,834</u></u>	<u><u>\$ 2,125,578</u></u>

Charter Township of Redford

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

	Last Three Fiscal Years		
	2017	2016	2015
Total Pension Liability			
Service cost	\$ 522,284	\$ 519,162	\$ 536,952
Interest	3,937,631	3,941,351	3,824,685
Changes in benefit terms	-	2,407	10,493
Differences between expected and actual experience	13,130	(695,452)	145,971
Changes in assumptions	-	-	2,154,773
Benefit payments, including refunds	(3,873,222)	(3,757,876)	(3,704,706)
Miscellaneous other charges	(13,209)	-	-
Net Change in Total Pension Liability	586,614	9,592	2,968,168
Total Pension Liability - Beginning of year	50,895,851	50,886,259	47,918,091
Total Pension Liability - End of year	\$ 51,482,465	\$ 50,895,851	\$ 50,886,259
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,199,682	\$ 1,609,912	\$ 1,551,380
Contributions - Member	83,315	77,347	80,905
Net investment income (loss)	3,634,908	3,022,812	(422,384)
Administrative expenses	(57,740)	(59,771)	(63,614)
Benefit payments, including refunds	(3,873,222)	(3,757,876)	(3,704,706)
Other	(783)	784	-
Net Change in Plan Fiduciary Net Position	1,986,160	893,208	(2,558,419)
Plan Fiduciary Net Position - Beginning of year	28,414,826	27,521,618	30,080,037
Plan Fiduciary Net Position - End of year	\$ 30,400,986	\$ 28,414,826	\$ 27,521,618
Charter Township's Net Pension Liability - Ending	\$ 21,081,479	\$ 22,481,025	\$ 23,364,641
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.05 %	55.83 %	54.08 %
Covered Employee Payroll	\$ 4,321,893	\$ 4,204,172	\$ 4,270,547
Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll	487.78 %	534.73 %	547.11 %

*This statement is being built prospectively from the date of adoption of GASB No. 68.

Charter Township of Redford

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

	Last Four Fiscal Years			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 878,923	\$ 934,642	\$ 1,245,350	\$ 1,069,633
Interest	8,081,179	8,131,387	8,059,966	7,463,736
Changes in benefit terms	-	-	-	5,036,434
Differences between expected and actual experience	-	(1,187,143)	(260,869)	3,930,269
Changes in assumptions	4,600,159	-	1,037,913	-
Benefit payments, including refunds	<u>(8,329,327)</u>	<u>(8,711,613)</u>	<u>(9,237,821)</u>	<u>(10,038,589)</u>
Net Change in Total Pension Liability	5,230,934	(832,727)	844,539	7,461,483
Total Pension Liability - Beginning of year	<u>111,474,258</u>	<u>112,306,985</u>	<u>111,462,446</u>	<u>104,000,963</u>
Total Pension Liability - End of year	<u>\$ 116,705,192</u>	<u>\$ 111,474,258</u>	<u>\$ 112,306,985</u>	<u>\$ 111,462,446</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 4,428,716	\$ 4,320,943	\$ 3,963,149	\$ 4,560,754
Contributions - Member	86,506	44,477	63,710	34,652
Net investment income	6,608,147	6,245,985	113,222	4,376,535
Administrative expenses	(88,231)	(80,675)	(53,304)	(53,162)
Benefit payments, including refunds	(8,329,327)	(8,711,613)	(9,237,821)	(10,038,589)
Other	-	(23)	-	-
Net Change in Plan Fiduciary Net Position	2,705,811	1,819,094	(5,151,044)	(1,119,810)
Plan Fiduciary Net Position - Beginning of year	<u>63,281,796</u>	<u>61,462,702</u>	<u>66,613,746</u>	<u>67,733,556</u>
Plan Fiduciary Net Position - End of year	<u>\$ 65,987,607</u>	<u>\$ 63,281,796</u>	<u>\$ 61,462,702</u>	<u>\$ 66,613,746</u>
Charter Township's Net Pension Liability - Ending	<u>\$ 50,717,585</u>	<u>\$ 48,192,462</u>	<u>\$ 50,844,283</u>	<u>\$ 44,848,700</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	56.54 %	56.77 %	54.73 %	59.76 %
Covered Employee Payroll	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614
Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll	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 No. 68.

*In the 2018 Police and Fire valuation, the Charter Township changed the inflation assumption from 4.5 to 2.7 percent. Additionally, the Charter Township updated mortality tables to the 2014-RP mortality table.

Charter Township of Redford

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,736,897	\$ 1,609,912	\$ 1,514,624	\$ 1,258,669	\$ 893,945	\$ 922,879	\$ 962,999	\$ 1,095,542	\$ 1,142,477	\$ 1,187,425
Contributions in relation to the actuarially determined contribution	<u>2,236,897</u>	<u>1,609,912</u>	<u>1,714,624</u>	<u>1,258,669</u>	<u>893,945</u>	<u>922,879</u>	<u>962,999</u>	<u>1,095,542</u>	<u>1,142,477</u>	<u>1,187,425</u>
Contribution Excess	\$ 500,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,321,883	\$ 4,207,172	\$ 4,270,547	\$ 3,912,707	\$ 3,865,436	\$ 3,917,961	\$ 4,268,956	\$ 5,488,420	\$ 5,750,510	\$ 5,894,049
Contributions as a Percentage of Covered Employee Payroll	51.76 %	38.27 %	40.15 %	32.17 %	23.13 %	23.56 %	22.56 %	19.96 %	19.87 %	20.15 %

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

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, 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	21 years
Asset valuation method	Five-year smoothed market
Inflation	2.5 percent
Salary increase	3.75 percent 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 Police and Fire Employees Retirement System Schedule of Pension Contributions

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 4,428,716	\$ 4,320,943	\$ 3,963,149	\$ 4,560,754	\$ 4,257,948	\$ 4,082,568	\$ 4,407,240	\$ 3,902,126	\$ 2,953,180	\$ 2,862,102
Contributions in relation to the actuarially determined contribution	4,428,716	4,320,943	3,963,149	4,560,754	4,257,948	4,082,568	4,407,240	3,902,126	2,953,180	2,862,102
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614	\$ 3,909,678	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Employee Payroll	99.50 %	114.63 %	98.83 %	111.63 %	108.91 %	- %	- %	- %	- %	- %

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

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 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	19 years remaining as of March 31, 2018
Asset valuation method	Four years smoothed market
Inflation	2.70 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 type of eligibility condition
Mortality	Mortality rates were based on the RP 2014 Healthy Annuitant Mortality Table
Other information	None

Charter Township of Redford

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

	Last Four Fiscal Years Years Ended March 31			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return - Net of investment expense	10.30 %	12.30 %	0.80 %	7.30 %

*This statement is being built prospectively from the date of adoption of GASB No. 68.

Charter Township of Redford

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

	Last Fiscal Year
	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 723,766
Interest	1,842,066
Differences between expected and actual experience	(230,934)
Changes in assumptions	1,176,327
Benefit payments, including refunds	<u>(2,096,059)</u>
Net Change in Total OPEB Liability	1,415,166
Total OPEB Liability - Beginning of year	<u>49,161,579</u>
Total OPEB Liability - End of year	<u>\$ 50,576,745</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,079,404
Net investment income	20,246
Administrative expenses	(11,257)
Benefit payments, including refunds	<u>(2,096,059)</u>
Net Change in Plan Fiduciary Net Position	(7,666)
Plan Fiduciary Net Position - Beginning of year	<u>2,024,528</u>
Plan Fiduciary Net Position - End of year	<u>\$ 2,016,862</u>
Net OPEB Liability - Ending	<u>\$ 48,559,883</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.99 %
Covered Employee Payroll	\$ 4,384,701
Net OPEB Liability as a Percentage of Covered Employee Payroll	1,107.48 %

*This statement is being built prospectively from the date of adoption of GASB No. 74.

Charter Township of Redford

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

	Last Fiscal Year
	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 1,023,694
Interest	2,981,126
Differences between expected and actual experience	(126,186)
Changes in assumptions	2,089,917
Benefit payments, including refunds	<u>(3,024,192)</u>
Net Change in Total OPEB Liability	2,944,359
Total OPEB Liability - Beginning of year	<u>79,450,934</u>
Total OPEB Liability - End of year	<u>\$ 82,395,293</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,089,873
Net investment income	35,856
Administrative expenses	(12,000)
Benefit payments, including refunds	<u>(3,024,192)</u>
Net Change in Plan Fiduciary Net Position	89,537
Plan Fiduciary Net Position - Beginning of year	<u>4,011,337</u>
Plan Fiduciary Net Position - End of year	<u>\$ 4,100,874</u>
Net OPEB Liability - Ending	<u>\$ 78,294,419</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.98 %
Covered Payroll	\$ 7,430,998
Net OPEB Liability as a Percentage of Covered Payroll	1,053.62 %

*This statement is being built prospectively from the date of adoption of GASB No. 74.

Charter Township of Redford

Required Supplemental Information
Schedule of OPEB Investment Returns
General Employees

**Last Fiscal Year
Year Ended March 31**

2018

Annual money-weighted rate of return - Net of investment expense - %

*This statement is being built prospectively from the date of adoption of GASB No. 74.

Charter Township of Redford

Required Supplemental Information
Schedule of OPEB Investment Returns
Police and Fire

**Last Fiscal Year
Year Ended March 31**

2018

Annual money-weighted rate of return - Net of investment expense - %

*This statement is being built prospectively from the date of adoption of GASB No. 74.

Charter Township of Redford

**Required Supplemental Information
Schedule of OPEB Funding Progress**

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

Police and Fire Employees						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
March 31, 2006	\$ -	\$ 59,892,022	\$ 59,892,022	- %	\$ 7,779,088	769.91 %
March 31, 2008	1,229,359	61,070,000	59,840,641	2.01	6,743,929	887.33
March 31, 2010	2,458,718	62,256,519	59,797,801	3.95	6,547,439	913.30
March 31, 2012	2,707,436	99,006,507	96,299,071	2.73	5,871,250	1,640.18
March 31, 2014	4,224,443	83,755,784	79,531,341	5.04	6,182,760	1,286.34
March 31, 2016	4,134,869	88,060,417	83,925,548	4.70	7,427,465	1,129.94

General Employees						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
March 31, 2006	\$ -	\$ 43,388,361	\$ 43,388,361	- %	\$ 6,074,730	714.24 %
March 31, 2008	412,368	42,630,000	42,217,632	0.97	5,750,510	734.15
March 31, 2010	824,735	41,871,717	41,046,982	1.97	4,268,956	961.52
March 31, 2012	1,052,884	64,178,229	63,125,345	1.64	4,315,561	1,462.74
March 31, 2014	1,459,769	47,910,814	46,451,045	3.05	3,917,961	1,185.59
March 31, 2016	2,016,917	54,131,489	52,114,572	3.73	4,595,363	1,134.07

March 31, 2018

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 as 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 supervisor 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.

Charter Township of Redford

Note to Required Supplemental Information

March 31, 2018

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 changes in fund balance is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Other Financing (Uses) Sources</u>
Amounts per operating statement	\$ 32,377,210	\$ 31,195,977	\$ (488,545)
Accrued Employee Benefits Fund	(468,200)	(134,485)	-
Accrued police and fire SAD	-	(101,810)	-
Ordinance enforcement fund	(1,257,297)	(991,774)	-
Debt payments budgeted as expenditures	-	493,220	493,220
Amounts per budget statement	<u>\$ 30,651,713</u>	<u>\$ 30,461,128</u>	<u>\$ 4,675</u>

Fund Deficits

The Township has a deficit in unrestricted net position in the Senior Housing Fund in the amount of \$150,424, and a deficit in unrestricted net position in the Protective Inspection Fund in the amount of \$77,878.

Other Supplemental Information

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

March 31, 2018

	Special Revenue Funds								Debt Service Funds					
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009
Assets														
Cash and cash equivalents	\$ 389,238	\$ 9,765	\$ 278,756	\$ 1,642,425	\$ 323,596	\$ 88,558	\$ 69,337	\$ 656,738	\$ 182,486	\$ 681	\$ 325,863	\$ 335,890	\$ 171,653	\$ 454,837
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	29,296	-	-	229,127	45,616	-	-	587,198	-	3,814	-	-	-	-
Prepaid expenses	3,849	-	-	-	5,487	-	-	24,228	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	104,039	-	143,662	-	-	-	-	-	-
Total assets	\$ 422,383	\$ 9,765	\$ 278,756	\$ 1,871,552	\$ 374,699	\$ 192,597	\$ 69,337	\$ 1,411,826	\$ 182,486	\$ 4,495	\$ 325,863	\$ 335,890	\$ 171,653	\$ 454,837
Liabilities														
Accounts payable	\$ 622	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ 17,104	\$ 2,679	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	2,209	-	721,243	-	1,523	-	-	-	-
Accrued liabilities and other	3,530	-	-	-	1,909	-	-	2,351	32	-	-	-	-	-
Unearned revenue	-	9,765	-	-	-	-	-	-	-	-	-	-	-	-
Provision for property tax refunds	1,672	-	-	40,274	-	-	-	-	-	-	-	-	-	-
Total liabilities	5,824	9,765	-	40,308	1,909	2,209	-	740,698	2,711	1,523	-	-	-	-
Deferred Inflows of Resources	9,075	-	-	225,520	-	-	-	587,146	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	14,899	9,765	-	265,828	1,909	2,209	-	1,327,844	2,711	1,523	-	-	-	-
Fund Balances														
Nonspendable	3,849	-	-	-	5,487	-	-	24,228	-	-	-	-	-	-
Restricted:														
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drug law enforcement	-	-	278,756	-	-	-	-	-	179,775	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	2,972	325,863	335,890	171,653	454,837
Storm water improvements	-	-	-	-	-	-	69,337	-	-	-	-	-	-	-
Dial-A-Ride services	403,635	-	-	-	-	-	-	-	-	-	-	-	-	-
Solid waste activities	-	-	-	1,605,724	-	-	-	-	-	-	-	-	-	-
911 services	-	-	-	-	367,303	-	-	-	-	-	-	-	-	-
Drain improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	190,388	-	143,662	-	-	-	-	-	-
Police and Fire SAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed - Capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(83,908)	-	-	-	-	-	-
Total fund balances	407,484	-	278,756	1,605,724	372,790	190,388	69,337	83,982	179,775	2,972	325,863	335,890	171,653	454,837
Total liabilities, deferred inflows of resources, and fund balances	\$ 422,383	\$ 9,765	\$ 278,756	\$ 1,871,552	\$ 374,699	\$ 192,597	\$ 69,337	\$ 1,411,826	\$ 182,486	\$ 4,495	\$ 325,863	\$ 335,890	\$ 171,653	\$ 454,837

Charter Township of Redford

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

March 31, 2018

	Debt Service Funds		Capital Project Funds						Total
	Building Authority Debt Refinancing	2017 Capital Refunding	Capital Improvement	Police Station	Smith Drain	Court Building Improvement	Road Improvement	Sidewalk Improvement Fund	
Assets									
Cash and cash equivalents	\$ -	\$ 126,403	\$ 19,984	\$ 32,292	\$ 903,622	\$ 1,174,490	\$ 295,125	\$ 1,513,052	\$ 8,994,791
Investments	-	-	461,227	-	-	3,076,793	-	-	3,538,020
Receivables	-	-	-	-	-	21,289	109,276	753,256	1,778,872
Prepaid expenses	-	-	-	-	-	-	-	-	33,564
Restricted assets	1,251	-	-	-	-	-	-	-	1,251
Assets held for resale	-	-	-	-	-	-	-	-	247,701
Total assets	\$ 1,251	\$ 126,403	\$ 481,211	\$ 32,292	\$ 903,622	\$ 4,272,572	\$ 404,401	\$ 2,266,308	\$ 14,594,199
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 10,670	\$ -	\$ 1,900	\$ -	\$ -	\$ 33,009
Due to other funds	-	-	28,862	-	-	-	-	-	753,837
Accrued liabilities and other	-	-	-	-	-	-	-	-	7,822
Unearned revenue	-	-	-	-	-	-	-	-	9,765
Provision for property tax refunds	-	-	-	-	-	-	-	-	41,946
Total liabilities	-	-	28,862	10,670	-	1,900	-	-	846,379
Deferred Inflows of Resources	-	-	-	-	-	-	109,276	740,701	1,671,718
Total liabilities and deferred inflows of resources	-	-	28,862	10,670	-	1,900	109,276	740,701	2,518,097
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	33,564
Restricted:									
Roads	-	-	-	-	-	-	295,125	-	295,125
Drug law enforcement	-	-	-	-	-	-	-	-	458,531
Debt service	1,251	126,403	-	-	-	-	-	-	1,418,869
Storm water improvements	-	-	-	-	-	-	-	-	69,337
Dial-A-Ride services	-	-	-	-	-	-	-	-	403,635
Solid waste activities	-	-	-	-	-	-	-	-	1,605,724
911 services	-	-	-	-	-	-	-	-	367,303
Drain improvements	-	-	-	-	903,622	-	-	-	903,622
Grant expenditures	-	-	-	-	-	-	-	-	334,050
Police and Fire SAD	-	-	34,310	-	-	-	-	-	34,310
Committed - Capital projects	-	-	-	-	-	4,270,672	-	-	4,270,672
Assigned	-	-	418,039	21,622	-	-	-	1,525,607	1,965,268
Unassigned	-	-	-	-	-	-	-	-	(83,908)
Total fund balances	1,251	126,403	452,349	21,622	903,622	4,270,672	295,125	1,525,607	12,076,102
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,251	\$ 126,403	\$ 481,211	\$ 32,292	\$ 903,622	\$ 4,272,572	\$ 404,401	\$ 2,266,308	\$ 14,594,199

Charter Township of Redford

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

Year Ended March 31, 2018

	Special Revenue Funds									Debt Service Funds				
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009
Revenue														
Property taxes	\$ 83,586	\$ -	\$ -	\$ 2,007,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:														
Federal grants	-	-	50,361	-	-	-	-	1,203,314	-	-	-	-	-	-
State-shared revenue and grants	127,243	-	-	88,149	-	-	-	-	80,816	-	-	-	-	-
Local grants and contributions	-	-	-	-	-	-	-	-	-	-	-	153,927	(2)	
Charges for services	11,916	-	-	634,589	251,691	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment income	-	-	2,505	10,394	2,950	-	644	-	-	-	2,960	1,263	945	
Other revenue - Other miscellaneous income	81,664	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenue	304,409	-	52,866	2,740,137	254,641	-	644	1,203,314	80,816	3	2,960	1,263	154,872	2,877
Expenditures														
Current services:														
Public safety	-	-	7,819	-	146,203	-	-	-	71,729	-	-	-	-	-
Public works	196,259	-	-	2,852,370	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	33,432	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	1,210,151	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	270,000	350,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	501	38,127	86,444	77,123	
Total expenditures	196,259	-	7,819	2,852,370	146,203	33,432	-	1,210,151	71,729	-	501	38,127	356,444	427,123
Excess of Revenue Over (Under) Expenditures	108,150	-	45,047	(112,233)	108,438	(33,432)	644	(6,837)	9,087	3	2,459	(36,864)	(201,572)	(424,246)
Other Financing Sources (Uses)														
Transfers in	-	-	-	-	-	-	-	-	-	-	93,833	206,777	50,000	489,674
Transfers out	-	-	-	-	-	-	-	(50,000)	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing (uses) sources	-	-	-	-	-	-	-	(50,000)	-	-	93,833	206,777	50,000	489,674
Net Change in Fund Balances	108,150	-	45,047	(112,233)	108,438	(33,432)	644	(56,837)	9,087	3	96,292	169,913	(151,572)	65,428
Fund Balances - Beginning of year	299,334	-	233,709	1,717,957	264,352	223,820	68,693	140,819	170,688	2,969	229,571	165,977	323,225	389,409
Fund Balances - End of year	\$ 407,484	\$ -	\$ 278,756	\$ 1,605,724	\$ 372,790	\$ 190,388	\$ 69,337	\$ 83,982	\$ 179,775	\$ 2,972	\$ 325,863	\$ 335,890	\$ 171,653	\$ 454,837

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, 2018

	Debt Service Funds		Capital Project Funds						Total
	Building Authority Debt Refinancing	2017 Capital Refunding	Capital Improvement	Police Station	Smith Drain	Court Building Improvement	Road Improvement	Sidewalk Improvement Fund	
Revenue									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,090,594
Special assessments	-	-	-	-	-	-	84,089	-	84,089
Intergovernmental:									
Federal grants	-	-	-	-	-	-	-	-	1,253,675
State-shared revenue and grants	-	-	-	-	-	-	26,767	-	322,975
Local grants and contributions	-	452,489	-	-	-	-	-	-	606,414
Charges for services	-	-	-	-	-	-	-	289,131	1,187,327
Fines and forfeitures	-	-	-	-	-	210,440	-	30,122	240,562
Investment income	4	-	6,141	399	11,263	20,328	9,507	12,000	84,182
Other revenue - Other miscellaneous income	-	-	-	-	-	-	1,143	-	82,807
Total revenue	4	452,489	6,141	399	11,263	230,768	121,506	331,253	5,952,625
Expenditures									
Current services:									
Public safety	-	-	-	53,550	-	-	-	-	279,301
Public works	-	-	-	-	-	-	-	-	3,048,629
Health and welfare	-	-	-	-	-	-	-	-	33,432
Community and economic development	-	-	-	-	-	-	-	-	1,210,151
Capital outlay	-	-	6,726	-	-	56,008	17,936	-	80,670
Debt service:									
Principal	370,000	509,863	-	-	-	-	-	-	1,499,863
Interest and fiscal charges	11,100	247,743	-	-	-	-	-	-	461,038
Total expenditures	381,100	757,606	6,726	53,550	-	56,008	17,936	-	6,613,084
Excess of Revenue Over (Under) Expenditures	(381,096)	(305,117)	(585)	(53,151)	11,263	174,760	103,570	331,253	(660,459)
Other Financing Sources (Uses)									
Transfers in	381,100	112,120	-	-	-	-	-	-	1,333,504
Transfers out	-	-	-	-	-	-	(790,284)	-	(840,284)
Issuance of refunding bonds	-	4,490,855	-	-	-	-	-	-	4,490,855
Debt premium or discount	-	68,485	-	-	-	-	-	-	68,485
Payment to bond refunding escrow agent	-	(4,239,940)	-	-	-	-	-	-	(4,239,940)
Total other financing (uses) sources	381,100	431,520	-	-	-	-	(790,284)	-	812,620
Net Change in Fund Balances	4	126,403	(585)	(53,151)	11,263	174,760	(686,714)	331,253	152,161
Fund Balances - Beginning of year	1,247	-	452,934	74,773	892,359	4,095,912	981,839	1,194,354	11,923,941
Fund Balances - End of year	\$ 1,251	\$ 126,403	\$ 452,349	\$ 21,622	\$ 903,622	\$ 4,270,672	\$ 295,125	\$ 1,525,607	\$ 12,076,102

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds

March 31, 2018

	Golf Course	Protective Inspection	Senior Housing Fund	Total Nonmajor Enterprise Funds
Assets				
Current assets:				
Cash and investments	\$ 906,871	\$ 1,164,459	\$ 327,657	\$ 2,398,987
Receivables	-	27,057	1,346	28,403
Deposits	7,107	-	-	7,107
Prepaid expenses	-	25,505	4,087	29,592
Total current assets	913,978	1,217,021	333,090	2,464,089
Noncurrent assets - Capital assets	2,109,422	102,064	2,566,960	4,778,446
Total assets	3,023,400	1,319,085	2,900,050	7,242,535
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	5,157	5,157
Deferred pension costs	-	20,217	6,526	26,743
Total deferred outflows of resources	-	20,217	11,683	31,900
Liabilities				
Current liabilities:				
Accounts payable	47,429	659	7,971	56,059
Due to other funds	58,695	-	-	58,695
Accrued liabilities and other	-	14,760	8,003	22,763
Unearned revenue	1,185	-	-	1,185
Other liabilities	-	-	52,350	52,350
Current portion of long-term debt	-	-	345,000	345,000
Total current liabilities	107,309	15,419	413,324	536,052
Noncurrent liabilities:				
Compensated absences	-	44,003	47,883	91,886
Net pension liability	-	931,673	300,748	1,232,421
Net OPEB obligation	-	289,048	66,953	356,001
Total noncurrent liabilities	-	1,264,724	415,584	1,680,308
Total liabilities	107,309	1,280,143	828,908	2,216,360
Deferred Inflows of Resources - Deferred pension cost reductions				
	-	34,973	11,289	46,262
Net Position				
Net investment in capital assets	2,109,422	102,064	2,221,960	4,433,446
Unrestricted	806,669	(77,878)	(150,424)	578,367
Total net position	<u>\$ 2,916,091</u>	<u>\$ 24,186</u>	<u>\$ 2,071,536</u>	<u>\$ 5,011,813</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, 2018

	Golf Course	Protective Inspection	Senior Housing Fund		Total Nonmajor Enterprise Funds
Operating Revenue					
Charges for services	\$1,204,763	\$ -	\$ 679,284	\$ -	\$1,884,047
Fees and permits	-	889,369	-	-	889,369
Total operating revenue	1,204,763	889,369	679,284	-	2,773,416
Operating Expenses					
General and administrative costs	-	-	230,003	-	230,003
Cost of services	1,044,899	991,215	-	-	2,036,114
Depreciation and amortization	141,601	41,174	95,503	-	278,278
Total operating expenses	1,186,500	1,032,389	325,506	-	2,544,395
Operating Income (Loss)	18,263	(143,020)	353,778	-	229,021
Nonoperating Revenue (Expense)					
Investment income	8,124	11,936	3,873	-	23,933
Interest expense	-	-	(21,967)	-	(21,967)
Gain on sale of assets	3,450	-	-	-	3,450
Total nonoperating revenue (expense)	11,574	11,936	(18,094)	-	5,416
Change in Net Position	29,837	(131,084)	335,684	-	234,437
Net Position - Beginning of year	2,886,254	155,270	1,735,852	-	4,777,376
Net Position - End of year	<u>2,916,091</u>	<u>24,186</u>	<u>2,071,536</u>	<u>-</u>	<u>5,011,813</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended March 31, 2018

	Golf Course	Protective Inspection	Senior Housing Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities				
Receipts from customers	\$ 1,204,763	\$ 879,177	\$ 679,284	\$ 2,763,224
Payments for interfund services and reimbursements	(55,276)	-	-	(55,276)
Payments to suppliers	(1,045,489)	(154,082)	(122,090)	(1,321,661)
Payments to employees	-	(647,319)	(196,020)	(843,339)
Net cash and cash equivalents provided by operating activities	103,998	77,776	361,174	542,948
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	3,450	-	-	3,450
Purchase of capital assets	(57,043)	-	(13,656)	(70,699)
Principal and interest paid on capital debt	-	-	(372,644)	(372,644)
Net cash and cash equivalents used in capital and related financing activities	(53,593)	-	(386,300)	(439,893)
Cash Flows Provided by Investing Activities -				
Interest received on investments	8,124	11,935	3,873	23,932
Net Increase (Decrease) in Cash and Cash Equivalents	58,529	89,711	(21,253)	126,987
Cash and Cash Equivalents - Beginning of year	848,342	1,074,748	348,910	2,272,000
Cash and Cash Equivalents - End of year	<u>\$ 906,871</u>	<u>\$ 1,164,459</u>	<u>\$ 327,657</u>	<u>\$ 2,398,987</u>
Classification of Cash and Cash Equivalents	<u>\$ 906,871</u>	<u>\$ 1,164,459</u>	<u>\$ 327,657</u>	<u>\$ 2,398,987</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 36,526	\$ (286,040)	\$ 707,556	\$ 458,042
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	141,601	41,174	95,503	278,278
Changes in assets and liabilities:				
Receivables	-	(10,192)	-	(10,192)
Due to and from other funds	(55,276)	-	-	(55,276)
Prepaid and other assets	-	734	43	777
Net pension or OPEB asset	-	192,035	(94,864)	97,171
Accounts payable	(590)	(2,955)	6,714	3,169
Total adjustments	85,735	220,796	7,396	313,927
Net cash and cash equivalents provided by operating activities	<u>\$ 122,261</u>	<u>\$ (65,244)</u>	<u>\$ 714,952</u>	<u>\$ 771,969</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Internal Service Funds

March 31, 2018

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Assets				
Current assets:				
Cash and investments	\$ 1,888,495	\$ 10,411	\$ 6,310	\$ 1,905,216
Receivables - Net	6,782	-	-	6,782
Deposits	1,665,346	-	-	1,665,346
Total current assets	3,560,623	10,411	6,310	3,577,344
Liabilities				
Current liabilities:				
Accounts payable	-	7,057	2,110	9,167
Accrued liabilities and other	-	3,354	4,200	7,554
Total current liabilities	-	10,411	6,310	16,721
Noncurrent liabilities - Provision for claims	571,086	-	-	571,086
Total liabilities	571,086	10,411	6,310	587,807
Net Position - Unrestricted	\$ 2,989,537	\$ -	\$ -	\$ 2,989,537

Charter Township of Redford

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

Year Ended March 31, 2018

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Operating Revenue				
Township contributions	\$ 986,371	\$ 241,352	\$ 222,960	\$ 1,450,683
Refunds	231,632	-	-	231,632
Total operating revenue	1,218,003	241,352	222,960	1,682,315
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	1,029,046	-	-	1,029,046
Cost of services	-	241,352	222,960	464,312
Total operating expenses	1,029,046	241,352	222,960	1,493,358
Operating Income (Loss)	188,957	-	-	188,957
Nonoperating Revenue - Investment income	42,803	-	-	42,803
Change in Net Position	231,760	-	-	231,760
Net Position - Beginning of year	2,757,777	-	-	2,757,777
Net Position - End of year	<u>\$ 2,989,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,989,537</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended March 31, 2018

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Cash Flows Provided by Operating Activities	\$ 121,605	\$ 2,764	\$ 936	\$ 125,305
Cash Flows Provided by Investing Activities - Interest received on investments	42,803	-	-	42,803
Net Increase in Cash and Cash Equivalents	164,408	2,764	936	168,108
Cash and Cash Equivalents - Beginning of year	1,724,087	7,647	5,374	1,737,108
Cash and Cash Equivalents - End of year	<u>\$ 1,888,495</u>	<u>\$ 10,411</u>	<u>\$ 6,310</u>	<u>\$ 1,905,216</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 1,888,495</u>	<u>\$ 10,411</u>	<u>\$ 6,310</u>	<u>\$ 1,905,216</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 188,957	\$ -	\$ -	\$ 188,957
Adjustments to reconcile operating income to net cash from operating activities:				
Changes in assets and liabilities:				
Receivables	148,421	-	-	148,421
Inventories	(101,065)	-	-	(101,065)
Net pension or OPEB asset	-	261	1,462	1,723
Accounts payable	-	2,503	(526)	1,977
Estimated claims liability	(114,708)	-	-	(114,708)
Total adjustments	(67,352)	2,764	936	(63,652)
Net cash and cash equivalents provided by operating activities	<u>\$ 121,605</u>	<u>\$ 2,764</u>	<u>\$ 936</u>	<u>\$ 125,305</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Fiduciary Net Position Fiduciary Funds

March 31, 2018

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total Pension and OPEB Funds
Assets				
Cash and cash equivalents	\$ 106,772	\$ -	\$ -	\$ 106,772
Investments:				
Agency securities	12,056,923	-	-	12,056,923
Stocks	44,578,795	-	-	44,578,795
Bonds	9,995,086	-	-	9,995,086
Real estate investment trust	55,742	-	-	55,742
Short-term funds (2a7-like)	-	5,394,544	2,034,767	7,429,311
Receivables	154,258	-	-	154,258
Due from primary government	86,506	-	-	86,506
Total assets	<u>67,034,082</u>	<u>5,394,544</u>	<u>2,034,767</u>	<u>74,463,393</u>
Liabilities				
Accounts payable	68,536	-	-	68,536
Due to primary government	947,174	1,293,670	17,905	2,258,749
Other liabilities	30,760	-	-	30,760
Total liabilities	<u>1,046,470</u>	<u>1,293,670</u>	<u>17,905</u>	<u>2,358,045</u>
Net Position	<u>\$ 65,987,612</u>	<u>\$ 4,100,874</u>	<u>\$ 2,016,862</u>	<u>\$ 72,105,348</u>

Charter Township of Redford

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

Year Ended March 31, 2018

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total Pension and OPEB Funds
Additions				
Investment income:				
Interest and dividends	\$ 1,214,562	\$ 35,856	\$ 20,247	\$ 1,270,665
Net increase in fair value of investments	5,749,082	-	-	5,749,082
Investment-related expenses	(355,497)	-	-	(355,497)
Net investment income	6,608,147	35,856	20,247	6,664,250
Contributions	4,515,222	2,724,513	1,826,174	9,065,909
Total additions	11,123,369	2,760,369	1,846,421	15,730,159
Deductions				
Benefit payments	7,899,462	2,658,832	1,842,830	12,401,124
Refunds and withdrawals	184,239	-	-	184,239
Deferred retirement option plan expenses	245,621	-	-	245,621
Administrative expenses	88,231	11,999	11,257	111,487
Total deductions	8,417,553	2,670,831	1,854,087	12,942,471
Net Increase (Decrease) in Net Position Held in Trust	2,705,816	89,538	(7,666)	2,787,688
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	63,281,796	4,011,336	2,024,528	69,317,660
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 65,987,612</u>	<u>\$ 4,100,874</u>	<u>\$ 2,016,862</u>	<u>\$ 72,105,348</u>