
Charter Township of Redford

Wayne County, Michigan

Financial Report
with Supplemental Information
March 31, 2019

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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, 2019 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, 2019 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 16, during the year ended March 31, 2019, the Charter Township adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established accounting and financial reporting standards for defined benefit OPEB plans provided to the employees of governmental employers. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Charter Township of Redford

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming 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 19, 2019 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 19, 2019

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, 2019. Please read it in conjunction with the Charter Township's financial statements and notes to the financial statements that follow.

Financial Highlights

- State-shared revenue, our second largest revenue source, increased approximately \$160,000 for the year ended March 31, 2019 to approximately \$5,321,000.
- Revenue related to the Charter Township's governmental activities increased by approximately \$2,900,000. This is attributed to a couple of factors: (1) The Charter Township saw an increase in property tax revenue of approximately \$1,100,000 and (2) due to the fire department SAFER Grant and additional operating grants, the Charter Township saw an increase of approximately \$1,200,000 in grant revenue.
- Additional contributions continue to be made towards the Charter Township's future pension and OPEB liabilities.

Using this Annual Report

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

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

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Charter Township, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources by \$103,633,362 at the close of the most recent fiscal year.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The Charter Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets:						
Cash and investments	\$ 32,877,415	\$ 29,200,871	\$ 10,234,355	\$ 7,949,734	\$ 43,111,770	\$ 37,150,605
Receivables	7,292,403	7,727,992	5,975,913	6,344,073	13,268,316	14,072,065
Other assets	2,857,842	2,412,861	2,781,593	3,880,665	5,639,435	6,293,526
Capital assets	15,166,178	15,782,475	47,985,298	47,399,198	63,151,476	63,181,673
Total assets	58,193,838	55,124,199	66,977,159	65,573,670	125,170,997	120,697,869
Deferred Outflows of Resources	34,752,338	3,595,556	3,375,364	147,723	38,127,702	3,743,279
Liabilities						
Current liabilities	3,492,906	1,570,691	2,778,955	2,675,867	6,271,861	4,246,558
Noncurrent liabilities	212,237,630	95,813,626	33,538,081	18,634,541	245,775,711	114,448,167
Total liabilities	215,730,536	97,384,317	36,317,036	21,310,408	252,047,572	118,694,725
Deferred Inflows of Resources	12,758,037	1,735,478	2,126,452	246,621	14,884,489	1,982,099
Net Position						
Net investment in capital assets	10,156,288	9,486,113	42,328,570	41,608,193	52,484,858	51,094,306
Restricted	10,667,843	9,002,492	220,871	353,394	10,888,714	9,355,886
Unrestricted	(156,366,528)	(58,888,645)	(10,640,406)	2,202,777	(167,006,934)	(56,685,868)
Total net position	<u>\$ (135,542,397)</u>	<u>\$ (40,400,040)</u>	<u>\$ 31,909,035</u>	<u>\$ 44,164,364</u>	<u>\$ (103,633,362)</u>	<u>\$ 3,764,324</u>

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The Charter Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
Program revenue:						
Charges for services	\$ 6,149,997	\$ 5,956,545	\$ 20,761,631	\$ 21,221,859	\$ 26,911,628	\$ 27,178,404
Operating grants	3,505,011	2,274,217	-	-	3,505,011	2,274,217
Capital grants	193,330	221,034	-	-	193,330	221,034
General revenue:						
Taxes	21,483,040	20,361,381	-	-	21,483,040	20,361,381
Intergovernmental	5,320,816	5,160,845	-	-	5,320,816	5,160,845
Investment earnings	599,626	236,657	287,005	142,280	886,631	378,937
Other revenue	1,307,992	1,422,772	(22,712)	6,118	1,285,280	1,428,890
Total revenue	38,559,812	35,633,451	21,025,924	21,370,257	59,585,736	57,003,708
Expenses						
General government	5,482,940	4,786,258	-	-	5,482,940	4,786,258
District court	2,565,537	2,605,595	-	-	2,565,537	2,605,595
Public safety	28,493,295	24,050,551	-	-	28,493,295	24,050,551
Public works	4,382,629	4,760,946	-	-	4,382,629	4,760,946
Health and welfare	414,882	296,509	-	-	414,882	296,509
Community and economic development	1,700,732	888,968	-	-	1,700,732	888,968
Recreation and culture	1,106,785	949,976	-	-	1,106,785	949,976
Debt service	93,050	387,358	-	-	93,050	387,358
Water and Sewer Fund	-	-	15,925,690	16,972,343	15,925,690	16,972,343
Senior Housing Fund	-	-	496,070	347,473	496,070	347,473
Golf course	-	-	1,168,546	1,186,500	1,168,546	1,186,500
Protective inspection	-	-	1,241,994	1,032,389	1,241,994	1,032,389
Total expenses	44,239,850	38,726,161	18,832,300	19,538,705	63,072,150	58,264,866
Transfers	-	(50,000)	-	-	-	(50,000)
Change in Net Position	(5,680,038)	(3,142,710)	2,193,624	1,831,552	(3,486,414)	(1,311,158)
Net Position - Beginning of year	(129,862,359)	(37,257,330)	29,715,411	42,332,812	(100,146,948)	5,075,482
Net Position - End of year	\$ (135,542,397)	\$ (40,400,040)	\$ 31,909,035	\$ 44,164,364	\$ (103,633,362)	\$ 3,764,324

*The Charter Township implemented GASB Statement No. 75 in fiscal year 2019. Fiscal year 2018 amounts shown were not modified to reflect the retroactive application of the change, and beginning net position for 2019 was modified.

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.

Governmental Activities

Local property taxes and state-shared revenue make up approximately 70 percent, or \$26,804,000, of the Charter Township's total governmental revenue of approximately \$38,560,000. The majority of the remaining amount of revenue is related to charges for services and operating and capital grants.

The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$28,493,000, or 64 percent of the total governmental expenses. Public safety expenditures increased by approximately \$4,443,000 in the current year, mostly in wage and fringe benefits as a result of hiring additional personnel. The remaining expenditures of approximately \$15,747,000, or 36 percent of total governmental expenses, pay for public works, recreation, community development, health and welfare, general government activities, and interest on debt. General government expenditures increased by approximately \$697,000 due mainly to an additional contribution to the MERS pension plan.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

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 decreased by approximately \$12,255,000 for the business-type activities (enterprise funds) in FY 2018-2019. The main reason for the decrease is the implementation of GASB 75, which had the effect of reducing beginning net position by approximately \$14,449,000.
- The Charter Township provides water and sewer services to residents and businesses connected to the system. The system generates revenue from customers of the system such that the system is financially self-sufficient and not reliant on taxes. The Charter Township purchases water as a wholesale customer of the Great Lakes Water Authority (GLWA). The Charter Township, through our engineering consultants, developed a system of controls to monitor water loss on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. The Water and Sewer Fund realized operating income of approximately \$2,275,000 and an increase in net position of approximately \$2,255,000, not accounting for the change related to GASB 75.
- 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 broke even in the current year, a decrease of \$30,000 from FY 2018. The golf course experienced a sales decrease of \$31,000, while operating expenses decreased by \$15,000 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 \$205,000 after depreciation and before debt service. The facility opened on October 1, 1993.
- The Protective Inspection Fund is operated as a business-type activity. The fund accounts for activities related to building and construction code enforcement. The goal of the operation is to generate sufficient revenue from building ordinance code fees to support the cost of operations.

Financial Analysis of the Township's Funds

Our analysis of the major funds starts on page 12, following the government-wide financial statements. The fund financial statements provide 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 2018-2019 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 \$22,296,000 in fiscal year 2018-2019. These two activities are partially funded by two police and fire millages. During the current year, this amounted to approximately \$6,512,000 (of which \$5,501,000 is further restricted as to use) for police and fire operations and \$7,986,000 for the retirement system. The remaining approximately \$7,798,000 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 \$10,501,000.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

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 \$314,000. Expenditures were amended as necessary.

Capital Assets and Debt Administration

At the end of the fiscal year, the Charter Township had approximately \$63,380,000 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 50 percent of the Charter Township's total assets of approximately \$126,887,000 (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 \$17,487,000 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 \$5.0 million in debt in the governmental activities, while business-type activities had \$8.0 million outstanding. Component unit debt was \$4.5 million.

Economic Factors and Next Year's Budgets and Rates

The Charter Township's General Fund budget for the 2019-2020 fiscal year anticipates an increase in revenue and expenditures over the prior year's original budget of approximately \$2,200,000.

The increase in property tax revenue is expected to be just over \$1,100,000. The police and fire pension millage, street lighting millage, and police and fire special assessment district are set and levied to cover costs. Also, in FY 2019-2020, the Charter Township expects to receive state reimbursement for lost personal property taxes, amounting to just over \$600,000 in the General Fund.

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. Approximately \$1,200,000 has been budgeted for police and fire capital expenditures, which include the purchase of property for both a north end and a central fire station.

The construction of the new courthouse will be underway throughout FY 2019-2020. 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. To supplement those funds, the court received \$1,000,000 through an Act 99 loan, which will be paid using future court fees collected.

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 increase approximately 3.80 percent in the 2019-2020 fiscal year. The increase is mostly due to higher sewer rates and an increase in capital projects scheduled to be completed by GLWA.

Requests for Further Information

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

Charter Township of Redford

Statement of Net Position

March 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 32,877,415	\$ 10,234,355	\$ 43,111,770	\$ 1,202,965
Receivables - Net: (Note 4)				
Property taxes receivable	2,218,820	-	2,218,820	-
Special assessments receivable	62,457	-	62,457	-
Customer receivables	42,015	4,595,537	4,637,552	-
Other receivables	1,337,379	1,009,940	2,347,319	-
Due from other governments	3,035,634	533,715	3,569,349	114,918
Due from component units	432,819	-	432,819	-
Due from primary government	-	-	-	169,356
Internal balances	163,279	(163,279)	-	-
Deposits	2,039,709	92,514	2,132,223	-
Prepaid expenses	541,704	119,026	660,730	-
Restricted assets (Note 8)	-	2,570,053	2,570,053	-
Assets held for resale	276,429	-	276,429	-
Capital assets: (Note 5)				
Assets not subject to depreciation	1,808,505	7,648,562	9,457,067	75,690
Assets subject to depreciation - Net	13,357,673	40,336,736	53,694,409	152,815
Total assets	58,193,838	66,977,159	125,170,997	1,715,744
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	-	113,563
Deferred pension costs (Note 10)	10,099,370	917,840	11,017,210	-
Deferred OPEB costs (Note 11)	24,652,968	2,457,524	27,110,492	-
Total deferred outflows of resources	34,752,338	3,375,364	38,127,702	113,563
Liabilities				
Accounts payable	693,688	1,845,565	2,539,253	4,570
Due to other governmental units	35,983	-	35,983	1,775
Due to component units	169,356	-	169,356	-
Due to primary government	-	-	-	432,819
Accrued liabilities and other	2,176,575	879,174	3,055,749	169,611
Unearned revenue	67,401	1,185	68,586	-
Other liabilities	349,903	53,031	402,934	-
Noncurrent liabilities:				
Due within one year: (Note 7)				
Compensated absences	27,857	-	27,857	-
Current portion of CSO installment agreement	-	179,259	179,259	-
Provision for property tax refunds	620,352	-	620,352	-
Current portion of long-term debt	1,264,106	769,889	2,033,995	520,000
Due in more than one year:				
Compensated absences	2,316,148	476,187	2,792,335	-
Estimated insurance and other liabilities	773,530	-	773,530	-
Advances from primary government	-	-	-	1,008,594
Net pension liability (Note 10)	76,200,209	8,440,051	84,640,260	-
Net OPEB liability (Note 11)	127,289,644	16,436,674	143,726,318	-
Long-term debt (Note 7)	3,745,784	7,236,021	10,981,805	3,951,251
Total liabilities	215,730,536	36,317,036	252,047,572	6,088,620

Charter Township of Redford

Statement of Net Position (Continued)

March 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 10)	\$ 151,846	\$ 80,833	\$ 232,679	\$ -
Deferred OPEB cost reductions (Note 11)	12,606,191	2,045,619	14,651,810	-
Total deferred inflows of resources	<u>12,758,037</u>	<u>2,126,452</u>	<u>14,884,489</u>	<u>-</u>
Net Position				
Net investment in capital assets	10,156,288	42,328,570	52,484,858	228,505
Restricted:				
Road improvements	324,397	-	324,397	-
PEG fees	217,838	-	217,838	-
Debt service	1,368,498	220,871	1,589,369	-
Solid waste activities	2,086,782	-	2,086,782	-
Grant programs	913,425	-	913,425	-
Dial-a-ride	503,173	-	503,173	-
Drain improvements	923,630	-	923,630	-
Drug law enforcement	664,404	-	664,404	-
911	487,900	-	487,900	-
Storm water improvements	70,642	-	70,642	-
Public safety SAD	1,926,229	-	1,926,229	-
Police and Fire postemployment	1,180,925	-	1,180,925	-
Unrestricted	<u>(156,366,528)</u>	<u>(10,640,406)</u>	<u>(167,006,934)</u>	<u>(4,487,818)</u>
Total net position	<u>\$ (135,542,397)</u>	<u>\$ 31,909,035</u>	<u>\$ (103,633,362)</u>	<u>\$ (4,259,313)</u>

Charter Township of Redford

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,482,940	\$ 981,026	\$ 813,051	\$ 79,148
District court	2,565,537	1,791,536	-	-
Public safety	28,493,295	2,207,017	965,461	10,396
Public works	4,382,629	906,330	292,920	103,786
Health and welfare	414,882	-	32,026	-
Community and economic development	1,700,732	2,216	1,374,289	-
Recreation and culture	1,106,785	261,872	27,264	-
Interest on long-term debt	93,050	-	-	-
Total governmental activities	44,239,850	6,149,997	3,505,011	193,330
Business-type activities:				
Water and Sewer Fund	15,925,690	17,975,008	-	-
Golf Course	1,168,546	1,168,742	-	-
Senior Housing Fund	496,070	693,371	-	-
Protective Inspection	1,241,994	924,510	-	-
Total business-type activities	18,832,300	20,761,631	-	-
Total primary government	\$ 63,072,150	\$ 26,911,628	\$ 3,505,011	\$ 193,330
Component units:				
Downtown Development Authority	\$ 141,250	\$ 4,012	\$ -	\$ -
Brownfield Redevelopment Financing Authority	831,763	-	-	-
Total component units	\$ 973,013	\$ 4,012	\$ -	\$ -
General revenue:				
Taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain/Loss from sale of capital assets				
Other miscellaneous income				
Total general revenue				

Change in Net Position

Net Position - Beginning of year (as restated) (Note 16)

Net Position - End of year

Statement of Activities

Year Ended March 31, 2019

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,609,715)	\$ -	\$ (3,609,715)	\$ -
(774,001)	-	(774,001)	-
(25,310,421)	-	(25,310,421)	-
(3,079,593)	-	(3,079,593)	-
(382,856)	-	(382,856)	-
(324,227)	-	(324,227)	-
(817,649)	-	(817,649)	-
(93,050)	-	(93,050)	-
(34,391,512)	-	(34,391,512)	-
-	2,049,318	2,049,318	-
-	196	196	-
-	197,301	197,301	-
-	(317,484)	(317,484)	-
-	1,929,331	1,929,331	-
(34,391,512)	1,929,331	(32,462,181)	-
-	-	-	(137,238)
-	-	-	(831,763)
-	-	-	(969,001)
21,483,040	-	21,483,040	1,466,691
5,320,816	-	5,320,816	-
599,626	287,005	886,631	31,532
825,998	-	825,998	-
8,675	(22,712)	(14,037)	-
473,319	-	473,319	72,818
28,711,474	264,293	28,975,767	1,571,041
(5,680,038)	2,193,624	(3,486,414)	602,040
(129,862,359)	29,715,411	(100,146,948)	(4,861,353)
<u>\$(135,542,397)</u>	<u>\$ 31,909,035</u>	<u>\$(103,633,362)</u>	<u>\$ (4,259,313)</u>

Charter Township of Redford

Governmental Funds Balance Sheet

March 31, 2019

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 17,665,545	\$ 10,081,318	\$ 27,746,863
Investments	-	3,181,308	3,181,308
Receivables: (Note 4)			
Property taxes receivable	1,982,041	236,779	2,218,820
Special assessments receivable	-	62,457	62,457
Customer receivables	-	42,015	42,015
Other receivables	936,691	393,906	1,330,597
Due from other governments	2,564,851	470,783	3,035,634
Due from component units	432,819	-	432,819
Due from other funds (Note 6)	1,310,180	-	1,310,180
Prepaid expenses	523,530	18,174	541,704
Assets held for resale	-	276,429	276,429
	<u>\$ 25,415,657</u>	<u>\$ 14,763,169</u>	<u>\$ 40,178,826</u>
Liabilities			
Accounts payable	\$ 624,067	\$ 55,594	\$ 679,661
Due to other governmental units	35,983	-	35,983
Due to component units	-	169,356	169,356
Due to other funds	73	1,146,828	1,146,901
Accrued liabilities and other	643,422	1,508,880	2,152,302
Unearned revenue (Note 4)	4,167	63,234	67,401
Other liabilities	349,903	-	349,903
Provision for property tax refunds	381,378	43,434	424,812
	<u>2,038,993</u>	<u>2,987,326</u>	<u>5,026,319</u>
Deferred Inflows of Resources - Unavailable revenue	<u>2,436,511</u>	<u>1,131,657</u>	<u>3,568,168</u>
Total liabilities and deferred inflows of resources	4,475,504	4,118,983	8,594,487
Fund Balances (Note 13)			
Nonspendable	956,349	18,174	974,523
Restricted	2,924,820	6,523,847	9,448,667
Committed	227,489	4,068,164	4,295,653
Assigned	-	472,235	472,235
Unassigned	16,831,495	(438,234)	16,393,261
	<u>20,940,153</u>	<u>10,644,186</u>	<u>31,584,339</u>
Total fund balances	20,940,153	10,644,186	31,584,339
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,415,657</u>	<u>\$ 14,763,169</u>	<u>\$ 40,178,826</u>

Charter Township of Redford

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

March 31, 2019

Fund Balances Reported in Governmental Funds	\$ 31,584,339
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	15,166,178
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	3,568,168
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(5,009,890)
Accrued interest is not due and payable in the current period and is not reported in the funds	(14,725)
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	(2,344,005)
Pension benefits	(66,252,685)
Retiree healthcare benefits	(115,242,867)
The Charter Township reports a portion of the provision for property tax chargebacks only at the government-wide level, not in the individual funds	(195,540)
Internal service funds are included as part of governmental activities	3,198,630
Net Position of Governmental Activities	<u>\$ (135,542,397)</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended March 31, 2019

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes (Note 1)	\$ 19,391,283	\$ 2,152,246	\$ 21,543,529
Special assessments	-	59,391	59,391
Intergovernmental:			
Federal grants	745,470	1,307,013	2,052,483
State-shared revenue and grants	6,232,294	344,109	6,576,403
Local grants and contributions	-	1,088,267	1,088,267
Charges for services	2,800,483	1,532,168	4,332,651
Fines and forfeitures	2,225,511	169,977	2,395,488
Licenses and permits	920,863	-	920,863
Investment income	363,139	201,843	564,982
Other revenue	1,734,221	43,956	1,778,177
	34,413,264	6,898,970	41,312,234
Expenditures			
Current services:			
General government	5,633,213	-	5,633,213
District court	2,470,660	68,582	2,539,242
Public safety	22,295,889	247,378	22,543,267
Public works	1,245,167	3,360,161	4,605,328
Health and welfare	29,222	15,331	44,553
Community and economic development	120,601	1,354,708	1,475,309
Recreation and culture:			
Parks and recreation	396,757	-	396,757
Parks facilities	530,210	-	530,210
Senior citizens	72,419	-	72,419
Cultural	2,962	-	2,962
Capital outlay	-	548,796	548,796
Debt service	-	1,384,665	1,384,665
	32,797,100	6,979,621	39,776,721
Excess of Revenue Over (Under) Expenditures	1,616,164	(80,651)	1,535,513
Other Financing Sources (Uses)			
Transfers in (Note 6)	1,526,881	799,761	2,326,642
Transfers out (Note 6)	(169,116)	(2,157,526)	(2,326,642)
Proceeds from sale of capital assets	3,425	6,500	9,925
	1,361,190	(1,351,265)	9,925
Net Change in Fund Balances	2,977,354	(1,431,916)	1,545,438
Fund Balances - Beginning of year	17,962,799	12,076,102	30,038,901
Fund Balances - End of year	\$ 20,940,153	\$ 10,644,186	\$ 31,584,339

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, 2019

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,545,438
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	1,441,880
Depreciation expense	(2,043,172)
Net book value of assets disposed of	(15,005)
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	(221,917)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,287,723
Interest expense is recognized in the government-wide statements as it accrues	3,892
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	(7,880,310)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	(7,660)
Internal service funds are included as part of governmental activities	<u>209,093</u>
Change in Net Position of Governmental Activities	<u><u>\$ (5,680,038)</u></u>

Charter Township of Redford

Proprietary Funds Statement of Net Position

March 31, 2019

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Protective Inspection	Nonmajor Enterprise	Total	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 7,422,276	\$ 1,322,349	\$ 1,489,730	\$ 10,234,355	\$ 1,949,244
Receivables - Net	6,113,647	24,199	1,346	6,139,192	6,782
Due from other funds	73	-	-	73	-
Deposits	85,407	-	7,107	92,514	2,039,709
Prepaid expenses	87,260	28,066	3,700	119,026	-
Total current assets	13,708,663	1,374,614	1,501,883	16,585,160	3,995,735
Noncurrent assets:					
Restricted assets (Note 8)	2,570,053	-	-	2,570,053	-
Capital assets - Net (Note 5)	43,352,288	63,956	4,569,054	47,985,298	-
Total noncurrent assets	45,922,341	63,956	4,569,054	50,555,351	-
Total assets	59,631,004	1,438,570	6,070,937	67,140,511	3,995,735
Deferred Outflows of Resources					
Deferred pension costs (Note 10)	747,474	128,278	42,088	917,840	-
Deferred OPEB costs	1,831,748	535,434	90,342	2,457,524	-
Total deferred outflows of resources	2,579,222	663,712	132,430	3,375,364	-
Liabilities					
Current liabilities:					
Accounts payable	1,662,314	1,262	181,989	1,845,565	14,027
Due to other funds	-	-	163,352	163,352	-
Accrued liabilities and other	862,784	14,092	2,298	879,174	9,548
Unearned revenue	-	-	1,185	1,185	-
Other liabilities	131	-	52,900	53,031	-
Current portion of CSO installment agreement	179,259	-	-	179,259	-
Current portion of long-term debt	769,889	-	-	769,889	-
Total current liabilities	3,474,377	15,354	401,724	3,891,455	23,575
Noncurrent liabilities:					
Compensated absences	370,449	56,182	49,556	476,187	-
Estimated insurance and other liabilities	-	-	-	-	773,530
Net pension liability	6,873,441	1,179,589	387,021	8,440,051	-
Net OPEB liability	12,251,291	3,581,145	604,238	16,436,674	-
Long-term debt (Note 7)	7,236,021	-	-	7,236,021	-
Total noncurrent liabilities	26,731,202	4,816,916	1,040,815	32,588,933	773,530
Total liabilities	30,205,579	4,832,270	1,442,539	36,480,388	797,105
Deferred Inflows of Resources - Deferred pension and OPEB cost reductions (Note 10)					
	1,590,559	456,987	78,906	2,126,452	-
Net Position					
Net investment in capital assets	37,695,560	63,956	4,569,054	42,328,570	-
Restricted - Debt service	220,871	-	-	220,871	-
Unrestricted	(7,502,343)	(3,250,931)	112,868	(10,640,406)	3,198,630
Total net position	<u>\$ 30,414,088</u>	<u>\$ (3,186,975)</u>	<u>\$ 4,681,922</u>	<u>\$ 31,909,035</u>	<u>\$ 3,198,630</u>

Charter Township of Redford

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

Year Ended March 31, 2019

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Protective Inspection	Nonmajor Enterprise		Internal Service Funds
Operating Revenue					
Charges for services	\$ 17,975,008	\$ -	\$ 1,862,113	\$ 19,837,121	\$ -
Township contributions	-	-	-	-	1,570,461
Fees and permits	-	924,510	-	924,510	-
Total operating revenue	17,975,008	924,510	1,862,113	20,761,631	1,570,461
Operating Expenses					
Cost of water and sewer	12,659,836	-	-	12,659,836	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	865,115
General and administrative costs	1,186,851	-	385,939	1,572,790	-
Cost of services	-	1,203,886	1,022,144	2,226,030	589,389
Depreciation and amortization	1,853,179	38,108	248,483	2,139,770	-
Total operating expenses	15,699,866	1,241,994	1,656,566	18,598,426	1,454,504
Operating Income (Loss)	2,275,142	(317,484)	205,547	2,163,205	115,957
Nonoperating Revenue (Expense)					
Investment income	232,269	25,990	28,746	287,005	93,136
Interest expense	(225,824)	-	(8,050)	(233,874)	-
Gain on sale of assets	(27,012)	-	4,300	(22,712)	-
Total nonoperating (expense) revenue	(20,567)	25,990	24,996	30,419	93,136
Change in Net Position	2,254,575	(291,494)	230,543	2,193,624	209,093
Net Position - Beginning of year (as restated) (Note 16)	28,159,513	(2,895,481)	4,451,379	29,715,411	2,989,537
Net Position - End of year	\$ 30,414,088	\$ (3,186,975)	\$ 4,681,922	\$ 31,909,035	\$ 3,198,630

Charter Township of Redford

Proprietary Funds Statement of Cash Flows

Year Ended March 31, 2019

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Protective Inspection	Nonmajor Enterprise		Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers	\$ 18,250,578	\$ 927,368	\$ 1,862,113	\$ 21,040,059	\$ 1,570,461
Payments for interfund services and reimbursements	(14,925)	-	104,657	89,732	-
Payments to suppliers	(11,478,971)	(108,088)	(1,052,914)	(12,639,973)	(54,859)
Payments to employees and fringes	(2,622,960)	(687,380)	(196,902)	(3,507,242)	(527,676)
Claims paid	-	-	-	-	(1,037,034)
Net cash and cash equivalents provided by (used in) operating activities	4,133,722	131,900	716,954	4,982,576	(49,108)
Cash Flows from Capital and Related Financing Activities					
Proceeds from sale of capital assets	-	-	4,300	4,300	-
Purchase of capital assets	(2,606,727)	-	(141,155)	(2,747,882)	-
Principal and interest paid on capital debt	(979,435)	-	(353,643)	(1,333,078)	-
Net cash and cash equivalents used in capital and related financing activities	(3,586,162)	-	(490,498)	(4,076,660)	-
Cash Flows Provided by Investing Activities - Interest received on investments	232,269	25,990	28,746	287,005	93,136
Net Increase in Cash and Cash Equivalents	779,829	157,890	255,202	1,192,921	44,028
Cash and Cash Equivalents - Beginning of year	9,212,500	1,164,459	1,234,528	11,611,487	1,905,216
Cash and Cash Equivalents - End of year	\$ 9,992,329	\$ 1,322,349	\$ 1,489,730	\$ 12,804,408	\$ 1,949,244
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 7,422,276	\$ 1,322,349	\$ 1,489,730	\$ 10,234,355	\$ 1,949,244
Restricted cash	2,570,053	-	-	2,570,053	-
Total cash and cash equivalents	\$ 9,992,329	\$ 1,322,349	\$ 1,489,730	\$ 12,804,408	\$ 1,949,244

Charter Township of Redford

Proprietary Funds Statement of Cash Flows (Continued)

Year Ended March 31, 2019

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Protective Inspection	Nonmajor Enterprise		Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 2,275,142	\$ (317,484)	\$ 205,547	\$ 2,163,205	\$ 115,957
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,853,179	38,108	248,483	2,139,770	-
Changes in assets and liabilities:					
Receivables	275,570	2,858	-	278,428	-
Due to and from other funds	(14,925)	-	104,657	89,732	-
Inventories	(1,165)	-	-	(1,165)	-
Prepaid and other assets	10,711	(2,561)	387	8,537	-
Net pension or OPEB liability	127,982	410,376	30,741	569,099	1,994
Accounts payable	(392,772)	603	127,139	(265,030)	4,860
Estimated claims liability	-	-	-	-	(171,919)
Total adjustments	<u>1,858,580</u>	<u>449,384</u>	<u>511,407</u>	<u>2,819,371</u>	<u>(165,065)</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 4,133,722</u>	<u>\$ 131,900</u>	<u>\$ 716,954</u>	<u>\$ 4,982,576</u>	<u>\$ (49,108)</u>

Charter Township of Redford

**Fiduciary Funds
Statement of Fiduciary Net Position**

March 31, 2019

	<u>Pension and OPEB</u>
Assets	
Cash and cash equivalents	\$ 2,150,806
Investments:	
Agency securities	10,078,591
Stocks	47,631,355
Bonds	6,326,631
Real estate investment trust	51,097
Short-term funds (2a7-like)	6,586,620
Receivables	<u>110,244</u>
Total assets	72,935,344
Liabilities	
Accounts payable	88,744
Due to primary government	1,850,449
Other liabilities	<u>1,270,634</u>
Total liabilities	<u>3,209,827</u>
Net Position Restricted for Pension/OPEB	<u><u>\$ 69,725,517</u></u>

Charter Township of Redford

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

Year Ended March 31, 2019

	<u>Pension and OPEB</u>
Additions	
Investment income:	
Interest and dividends	\$ 1,810,835
Net increase in fair value of investments	762,726
Investment-related expenses	<u>(297,926)</u>
Net investment income	2,275,635
Contributions	<u>10,010,816</u>
Total additions	12,286,451
Deductions	
Benefit payments	12,863,927
Refunds and withdrawals	884,761
Deferred retirement option plan expenses	808,627
Administrative expenses	<u>108,967</u>
Total deductions	<u>14,666,282</u>
Net Decrease in Net Position	(2,379,831)
Net Position Restricted for Pension and Other Employee Benefits - Beginning of year	<u>72,105,348</u>
Net Position Restricted for Pension and Other Employee Benefits - End of year	<u><u>\$ 69,725,517</u></u>

Charter Township of Redford

Component Units Statement of Net Position

March 31, 2019

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 215,547	\$ 987,418	\$ 1,202,965
Receivables - Net (Note 4)	-	114,918	114,918
Due from primary government	-	169,356	169,356
Capital assets - Net (Note 5)	228,505	-	228,505
Total assets	444,052	1,271,692	1,715,744
Deferred Outflows of Resources - Bond refunding loss being amortized			
	-	113,563	113,563
Liabilities			
Accounts payable	979	3,591	4,570
Due to other governmental units	-	1,775	1,775
Due to primary government	-	432,819	432,819
Accrued liabilities and other	255	169,356	169,611
Noncurrent liabilities:			
Due within one year	-	520,000	520,000
Due in more than one year:			
Advances from primary government	-	1,008,594	1,008,594
Long-term debt (Note 7)	-	3,951,251	3,951,251
Total liabilities	1,234	6,087,386	6,088,620
Net Position			
Net investment in capital assets	228,505	-	228,505
Unrestricted	214,313	(4,702,131)	(4,487,818)
Total net position	\$ 442,818	\$ (4,702,131)	\$ (4,259,313)

Charter Township of Redford

Component Units Statement of Activities

Year Ended March 31, 2019

	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	\$ 141,250	\$ 4,012	\$ (137,238)	\$ -	\$ (137,238)
Brownfield Redevelopment Financing Authority	831,763	-	-	(831,763)	(831,763)
Total	\$ 973,013	\$ 4,012	(137,238)	(831,763)	(969,001)
General revenue:					
Taxes			84,260	1,382,431	1,466,691
Unrestricted investment income			2,182	29,350	31,532
Other miscellaneous income			72,805	13	72,818
Total general revenue			159,247	1,411,794	1,571,041
Change in Net Position			22,009	580,031	602,040
Net Position - Beginning of year			420,809	(5,282,162)	(4,861,353)
Net Position - End of year			\$ 442,818	\$ (4,702,131)	\$ (4,259,313)

March 31, 2019

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) 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, MI 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, MI 48239.

Economic Development Corporation

The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Charter Township, primarily through loans to eligible businesses. The EDC had no financial activity during the year ended March 31, 2019.

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 a "major" governmental fund:

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

Proprietary Funds

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

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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, 2019, amortization of \$8,734 has been included in the operating expenses of the business-type activities, and accumulated amortization totaled \$542,136 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.

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.

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

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

Note 1 - Significant Accounting Policies (Continued)

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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 2018 property tax revenue was levied and collectible on December 1, 2018 and is recognized as revenue in the year ended March 31, 2019 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2018 taxable valuation of the Charter Township totaled \$822 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, 10.1400 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 \$3.4 million for general operating purposes, \$1.0 million for police and fire operating purposes, \$5.5 million for police and fire special assessment district, \$8.0 million for police and fire pension, \$2.1 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 Charter Township of Redford's pension plans and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The net pension liability has generally been liquidated from the funds from which the individual employee's salaries are paid, which are primarily the General and Water and Sewer funds.

Other Postemployment Benefit Liability

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

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 Charter Township's General Fund.

Proprietary Funds Operating Classification

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

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 January 2017, the Governmental Accounting Standards Board (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.

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 March 31, 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	\$ 25,093,700	\$ 8,980,642	\$ 2,150,806	\$ 36,225,148	\$ 952,965
Investments	7,783,715	1,253,713	70,674,294	79,711,722	250,000
Restricted cash and investments	-	2,570,053	-	2,570,053	-
Total deposits and investments	\$ 32,877,415	\$ 12,804,408	\$ 72,825,100	\$ 118,506,923	\$ 1,202,965

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

	Primary Government	Component Units
Deposits with financial institutions	\$ 37,858,248	\$ 880,160
Investments:		
Short-term funds (2a7-like)	14,950,054	250,000
U.S. governmental securities	10,752,565	-
Stocks	44,718,674	-
Bonds	6,326,631	-
Mutual funds	2,912,681	-
Real estate investment funds	51,097	-
Certificates of deposits	1,000,000	-
Petty cash or cash on hand	9,761	-
Total	\$ 118,579,711	\$ 1,130,160

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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.

Note 2 - Deposits and Investments (Continued)

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 \$39,452,482 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 \$880,160 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, 2019, 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)	\$ 673,974	2.56
U.S. government agency securities (pension)	10,078,591	24.19
Corporate bonds (pension)	6,326,631	9.32
Total	<u>\$ 17,079,196</u>	

March 31, 2019

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, 2019, 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	\$ 516,469	AAA	Moody's
U.S. government agency securities (pension)	4,297,383	AA+	S&P
U.S. government agency securities (pension)	5,264,739	Not Rated	
Corporate bonds (pension)	407,886	AA2	Moody's
Corporate bonds (pension)	1,953,207	A3	Moody's
Corporate bonds (pension)	1,256,182	A2	Moody's
Corporate bonds (pension)	822,931	BAA2	Moody's
Corporate bonds (pension)	1,886,413	BAA1	Moody's
Corporate bonds (pension)	465	Not Rated	
Short-term funds - MBIA pooled accounts	6,993,496	Not Rated	
Comerica J-Fund	6,695,846	AI, PI	S&P, Moody's
Total	<u>\$ 30,095,017</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 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.

March 31, 2019

Note 3 - Fair Value Measurements (Continued)

The Charter Township has the following recurring fair value measurements as of March 31, 2019:

	Assets Measured at Fair Value on a Recurring Basis at March 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2019
	ADR	\$ 1,048,658	\$ -	\$ -
Collateralized mortgage obligations	-	465	-	465
Common stock	16,986,993	-	-	16,986,993
Corporate bonds	-	6,326,631	-	6,326,631
Foreign stock	836,850	-	-	836,850
Mortgage-backed securities	-	4,813,387	-	4,813,387
Open-end MF - Equity	12,098,683	-	-	12,098,683
Partnerships	-	-	51,097	51,097
Total	\$ 30,971,184	\$ 11,140,483	\$ 51,097	\$ 42,162,764

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, 2019 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, 2019 was determined primarily based on Level 3 inputs. The Charter Township estimates the fair value of these investments using the Charter Township's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

Investments in Entities that Calculate Net Asset Value per Share

The Charter Township holds shares or interests in investment companies 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.

As of March 31, 2019, 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	\$ 8,184,459	\$ -	None	None
Open-end mutual funds - Fixed income	2,912,681	-	None	None
Closely held equity	5,563,030	-	None	None
MI CLASS investment pool	6,993,496	-	None	None
Comerica Investment Pool	6,695,846	-	None	None
Total investments measured at NAV	\$ 30,349,512	\$ -		

March 31, 2019

Note 3 - Fair Value Measurements (Continued)

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

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

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

The Comerica Investment Pool is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB No. 79 to report its value for financial reporting purposes at amortized cost.

Note 4 - Receivables

Receivables as of March 31, 2019 for the Charter Township's individual major funds and the nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Funds	Total Governmental Funds	Water and Sewer Fund	Protective Inspection	Nonmajor Enterprise	Self-insurance	Total Proprietary Funds	Total Primary Government	Component Units
Receivables:										
Property taxes receivable	\$ 2,058,524	\$ 236,779	\$ 2,295,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,295,303	\$ -
Special assessments receivable	-	62,457	62,457	-	-	-	-	-	62,457	-
Customer receivables	-	42,015	42,015	4,571,338	24,199	-	-	4,595,537	4,637,552	-
Other receivables	936,691	393,906	1,330,597	1,008,594	-	1,346	6,782	1,016,722	2,347,319	-
Due from other governments	2,564,851	470,783	3,035,634	533,715	-	-	-	533,715	3,569,349	114,918
Allowance for doubtful accounts	(76,483)	-	(76,483)	-	-	-	-	-	(76,483)	-
Net receivables	\$ 5,483,583	\$ 1,205,940	\$ 6,689,523	\$ 6,113,647	\$ 24,199	\$ 1,346	\$ 6,782	\$ 6,145,974	\$ 12,835,497	\$ 114,918

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	\$ 2,090,645	\$ -
Special assessments	641,285	-
Community Development Block Grant	836,238	-
Michigan Indigent Defense Commission	-	53,469
Home Grant	-	9,765
Parks and Recreation	-	4,167
Total	\$ 3,568,168	\$ 67,401

March 31, 2019

Note 5 - Capital Assets

Capital asset activity of the Charter Township was as follows:

Governmental Activities

	Balance April 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2019
Capital assets not being depreciated:					
Land	\$ 1,343,404	\$ -	\$ -	\$ -	\$ 1,343,404
Construction in progress	34,625	(26,550)	457,026	-	465,101
Subtotal	1,378,029	(26,550)	457,026	-	1,808,505
Capital assets being depreciated:					
Road usage rights	12,755,044	-	-	-	12,755,044
Buildings and improvements	17,659,415	26,550	140,981	-	17,826,946
Machinery and equipment	413,989	-	71,438	-	485,427
Vehicles	4,438,228	-	310,920	(516,490)	4,232,658
Office equipment	2,939,969	-	461,515	(56,846)	3,344,638
Land improvements	3,119,800	-	-	-	3,119,800
Furniture and fixtures	78,713	-	-	-	78,713
Subtotal	41,405,158	26,550	984,854	(573,336)	41,843,226
Accumulated depreciation:					
Road usage rights	8,865,254	-	850,261	-	9,715,515
Buildings and improvements	10,319,210	-	360,970	-	10,680,180
Machinery and equipment	320,839	-	34,752	-	355,591
Vehicles	3,350,888	-	430,478	(501,487)	3,279,879
Office equipment	2,320,294	-	234,036	(56,844)	2,497,486
Land improvements	1,753,381	-	131,245	-	1,884,626
Furniture and fixtures	70,846	-	1,430	-	72,276
Subtotal	27,000,712	-	2,043,172	(558,331)	28,485,553
Net capital assets being depreciated	14,404,446	26,550	(1,058,318)	(15,005)	13,357,673
Net governmental activities capital assets	\$ 15,782,475	\$ -	\$ (601,292)	\$ (15,005)	\$ 15,166,178

March 31, 2019

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance April 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2019
Capital assets not being depreciated:					
Land	\$ 868,128	\$ -	\$ -	\$ -	\$ 868,128
Construction in progress	10,548,170	(5,106,001)	1,338,265	-	6,780,434
Subtotal	11,416,298	(5,106,001)	1,338,265	-	7,648,562
Capital assets being depreciated:					
Water and sewer facilities	38,261,116	598,174	526,265	-	39,385,555
Road rights	37,077	-	-	-	37,077
Water meters	337,895	4,507,827	7,686	(305,943)	4,547,465
Buildings and improvements	9,297,506	-	425,833	-	9,723,339
Equipment	2,535,933	-	337,581	(38,527)	2,834,987
Vehicles	1,769,735	-	131,971	-	1,901,706
CSO basin	19,109,560	-	-	-	19,109,560
Land improvements	74,215	-	-	-	74,215
Subtotal	71,423,037	5,106,001	1,429,336	(344,470)	77,613,904
Accumulated depreciation:					
Water and sewer lines	13,233,547	-	698,423	-	13,931,970
Road rights	13,595	-	2,472	-	16,067
Water meters	298,013	-	238,645	(278,931)	257,727
Buildings and improvements	5,518,131	-	197,132	-	5,715,263
Equipment	1,952,539	-	246,523	(26,827)	2,172,235
Vehicles	1,386,923	-	113,283	-	1,500,206
CSO basin	13,008,109	-	641,364	-	13,649,473
Land improvements	29,280	-	4,947	-	34,227
Subtotal	35,440,137	-	2,142,789	(305,758)	37,277,168
Net capital assets being depreciated	35,982,900	5,106,001	(713,453)	(38,712)	40,336,736
Net business-type activities capital assets	\$ 47,399,198	\$ -	\$ 624,812	\$ (38,712)	\$ 47,985,298

March 31, 2019

Note 5 - Capital Assets (Continued)

Component Units

	Balance April 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2019
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	102,806	-	17,191	-	119,997
Subtotal	117,222	-	17,191	-	134,413
Net capital assets being depreciated	170,006	-	(17,191)	-	152,815
Net component units capital assets	<u>\$ 245,696</u>	<u>\$ -</u>	<u>\$ (17,191)</u>	<u>\$ -</u>	<u>\$ 228,505</u>

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

Governmental activities:	
General government	\$ 126,624
Public safety	835,937
Public works	933,118
Community and economic development	27,579
Recreation and culture	119,914
Total governmental activities	<u>\$ 2,043,172</u>
Business-type activities:	
Water and sewer	\$ 1,861,356
Senior housing	96,924
Protective inspection	38,108
Golf course	146,401
Total business-type activities	<u>\$ 2,142,789</u>
Component unit activities - Downtown Development Authority	<u>\$ 17,191</u>

Construction Commitments

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

	Spent to Date	Remaining Commitment
Phase XIII water main replacement project	\$ 1,139,503	\$ 85,872
District court building project	199,252	4,321,263

March 31, 2019

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Block Grant Fund	\$ 1,094,591
	Michigan Indigent Defense Commission	19,642
	Neighborhood Stabilization Grant Fund	2,210
	Police Station Fund (debt service)	1,523
	Capital Improvement Fund	28,862
	Golf Course Fund	163,352
	Total General Fund	1,310,180
Water and Sewer Fund	General Fund	73
	Total	<u>\$ 1,310,253</u>

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

Fund Borrowed From	Fund Loaned To	Amount
General Fund	Brownfield Redevelopment Financing Authority	\$ 432,819
	Brownfield Redevelopment Financing Authority	169,356
Water and Sewer Fund	Brownfield Redevelopment Financing Authority	1,008,594

Balances between the General Fund, nonmajor funds, and Brownfield Redevelopment Financing Authority result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 169,116
	General Fund	1,526,881
Nonmajor governmental funds	Nonmajor governmental funds	630,645
	Total nonmajor governmental funds	2,157,526
	Total	<u>\$ 2,326,642</u>

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

Additionally, during the year, the Sidewalk Improvement Fund was closed, and its remaining fund balance of \$1,525,607 was transferred to the General Fund.

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.

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:							
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% - 4.50%	\$300,000 - \$500,000	\$ 400,000	\$ -	\$ (400,000)	\$ -	\$ -
2017 Capital Improvement Refunding Bonds:							
Amount of issue - \$4,490,855 (Part of \$5,090,000 issue) Maturing through 2024	4.00% - 5.00%	\$500,000 - \$1,005,000	3,980,991	-	(518,986)	3,462,005	883,115
Premium on 2017 Capital improvement bond			63,593	-	(9,784)	53,809	-
2007 CDBG Bond:							
Amount of issue \$3,545,000 Maturing though 2023	4.55% - 5.13%	\$285,000 - \$365,000	1,625,000	-	(285,000)	1,340,000	305,000
Installment purchase agreements -							
2016 Lease Purchase Agreement - Fire Truck - Amount of issue - \$300,000 Maturing through 2020	2.75%	\$73,954 - \$78,054	228,029	-	(73,953)	154,076	75,991
Total bonds payable			6,297,613	-	(1,287,723)	5,009,890	1,264,106
Accumulated compensated absences			2,170,662	1,004,636	(831,293)	2,344,005	27,857
Total governmental activities			\$ 8,468,275	\$ 1,004,636	\$ (2,119,016)	\$ 7,353,895	\$ 1,291,963

March 31, 2019

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	\$ 345,000	\$ -	\$ (345,000)	\$ -	\$ -
2016 Capital Improvement Bonds Limited Tax General Obligation:							
Amount of issue - \$7,765,000							
Maturing through 2030							
	2.00% - 3.00%	\$300,000 - \$475,000	7,475,000	-	(300,000)	7,175,000	300,000
2017 Capital Improvement Refunding Bonds:							
Amount of issuance - \$599,144.75 (Part of \$5,090,000 issue)							
Maturing through 2024							
	4.00% - 5.00%	\$500,000 - \$1,005,000	489,008	-	(116,011)	372,997	121,889
Revenue bonds -							
2012 Water Supply Sewage and Disposal Bonds:							
Amount of issue - \$3,405,000							
Maturing through 2020							
	1.55%	\$333,000 - \$348,000	681,000	-	(333,000)	348,000	348,000
Less deferred amounts - Issuance discounts							
			(11,451)	-	3,577	(7,874)	-
Unamortized bond premiums							
			125,964	-	(8,177)	117,787	-
Total bonds payable			9,104,521	-	(1,098,611)	8,005,910	769,889
CSO installment agreement			537,819	-	(358,560)	179,259	179,259
Accumulated compensated absences			433,449	146,605	(103,867)	476,187	-
Total business-type activities			<u>\$ 10,075,789</u>	<u>\$ 146,605</u>	<u>\$ (1,561,038)</u>	<u>\$ 8,661,356</u>	<u>\$ 949,148</u>

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Limited Tax General Obligation							
2017 Refunding Bonds -							
Amount of issue - \$2,375,000							
Maturity through 2026							
	1.25% - 4.00%	\$235,000 - \$310,000	\$ 2,155,000	\$ -	\$ (235,000)	\$ 1,920,000	\$ 240,000
Limited Tax General Obligation Bonds, Series 2015A -							
Amount of issue - \$3,135,000							
Maturity through 2026							
	1.25% - 4.00%	\$50,000 - \$390,000	2,620,000	-	(260,000)	2,360,000	280,000
Unamortized bond premiums							
			216,751	-	(25,500)	191,251	-
Total component units			<u>\$ 4,991,751</u>	<u>\$ -</u>	<u>\$ (520,500)</u>	<u>\$ 4,471,251</u>	<u>\$ 520,000</u>

March 31, 2019

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$597,000 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
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	1,070,182	62,899	1,133,081	474,816	187,779	662,595	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	505,000	5,050	510,050	375,000	172,531	547,531	640,000	78,773	718,773
2025-2029	-	-	-	2,125,000	703,656	2,828,656	1,370,000	82,238	1,452,238
2030-2034	-	-	-	2,700,000	354,156	3,054,156	-	-	-
2035-2039	-	-	-	625,000	19,531	644,531	-	-	-
Total	\$ 4,956,081	\$ 330,457	\$ 5,286,538	\$ 7,895,993	\$ 2,025,641	\$ 9,921,634	\$ 4,280,000	\$ 696,487	\$ 4,976,487

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 \$353,394.

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 \$4,976,487, payable through 2026. For the current year, principal and interest paid and total property tax captures were \$671,449 and \$1,559,548, respectively.

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, 2019 was \$5,065,000.

Note 8 - Restricted Assets

Net position has been restricted in the amount of \$2,349,182 for unspent bond proceeds in the business-type activities and \$220,871 in the business-type activities for the 2012 Revenue Bonds Debt.

At March 31, 2019, restricted assets are composed of the following:

Description	Business-type Activities
Cash and cash equivalents	\$ 2,570,053

Note 9 - Risk Management

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

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

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

	General Liability	
	2019	2018
Estimated liability - Beginning of year	\$ 571,086	\$ 685,794
Estimated claims incurred, including changes in estimates	1,183,516	860,640
Claim payments	(981,072)	(975,348)
Estimated liability - End of year	<u>\$ 773,530</u>	<u>\$ 571,086</u>

Note 10 - Pension Plans

Plans Description

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

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

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

Benefits Provided

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

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

March 31, 2019

Note 10 - Pension Plans (Continued)

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Police and Fire Employees Retirement System	MERS Plan
Date of member count	March 31, 2019	December 31, 2018
Inactive plan members or beneficiaries currently receiving benefits	183	177
Inactive plan members entitled to but not yet receiving benefits	1	32
Active plan members	98	96
Total employees covered by the plan	<u>282</u>	<u>305</u>

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, 2019, 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 84.4 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 Employees Retirement System	MERS Plan
Measurement date used for the Charter Township's net pension liability	March 31, 2019	December 31, 2018
Based on a comprehensive actuarial valuation as of	March 31, 2018	December 31, 2018

March 31, 2019

Note 10 - Pension Plans (Continued)

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

Police and Fire Employees Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at March 31, 2018	\$ 116,705,192	\$ 65,987,607	\$ 50,717,585
Changes for the year:			
Service cost	1,025,096	-	1,025,096
Interest	8,426,118	-	8,426,118
Differences between expected and actual experience	5,701,316	-	5,701,316
Changes in assumptions	1,600,363	-	1,600,363
Contributions - Employer	-	4,944,226	(4,944,226)
Contributions - Employee	-	117,347	(117,347)
Net investment income	-	2,157,950	(2,157,950)
Benefit payments, including refunds	(9,858,842)	(9,858,842)	-
Administrative expenses	-	(94,965)	94,965
Net changes	6,894,051	(2,734,284)	9,628,335
Balance at March 31, 2019	\$ 123,599,243	\$ 63,253,323	\$ 60,345,920

The plan's fiduciary net position represents 51.2 percent of the total pension liability.

MERS Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 51,482,465	\$ 30,400,986	\$ 21,081,479
Changes for the year:			
Service cost	549,087	-	549,087
Interest	3,981,386	-	3,981,386
Differences between expected and actual experience	(465,356)	-	(465,356)
Contributions - Employer	-	1,895,544	(1,895,544)
Contributions - Employee	-	139,402	(139,402)
Net investment loss	-	(1,125,307)	1,125,307
Benefit payments, including refunds	(3,979,361)	(3,979,361)	-
Administrative expenses	-	(57,380)	57,380
Net changes	85,756	(3,127,102)	3,212,858
Balance at December 31, 2018	\$ 51,568,221	\$ 27,273,884	\$ 24,294,337

Of the net pension liability for the MERS plan, \$15,854,289 has been allocated to governmental activities, \$6,873,441 has been allocated to the Water and Sewer Fund, \$387,021 has been allocated to the Senior Housing Fund, and \$1,179,589 has been allocated to the Protective Inspection Fund.

The plan's fiduciary net position represents 52.9 percent of the total pension liability.

Note 10 - Pension Plans (Continued)

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

For the year ended March 31, 2019, the Charter Township recognized pension expense of \$10,715,409 from all plans.

At March 31, 2019, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 5,527,642	\$ (232,679)
Changes in assumptions	1,751,103	-
Net difference between projected and actual earnings on pension plan investments	3,226,794	-
Employer contributions to the plan subsequent to the measurement date	<u>511,671</u>	<u>-</u>
Total	<u>\$ 11,017,210</u>	<u>\$ (232,679)</u>

Of the net deferred outflows of resources, \$10,099,370 has been allocated to governmental activities, \$747,474 has been allocated to the Water and Sewer Fund, \$42,088 has been allocated to the Senior Housing Fund, and \$128,278 has been allocated to the Protective Inspection Fund.

Of the net deferred inflows of resources, \$151,846 has been allocated to governmental activities, \$65,830 has been allocated to the Water and Sewer Fund, \$3,706 has been allocated to the Senior Housing Fund, and \$11,297 has been allocated to the Protective Inspection Fund.

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):

<u>Years Ending March 31</u>	<u>Amount</u>
2020	\$ 4,535,414
2021	2,451,668
2022	2,067,885
2023	<u>1,217,893</u>
Total	<u>\$ 10,272,860</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:

	<u>Police and Fire Employees Retirement System</u>	<u>MERS Plan</u>
Inflation	2.70%	2.50%
Salary increases (including inflation)	4.50-8.90%	3.75%
Investment rate of return (net of investment expenses)	7.50%	7.75%
Mortality rates	RP-2014 Mortality Table	RP-2014 Mortality Table

Note 10 - Pension Plans (Continued)

The actuarial assumptions used in the December 31, 2018 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.

	Police and Fire Employees Retirement System	MERS Plan
Assumed investment rate of return	7.50%	7.75%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.50%	7.75%

Investment Rate of Return

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

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

The following table presents best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plan's target asset allocation, as well as the pension board's adopted asset allocation policy as of March 31, 2019:

Police and Fire Employees Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	50.00 %	7.50 %
International equity	5.00	8.50
Domestic bonds	22.50	2.50
International bonds	5.00	3.50
Real estate	9.50	4.50
Cash or cash equivalents	8.00	-

Note 10 - Pension Plans (Continued)

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.15 %
Global fixed income	18.50	1.26
Real assets	13.50	7.22
Diversifying strategies	12.50	5.00

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 Employees Retirement System	\$ 72,566,594	\$ 60,345,920	\$ 50,053,929
Net pension liability of the MERS plan	29,182,351	24,294,340	20,061,794

Pension Plans Fiduciary Net Position

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

Assumption Changes

In the 2018 Police and Fire Employees Retirement System 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 Employees Retirement System, the following reserves are required to be set aside within the pension plan:

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

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

March 31, 2019

Note 10 - Pension Plans (Continued)

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, 2019 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 82,263,532	\$ 59,941,232
Employee reserve	3,312,093	3,312,093
Total	<u>\$ 85,575,625</u>	<u>\$ 63,253,325</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, 2019, the plan has \$7,728,958 accumulated in DROP accounts.

Note 11 - Other Postemployment Benefit Plan

Plans Description

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

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

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

Benefits Provided

The General Employees' OPEB Plan and Police and Fire OPEB Plan provide 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 plans.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Date of member count	March 31, 2018	March 31, 2018
Inactive plan members or beneficiaries currently receiving benefits	138	167
Active plan members	90	99
Total plan members	<u>228</u>	<u>266</u>

March 31, 2019

Note 11 - Other Postemployment Benefit Plan (Continued)

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, 2019, the Charter Township made payments for postemployment health benefit premiums of \$4,698,473.

Net OPEB Liability

The Charter Township has chosen to use the March 31 measurement date as its measurement date for the net OPEB liability. The March 31, 2019 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the March 31, 2019 measurement date. The March 31, 2019 total OPEB liability was determined by an actuarial valuation performed as of March 31, 2018, which used updated procedures to roll forward the estimated liability to March 31, 2019. The net OPEB liability of the Charter Township has been measured as follows:

	General Employees' OPEB Plan	Police and Fire OPEB Plan
Measurement date used for the Charter Township net OPEB liability	March 31, 2019	March 31, 2019
Based on a comprehensive actuarial valuation as of	March 31, 2018	March 31, 2018

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

General Employees' OPEB Plan

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at April 1, 2018	\$ 50,576,745	\$ 2,016,862	\$ 48,559,883
Changes for the year:			
Service cost	879,159	-	879,159
Interest	1,810,557	-	1,810,557
Differences between expected and actual experience	(8,966,452)	-	(8,966,452)
Changes in assumptions	10,732,748	-	10,732,748
Contributions - Employer	-	1,874,769	(1,874,769)
Net investment income	-	40,633	(40,633)
Benefit payments, including refunds	(1,724,769)	(1,724,769)	-
Administrative expenses	-	(7,375)	7,375
Net changes	2,731,243	183,258	2,547,985
Balance at March 31, 2019	\$ 53,307,988	\$ 2,200,120	\$ 51,107,868

The plan's fiduciary net position represents 4.13 percent of the total OPEB liability.

Note 11 - Other Postemployment Benefit Plan (Continued)

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, 2018	\$ 82,398,293	\$ 4,100,874	\$ 78,297,419
Changes for the year:			
Service cost	1,230,517	-	1,230,517
Interest	2,932,396	-	2,932,396
Differences between expected and actual experience	(10,361,830)	-	(10,361,830)
Changes in assumptions	24,258,614	-	24,258,614
Contributions - Employer	-	3,668,239	(3,668,239)
Net investment income	-	77,052	(77,052)
Benefit payments, including refunds	(3,567,469)	(3,567,469)	-
Administrative expenses	-	(6,625)	6,625
Net changes	14,492,228	171,197	14,321,031
Balance at March 31, 2019	\$ 96,890,521	\$ 4,272,071	\$ 92,618,450

The plan's fiduciary net position represents 4.41 percent of the total OPEB liability.

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

For the year ended March 31, 2019, the Charter Township recognized OPEB expense of \$9,953,342 from all plans.

At March 31, 2019, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 14,651,810
Changes in assumptions	27,024,542	-
Net difference between projected and actual earnings on OPEB plan investments	85,950	-
Total	\$ 27,110,492	\$ 14,651,810

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending March 31	Amount
2020	\$ 3,311,836
2021	3,311,836
2022	3,024,836
2023	2,798,512
2024	11,662
Total	\$ 12,458,682

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

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

	<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 14.0%	3.0 to 7.4%
Investment rate of return (net of investment expenses)	3.42%	3.42%
Healthcare cost trend rate	8.5 percent decreasing to an ultimate trend rate of 4.5 percent after 17 years	8.5 percent decreasing to an ultimate trend rate of 4.5 percent after 17 years
Mortality rates	RP-2014 Mortality Table	RP-2014 Mortality Table

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

Future general employees will make a contribution for retiree health coverage at a rate of 7 percent.

Discount Rate

The discount used to measure the total OPEB liability was 3.42 percent for both plans. The projection of cash flows used to determine the discount rate assumed that the Charter Township's contributions will be consistent with the pay-as-you-go amount. The discount rate was based on the 20-year AA bond rate as measured by the Fidelity General Obligation AA bond index as of March 2019.

	<u>General Employees' OPEB Plan</u>	<u>Police and Fire OPEB Plan</u>
Assumed investment rate of return	3.42%	3.42%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	No	No
Discount rate used to measure TOL	3.42%	3.42%

Investment Policy

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

General Employees' OPEB Plan and Police and Fire OPEB Plan

<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, 2019

Note 11 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the Charter Township, calculated using the discount rate of 3.42 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 (2.42%)	Current Discount Rate (3.42%)	1 Percent Increase (4.42%)
Net OPEB liability of the General Employees' OPEB Plan	\$ 59,713,023	\$ 51,107,868	\$ 44,200,783
Net OPEB liability of the Police and Fire OPEB Plan	111,031,611	92,618,450	78,303,642

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	\$ 43,544,170	\$ 51,107,868	\$ 60,597,437
Net OPEB liability of the Police and Fire OPEB Plan	77,184,118	92,618,450	112,643,803

OPEB Plans Fiduciary Net Position

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

Assumption Change

In the 2018 valuation, the Charter Township changed following assumptions:

- The discount rate assumption from 3.0 percent to 3.42 percent in 2019
- Updated mortality tables to reflect the most current tables, RP-2014
- Updated the healthcare cost trend rate

Note 12 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the defined benefit pension plans (see Note 10) and the postemployment healthcare plans (see Note 11). 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	\$ 65,238,480	\$ 5,386,500	\$ 2,200,120
Other assets	103,332	6,912	-
Liabilities	2,088,487	1,121,340	-
Net position	<u>\$ 63,253,325</u>	<u>\$ 4,272,072</u>	<u>\$ 2,200,120</u>

March 31, 2019

Note 12 - Pension and Other Employee Benefit Trust Funds (Continued)

	Pension Trust	Police and Fire OPEB Trust	General Employees' OPEB Trust
Statement of Changes in Net Position			
Investment income	\$ 2,157,950	\$ 77,052	\$ 40,633
Contributions	5,061,573	3,267,986	1,681,257
Benefit payments	9,858,842	3,167,216	1,531,257
Other deductions	94,968	6,624	7,375
Net change in net position	<u>\$ (2,734,287)</u>	<u>\$ 171,198</u>	<u>\$ 183,258</u>

Note 13 - Fund Balance Constraints

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

	General Fund	Nonmajor Funds	Total
Nonspendable:			
Prepays	\$ 523,530	\$ 18,174	\$ 541,704
Long-term receivable	432,819	-	432,819
Total nonspendable	956,349	18,174	974,523
Restricted:			
Road improvements	-	261,940	261,940
Drug law enforcement	-	664,404	664,404
Police and fire postemployment costs	1,180,925	-	1,180,925
Debt service	-	1,368,498	1,368,498
Storm water improvements	-	70,642	70,642
Police grants	119,720	-	119,720
Dial-A-Ride services	-	492,757	492,757
Solid waste activities	-	1,862,228	1,862,228
911 services	-	482,660	482,660
Drain improvements	-	923,630	923,630
Future CDBG/NSP expenditures	-	362,778	362,778
Police and fire SAD	1,384,340	34,310	1,418,650
PEG purposes	217,838	-	217,838
Grant programs	21,997	-	21,997
Total restricted	2,924,820	6,523,847	9,448,667
Committed:			
Court building improvements	-	4,068,164	4,068,164
Parks and recreation	227,489	-	227,489
Total committed	227,489	4,068,164	4,295,653
Assigned - Capital projects	-	472,235	472,235
Unassigned	16,831,495	(438,234)	16,393,261
Total fund balance	<u>\$ 20,940,153</u>	<u>\$ 10,644,186</u>	<u>\$ 31,584,339</u>

Note 14 - Tax Abatements

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

For the fiscal years ended March 31, 2019, the Charter Township abated \$258,355 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Financing Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the Authority's tax revenue is reduced. For the fiscal year ended March 31, 2019, the Authority abated \$713,434 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 15 - 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, 2019 and November 30, 2019, and the remaining amounts owed to the corporation for services rendered during calendar year 2019 will be paid by March 31, 2020. In the case of overpayment, the corporation will refund the Charter Township.

Note 16 - Change in Accounting Principle

During 2019, the Charter Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for the unfunded portion of the Charter Township's retiree healthcare costs. Some of the change in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to the other postemployment benefit plan footnote for further details. This change does not impact the General Fund or any other governmental funds.

As a result of implementing this statement, the beginning net position of the Township has been restated as follows:

	Net Position		
	March 31, 2018 - As Previously Reported	March 31, 2018 - As Restated	Adjustment for Implementation of GASB Statement No. 75
Governmental activities	\$ (40,400,040)	\$ (129,862,359)	\$ (89,462,319)
Business-type activities	44,164,364	29,715,411	(14,448,953)
Water and Sewer Fund	39,152,551	28,159,513	(10,993,038)
Protective Inspection Fund	24,186	(2,895,481)	(2,919,667)
Nonmajor enterprise funds	4,987,627	4,451,379	(536,248)
Senior Housing Fund	2,071,536	1,535,288	(536,248)

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended March 31, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 19,184,139	\$ 19,391,600	\$ 19,391,283	\$ (317)
Intergovernmental:				
Federal grants	112,333	741,815	745,470	3,655
State-shared revenue and grants	6,120,284	6,233,539	6,232,294	(1,245)
Charges for services	1,656,350	1,706,180	1,708,770	2,590
Fines and forfeitures	2,636,600	1,982,140	2,010,306	28,166
Licenses and permits	988,700	869,960	853,452	(16,508)
Investment income	150,000	150,000	305,045	155,045
Other revenue	1,594,122	1,681,356	1,554,221	(127,135)
Total revenue	32,442,528	32,756,590	32,800,841	44,251
Expenditures				
Current services:				
General government:				
Legislative	161,043	112,268	110,643	1,625
Executive	156,046	256,055	242,588	13,467
Accounting	694,651	694,651	621,008	73,643
Information systems	690,890	648,740	665,626	(16,886)
Treasurer	403,500	403,500	386,595	16,905
Assessing	340,250	405,976	475,637	(69,661)
Clerk	522,133	472,014	416,893	55,121
Buildings and grounds	289,500	289,500	240,616	48,884
Attorney	100,000	127,000	119,050	7,950
Elections	188,433	313,553	305,636	7,917
Civil service	473,012	380,933	347,821	33,112
Police and fire civil service	2,000	2,000	-	2,000
Public service building maintenance	89,000	89,000	121,874	(32,874)
Marquee maintenance	103,965	103,965	108,995	(5,030)
Public education government	65,557	122,516	117,625	4,891
Insurance and other functions	942,945	1,200,088	1,349,487	(149,399)
District court:				
District court costs	1,910,128	1,910,128	1,789,018	121,110
Criminal justice	506,500	506,500	361,256	145,244
Probation	338,948	338,948	313,034	25,914
Work program	33,310	33,310	7,352	25,958
Public safety:				
Police	12,133,851	11,890,572	11,723,440	167,132
Fire	7,964,497	8,501,897	8,693,794	(191,897)
Dispatch	785,460	635,460	427,230	208,230
School resource officer	353,190	368,780	334,588	34,192
School crossing	36,430	42,605	42,550	55
ALS transport collection fee	82,500	82,500	79,574	2,926
Public works:				
Highway and streets	1,300,000	1,165,000	1,039,428	125,572
DPW	268,000	268,000	205,739	62,261
Health and welfare - Animal control	50,000	69,000	29,222	39,778
Community and economic development:				
Community promotion	26,500	19,000	15,412	3,588
Zoning board of appeals	8,691	8,691	5,391	3,300
Other community and economic development	103,324	107,990	95,634	12,356
Redevelopment	12,465	15,630	16,434	(804)
Recreation and culture:				
Parks and recreation	459,870	459,870	396,757	63,113
Parks facilities	727,739	577,739	530,210	47,529
Senior citizens	71,930	75,317	72,419	2,898
Cultural	5,500	5,500	2,962	2,538
Total expenditures	32,401,758	32,704,196	31,811,538	892,658

Charter Township of Redford

Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended March 31, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Excess of Revenue Over Expenditures	\$ 40,770	\$ 52,394	\$ 989,303	\$ 936,909
Other Financing Sources (Uses)				
Transfers in	-	-	1,274	1,274
Transfers out	(48,270)	-	-	-
Proceeds from sale of capital assets	7,500	7,500	3,425	(4,075)
Total other financing (uses) sources	(40,770)	7,500	4,699	(2,801)
Net Change in Fund Balance	-	59,894	994,002	934,108
Fund Balance - Beginning of year	15,916,835	15,916,835	15,916,835	-
Fund Balance - End of year	<u>\$ 15,916,835</u>	<u>\$ 15,976,729</u>	<u>\$ 16,910,837</u>	<u>\$ 934,108</u>

Charter Township of Redford

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

	Last Four Plan Years			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 549,087	\$ 522,284	\$ 519,162	\$ 536,952
Interest	3,981,386	3,937,631	3,941,351	3,824,685
Changes in benefit terms	-	-	2,407	10,493
Differences between expected and actual experience	(465,356)	13,130	(695,452)	145,971
Changes in assumptions	-	-	-	2,154,773
Benefit payments, including refunds	(3,979,361)	(3,873,222)	(3,757,876)	(3,704,706)
Miscellaneous other charges	-	(13,209)	-	-
Net Change in Total Pension Liability	85,756	586,614	9,592	2,968,168
Total Pension Liability - Beginning of year	51,482,465	50,895,851	50,886,259	47,918,091
Total Pension Liability - End of year	\$ 51,568,221	\$ 51,482,465	\$ 50,895,851	\$ 50,886,259
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,895,544	\$ 2,199,682	\$ 1,609,912	\$ 1,551,380
Contributions - Member	139,402	83,315	77,347	80,905
Net investment (loss) income	(1,125,307)	3,634,908	3,022,812	(422,384)
Administrative expenses	(57,383)	(57,740)	(59,771)	(63,614)
Benefit payments, including refunds	(3,979,361)	(3,873,222)	(3,757,876)	(3,704,706)
Other	-	(783)	784	-
Net Change in Plan Fiduciary Net Position	(3,127,105)	1,986,160	893,208	(2,558,419)
Plan Fiduciary Net Position - Beginning of year	30,400,986	28,414,826	27,521,618	30,080,037
Plan Fiduciary Net Position - End of year	\$ 27,273,881	\$ 30,400,986	\$ 28,414,826	\$ 27,521,618
Charter Township's Net Pension Liability - Ending	\$ 24,294,340	\$ 21,081,479	\$ 22,481,025	\$ 23,364,641
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.89 %	59.05 %	55.83 %	54.08 %
Covered Employee Payroll	\$ 4,620,161	\$ 4,321,893	\$ 4,204,172	\$ 4,270,547
Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll	525.83 %	487.78 %	534.73 %	547.11 %

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

Charter Township of Redford

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

	Last Five Fiscal Years				
	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 1,025,096	\$ 878,923	\$ 934,642	\$ 1,245,350	\$ 1,069,633
Interest	8,426,118	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	5,701,316	-	(1,187,143)	(260,869)	3,930,269
Changes in assumptions	1,600,363	4,600,159	-	1,037,913	-
Benefit payments, including refunds	(9,858,842)	(8,329,327)	(8,711,613)	(9,237,821)	(10,038,589)
Net Change in Total Pension Liability	6,894,051	5,230,934	(832,727)	844,539	7,461,483
Total Pension Liability - Beginning of year	116,705,192	111,474,258	112,306,985	111,462,446	104,000,963
Total Pension Liability - End of year	\$ 123,599,243	\$ 116,705,192	\$ 111,474,258	\$ 112,306,985	\$ 111,462,446
Plan Fiduciary Net Position					
Contributions - Employer	\$ 4,944,226	\$ 4,428,716	\$ 4,320,943	\$ 3,963,149	\$ 4,560,754
Contributions - Member	117,347	86,506	44,477	63,710	34,652
Net investment income	2,157,950	6,608,147	6,245,985	113,222	4,376,535
Administrative expenses	(94,965)	(88,231)	(80,675)	(53,304)	(53,162)
Benefit payments, including refunds	(9,858,842)	(8,329,327)	(8,711,613)	(9,237,821)	(10,038,589)
Other	-	-	(23)	-	-
Net Change in Plan Fiduciary Net Position	(2,734,284)	2,705,811	1,819,094	(5,151,044)	(1,119,810)
Plan Fiduciary Net Position - Beginning of year	65,987,607	63,281,796	61,462,702	66,613,746	67,733,556
Plan Fiduciary Net Position - End of year	\$ 63,253,323	\$ 65,987,607	\$ 63,281,796	\$ 61,462,702	\$ 66,613,746
Charter Township's Net Pension Liability - Ending	\$ 60,345,920	\$ 50,717,585	\$ 48,192,462	\$ 50,844,283	\$ 44,848,700
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	51.18 %	56.54 %	56.77 %	54.73 %	59.76 %
Covered Employee Payroll	\$ 5,015,022	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614
Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll	1,203.30 %	1,139.50 %	1,278.45 %	1,267.89 %	1,097.72 %

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

In 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 Schedule of Pension Contributions General Employees' Retirement System (MERS)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,958,500	\$ 1,736,897	\$ 1,609,912	\$ 1,514,624	\$ 1,258,669	\$ 893,945	\$ 922,879	\$ 962,999	\$ 1,095,542	\$ 1,142,477
Contributions in relation to the actuarially determined contribution	1,958,500	2,236,897	1,609,912	1,714,624	1,258,669	893,945	922,879	962,999	1,095,542	1,142,477
Contribution Excess	\$ -	\$ 500,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,620,161	\$ 4,321,893	\$ 4,204,172	\$ 4,270,547	\$ 3,912,707	\$ 3,865,436	\$ 3,917,961	\$ 4,268,956	\$ 5,488,420	\$ 5,750,510
Contributions as a Percentage of Covered Employee Payroll	42.39 %	51.76 %	38.27 %	40.15 %	32.17 %	23.13 %	23.56 %	22.56 %	19.96 %	19.87 %

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

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 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 Schedule of Pension Contributions Police and Fire Employees Retirement System

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 4,944,226	\$ 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
Contributions in relation to the actuarially determined contribution	4,944,226	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
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 5,015,022	\$ 4,450,846	\$ 3,769,593	\$ 4,010,149	\$ 4,085,614	\$ 3,909,678	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Employee Payroll	98.59 %	99.50 %	114.63 %	98.83 %	111.63 %	108.91 %	- %	- %	- %	- %

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

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of March 31, the year prior to the end of the fiscal year in which 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	18 years remaining as of March 31, 2019
Asset valuation method	Four-year 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
Schedule of Pension Investment Returns
Police and Fire Employees Retirement System

	Last Five Fiscal Years Years Ended March 31				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return - Net of investment expense	3.27 %	10.30 %	12.30 %	0.80 %	7.30 %

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

Charter Township of Redford

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

	Last Two Fiscal Years	
	2019	2018
Total OPEB Liability		
Service cost	\$ 879,159	\$ 723,766
Interest	1,810,557	1,842,066
Differences between expected and actual experience	(8,966,452)	(230,934)
Changes in assumptions	10,732,748	1,176,327
Benefit payments, including refunds	(1,724,769)	(2,096,059)
Net Change in Total OPEB Liability	2,731,243	1,415,166
Total OPEB Liability - Beginning of year	50,576,745	49,161,579
Total OPEB Liability - End of year	\$ 53,307,988	\$ 50,576,745
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,874,769	\$ 2,079,404
Net investment income	40,633	20,246
Administrative expenses	(7,375)	(11,257)
Benefit payments, including refunds	(1,724,769)	(2,096,059)
Net Change in Plan Fiduciary Net Position	183,258	(7,666)
Plan Fiduciary Net Position - Beginning of year	2,016,862	2,024,528
Plan Fiduciary Net Position - End of year	\$ 2,200,120	\$ 2,016,862
Net OPEB Liability - Ending	\$ 51,107,868	\$ 48,559,883
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.13 %	3.99 %
Covered Employee Payroll	\$ 4,928,920	\$ 4,384,701
Net OPEB Liability as a Percentage of Covered Employee Payroll	1,036.90 %	1,107.48 %

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

In the 2018 actuarial valuation, the mortality assumptions were updated, rate of return was adjusted, and healthcare trend assumptions were adjusted.

Charter Township of Redford

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

	Last Two Fiscal Years	
	2019	2018
Total OPEB Liability		
Service cost	\$ 1,230,517	\$ 1,023,694
Interest	2,932,396	2,981,126
Differences between expected and actual experience	(10,361,830)	(123,186)
Changes in assumptions	24,258,614	2,089,917
Benefit payments, including refunds	(3,567,469)	(3,024,192)
Net Change in Total OPEB Liability	14,492,228	2,947,359
Total OPEB Liability - Beginning of year	82,398,293	79,450,934
Total OPEB Liability - End of year	\$ 96,890,521	\$ 82,398,293
Plan Fiduciary Net Position		
Contributions - Employer	\$ 3,668,239	\$ 3,089,873
Net investment income	77,052	35,856
Administrative expenses	(6,625)	(12,000)
Benefit payments, including refunds	(3,567,469)	(3,024,192)
Net Change in Plan Fiduciary Net Position	171,197	89,537
Plan Fiduciary Net Position - Beginning of year	4,100,874	4,011,337
Plan Fiduciary Net Position - End of year	\$ 4,272,071	\$ 4,100,874
Net OPEB Liability - Ending	\$ 92,618,450	\$ 78,297,419
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.41 %	4.98 %
Covered Employee Payroll	\$ 8,196,771	\$ 7,430,998
Net OPEB Liability as a Percentage of Covered Employee Payroll	1,129.94 %	1,053.66 %

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

In the 2018 actuarial valuation, the mortality assumptions were updated, rate of return was adjusted, and healthcare trend assumptions were adjusted.

Charter Township of Redford

Required Supplemental Information
Schedule of OPEB Investment Returns
General Employees'

**Last Two Fiscal Years
Years Ended March 31**

	2019	2018
Annual money-weighted rate of return - Net of investment expense	2.01 %	1.00 %

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

Charter Township of Redford

Required Supplemental Information
Schedule of OPEB Investment Returns
Police and Fire

**Last Two Fiscal Years
Years Ended March 31**

	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	1.88 %	0.89 %

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

March 31, 2019

Budgetary Information

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

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

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

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

1. The township 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, 2019

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

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Amounts per operating statement	\$ 34,413,264	\$ 32,797,100	\$ 1,361,190
Accrued employee benefits fund	(180,000)	(105,360)	-
Accrued police and fire SAD	-	(147,376)	-
Ordinance enforcement fund	(1,432,423)	(847,337)	(1,525,607)
Debt payments budgeted as expenditures	-	114,511	114,511
Transfers budgeted as expenditures	-	-	54,605
Amounts per budget statement	<u>\$ 32,800,841</u>	<u>\$ 31,811,538</u>	<u>\$ 4,699</u>

Fund Deficit

The Charter Township has a deficit in unrestricted net position in the Senior Housing Fund in the amount of \$763,916 and a deficit in unrestricted net position in the Protective Inspection Fund in the amount of \$3,250,931.

Other Supplemental Information

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

March 31, 2019

	Special Revenue Funds									
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Michigan Indigent Defense Commission	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures
Assets										
Cash and cash equivalents	\$ 456,598	\$ 9,765	\$ 503,593	\$ 1,893,809	\$ 484,614	\$ 84,486	\$ 88,559	\$ 70,642	\$ 675,317	\$ 1,662,769
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	51,358	-	-	234,675	-	-	-	-	836,291	-
Prepaid expenses	2,008	-	-	-	5,240	-	-	-	10,926	-
Assets held for resale	-	-	-	-	-	-	88,708	-	187,721	-
Total assets	\$ 509,964	\$ 9,765	\$ 503,593	\$ 2,128,484	\$ 489,854	\$ 84,486	\$ 177,267	\$ 70,642	\$ 1,710,255	\$ 1,662,769
Liabilities										
Accounts payable	\$ 1,273	\$ -	\$ 750	\$ -	\$ -	\$ 11,375	\$ -	\$ -	\$ 16,335	\$ 746
Due to component units	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	19,642	2,210	-	1,094,591	-
Accrued liabilities and other	3,786	-	-	-	1,954	-	-	-	2,678	1,500,462
Unearned revenue	-	9,765	-	-	-	53,469	-	-	-	-
Provision for property tax refunds	1,732	-	-	41,702	-	-	-	-	-	-
Total liabilities	6,791	9,765	750	41,702	1,954	84,486	2,210	-	1,113,604	1,501,208
Deferred Inflows of Resources	8,408	-	-	224,554	-	-	-	-	836,238	-
Total liabilities and deferred inflows of resources	15,199	9,765	750	266,256	1,954	84,486	2,210	-	1,949,842	1,501,208
Fund Balances										
Nonspendable	2,008	-	-	-	5,240	-	-	-	10,926	-
Restricted:										
Roads	-	-	-	-	-	-	-	-	-	-
Drug law enforcement	-	-	502,843	-	-	-	-	-	-	161,561
Debt service	-	-	-	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	-	70,642	-	-
Dial-A-Ride services	492,757	-	-	-	-	-	-	-	-	-
Solid waste activities	-	-	-	1,862,228	-	-	-	-	-	-
911 services	-	-	-	-	482,660	-	-	-	-	-
Drain improvements	-	-	-	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	-	175,057	-	187,721	-
Police and fire SAD	-	-	-	-	-	-	-	-	-	-
Committed - Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(438,234)	-
Total fund balances	494,765	-	502,843	1,862,228	487,900	-	175,057	70,642	(239,587)	161,561
Total liabilities, deferred inflows of resources, and fund balances	\$ 509,964	\$ 9,765	\$ 503,593	\$ 2,128,484	\$ 489,854	\$ 84,486	\$ 177,267	\$ 70,642	\$ 1,710,255	\$ 1,662,769

Charter Township of Redford

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

March 31, 2019

	Debt Service Funds						Capital Project Funds			
	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	2017 Capital Refunding	Capital Improvement	Police Station	Smith Drain
Assets										
Cash and cash equivalents	\$ 688	\$ 323,211	\$ 384,323	\$ 201,036	\$ 500,407	\$ -	\$ 125,898	\$ 85,407	\$ -	\$ 923,630
Investments	-	-	-	-	-	-	-	450,000	-	-
Receivables	3,814	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 4,502	\$ 323,211	\$ 384,323	\$ 201,036	\$ 500,407	\$ -	\$ 125,898	\$ 535,407	\$ -	\$ 923,630
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to component units	-	-	28,884	33,139	51,570	-	55,763	-	-	-
Due to other funds	1,523	-	-	-	-	-	-	28,862	-	-
Accrued liabilities and other	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Provision for property tax refunds	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,523	-	28,884	33,139	51,570	-	55,763	28,862	-	-
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,523	-	28,884	33,139	51,570	-	55,763	28,862	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
Roads	-	-	-	-	-	-	-	-	-	-
Drug law enforcement	-	-	-	-	-	-	-	-	-	-
Debt service	2,979	323,211	355,439	167,897	448,837	-	70,135	-	-	-
Storm water improvements	-	-	-	-	-	-	-	-	-	-
Dial-A-Ride services	-	-	-	-	-	-	-	-	-	-
Solid waste activities	-	-	-	-	-	-	-	-	-	-
911 services	-	-	-	-	-	-	-	-	-	-
Drain improvements	-	-	-	-	-	-	-	-	-	923,630
Grant expenditures	-	-	-	-	-	-	-	-	-	-
Police and fire SAD	-	-	-	-	-	-	-	34,310	-	-
Committed - Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	472,235	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	2,979	323,211	355,439	167,897	448,837	-	70,135	506,545	-	923,630
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,502	\$ 323,211	\$ 384,323	\$ 201,036	\$ 500,407	\$ -	\$ 125,898	\$ 535,407	\$ -	\$ 923,630

March 31, 2019

	Capital Project Funds			Total
	Court Building Improvement	Road Improvement	Sidewalk Improvement Fund	
Assets				
Cash and cash equivalents	\$ 1,344,354	\$ 262,212	\$ -	\$ 10,081,318
Investments	2,731,308	-	-	3,181,308
Receivables	17,345	62,457	-	1,205,940
Prepaid expenses	-	-	-	18,174
Assets held for resale	-	-	-	276,429
Total assets	\$ 4,093,007	\$ 324,669	\$ -	\$ 14,763,169
Liabilities				
Accounts payable	\$ 24,843	\$ 272	\$ -	\$ 55,594
Due to component units	-	-	-	169,356
Due to other funds	-	-	-	1,146,828
Accrued liabilities and other	-	-	-	1,508,880
Unearned revenue	-	-	-	63,234
Provision for property tax refunds	-	-	-	43,434
Total liabilities	24,843	272	-	2,987,326
Deferred Inflows of Resources	-	62,457	-	1,131,657
Total liabilities and deferred inflows of resources	24,843	62,729	-	4,118,983
Fund Balances				
Nonspendable	-	-	-	18,174
Restricted:				
Roads	-	261,940	-	261,940
Drug law enforcement	-	-	-	664,404
Debt service	-	-	-	1,368,498
Storm water improvements	-	-	-	70,642
Dial-A-Ride services	-	-	-	492,757
Solid waste activities	-	-	-	1,862,228
911 services	-	-	-	482,660
Drain improvements	-	-	-	923,630
Grant expenditures	-	-	-	362,778
Police and fire SAD	-	-	-	34,310
Committed - Capital projects	4,068,164	-	-	4,068,164
Assigned	-	-	-	472,235
Unassigned	-	-	-	(438,234)
Total fund balances	4,068,164	261,940	-	10,644,186
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,093,007	\$ 324,669	\$ -	\$ 14,763,169

Charter Township of Redford

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

Year Ended March 31, 2019

	Special Revenue Funds									
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Michigan Indigent Defense Commission	Neighborhood Stabilization Grant	Public Improvement - Storm Water	Community Development Block Grant	State and Local Narcotic Forfeitures
Revenue										
Property taxes	\$ 86,103	\$ -	\$ -	\$ 2,066,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Federal grants	-	-	225,874	-	-	-	-	-	1,081,139	-
State-shared revenue and grants	127,089	-	-	95,276	5,836	68,582	-	-	-	20,727
Local grants and contributions	-	-	-	-	-	-	-	-	-	-
Charges for services	15,001	-	-	1,238,775	278,392	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	7,157	-	7,830	17,953	7,995	-	-	1,305	-	-
Other revenue - Other miscellaneous income	43,956	-	-	-	-	-	-	-	-	-
Total revenue	279,306	-	233,704	3,418,140	292,223	68,582	-	1,305	1,081,139	20,727
Expenditures										
Current services:										
District court	-	-	-	-	-	68,582	-	-	-	-
Public safety	-	-	9,617	-	177,113	-	-	-	-	38,941
Public works	192,025	-	-	3,168,136	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	15,331	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	1,354,708	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	192,025	-	9,617	3,168,136	177,113	68,582	15,331	-	1,354,708	38,941
Excess of Revenue Over (Under) Expenditures	87,281	-	224,087	250,004	115,110	-	(15,331)	1,305	(273,569)	(18,214)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(50,000)	-
Proceeds from sale of capital assets	-	-	-	6,500	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	6,500	-	-	-	-	(50,000)	-
Net Change in Fund Balances	87,281	-	224,087	256,504	115,110	-	(15,331)	1,305	(323,569)	(18,214)
Fund Balances - Beginning of year	407,484	-	278,756	1,605,724	372,790	-	190,388	69,337	83,982	179,775
Fund Balances - End of year	\$ 494,765	\$ -	\$ 502,843	\$ 1,862,228	\$ 487,900	\$ -	\$ 175,057	\$ 70,642	\$ (239,587)	\$ 161,561

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, 2019

	Debt Service Funds						Capital Project Funds			
	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	2017 Capital Refunding	Capital Improvement	Police Station	Smith Drain
Revenue										
Property taxes	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Federal grants	-	-	-	-	-	-	-	-	-	-
State-shared revenue and grants	-	-	-	-	-	-	-	-	-	-
Local grants and contributions	-	194,330	244,528	313,813	323,593	-	12,003	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	-	7,618	7,289	1,486	7,142	23	-	10,818	85	20,008
Other revenue - Other miscellaneous income	-	-	-	-	-	-	-	-	-	-
Total revenue	7	201,948	251,817	315,299	330,735	23	12,003	10,818	85	20,008
Expenditures										
Current services:										
District court	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	21,707	-
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	285,000	400,000	-	518,985	-	-	-
Interest and fiscal charges	-	-	-	84,055	16,500	-	80,125	-	-	-
Total expenditures	-	-	-	369,055	416,500	-	599,110	-	21,707	-
Excess of Revenue Over (Under) Expenditures	7	201,948	251,817	(53,756)	(85,765)	23	(587,107)	10,818	(21,622)	20,008
Other Financing Sources (Uses)										
Transfers in	-	-	2,471	50,000	150,619	-	530,839	54,605	-	-
Transfers out	-	(204,600)	(234,739)	-	(70,854)	(1,274)	-	(11,227)	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(204,600)	(232,268)	50,000	79,765	(1,274)	530,839	43,378	-	-
Net Change in Fund Balances	7	(2,652)	19,549	(3,756)	(6,000)	(1,251)	(56,268)	54,196	(21,622)	20,008
Fund Balances - Beginning of year	2,972	325,863	335,890	171,653	454,837	1,251	126,403	452,349	21,622	903,622
Fund Balances - End of year	\$ 2,979	\$ 323,211	\$ 355,439	\$ 167,897	\$ 448,837	\$ -	\$ 70,135	\$ 506,545	\$ -	\$ 923,630

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

Year Ended March 31, 2019

	Capital Project Funds			Total
	Court Building Improvement	Road Improvement	Sidewalk Improvement Fund	
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ 2,152,246
Special assessments	-	59,391	-	59,391
Intergovernmental:				
Federal grants	-	-	-	1,307,013
State-shared revenue and grants	-	26,599	-	344,109
Local grants and contributions	-	-	-	1,088,267
Charges for services	-	-	-	1,532,168
Fines and forfeitures	169,977	-	-	169,977
Investment income	99,609	5,525	-	201,843
Other revenue - Other miscellaneous income	-	-	-	43,956
Total revenue	269,586	91,515	-	6,898,970
Expenditures				
Current services:				
District court	-	-	-	68,582
Public safety	-	-	-	247,378
Public works	-	-	-	3,360,161
Health and welfare	-	-	-	15,331
Community and economic development	-	-	-	1,354,708
Capital outlay	483,321	65,475	-	548,796
Debt service:				
Principal	-	-	-	1,203,985
Interest and fiscal charges	-	-	-	180,680
Total expenditures	483,321	65,475	-	6,979,621
Excess of Revenue Over (Under) Expenditures	(213,735)	26,040	-	(80,651)
Other Financing Sources (Uses)				
Transfers in	11,227	-	-	799,761
Transfers out	-	(59,225)	(1,525,607)	(2,157,526)
Proceeds from sale of capital assets	-	-	-	6,500
Total other financing sources (uses)	11,227	(59,225)	(1,525,607)	(1,351,265)
Net Change in Fund Balances	(202,508)	(33,185)	(1,525,607)	(1,431,916)
Fund Balances - Beginning of year	4,270,672	295,125	1,525,607	12,076,102
Fund Balances - End of year	\$ 4,068,164	\$ 261,940	\$ -	\$ 10,644,186

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds

March 31, 2019

	Golf Course	Senior Housing Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 1,212,346	\$ 277,384	\$ 1,489,730
Receivables	-	1,346	1,346
Deposits	7,107	-	7,107
Prepaid expenses	-	3,700	3,700
Total current assets	1,219,453	282,430	1,501,883
Noncurrent assets - Capital assets	2,066,057	2,502,997	4,569,054
Total assets	3,285,510	2,785,427	6,070,937
Deferred Outflows of Resources			
Deferred pension costs	-	42,088	42,088
Deferred OPEB costs	-	90,342	90,342
Total deferred outflows of resources	-	132,430	132,430
Liabilities			
Current liabilities:			
Accounts payable	178,132	3,857	181,989
Due to other funds	163,352	-	163,352
Accrued liabilities and other	-	2,298	2,298
Unearned revenue	1,185	-	1,185
Other liabilities	-	52,900	52,900
Total current liabilities	342,669	59,055	401,724
Noncurrent liabilities:			
Compensated absences	-	49,556	49,556
Net pension liability	-	387,021	387,021
Net OPEB liability	-	604,238	604,238
Total noncurrent liabilities	-	1,040,815	1,040,815
Total liabilities	342,669	1,099,870	1,442,539
Deferred Inflows of Resources			
Deferred pension cost reductions	-	3,706	3,706
Deferred OPEB cost reductions	-	75,200	75,200
Total deferred inflows of resources	-	78,906	78,906
Net Position			
Net investment in capital assets	2,066,057	2,502,997	4,569,054
Unrestricted	876,784	(763,916)	112,868
Total net position	<u>\$ 2,942,841</u>	<u>\$ 1,739,081</u>	<u>\$ 4,681,922</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, 2019

	Golf Course	Senior Housing Fund	Total Nonmajor Enterprise Funds
Operating Revenue - Charges for services	\$ 1,168,742	\$ 693,371	\$ 1,862,113
Operating Expenses			
General and administrative costs	-	385,939	385,939
Cost of services	1,022,144	-	1,022,144
Depreciation and amortization	146,402	102,081	248,483
Total operating expenses	1,168,546	488,020	1,656,566
Operating Income (Loss)	196	205,351	205,547
Nonoperating Revenue (Expense)			
Investment income	22,254	6,492	28,746
Interest expense	-	(8,050)	(8,050)
Gain on sale of assets	4,300	-	4,300
Total nonoperating revenue (expense)	26,554	(1,558)	24,996
Change in Net Position	26,750	203,793	230,543
Net Position - Beginning of year (as restated)	2,916,091	1,535,288	4,451,379
Net Position - End of year	<u>\$ 2,942,841</u>	<u>\$ 1,739,081</u>	<u>\$ 4,681,922</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended March 31, 2019

	Golf Course	Senior Housing Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,168,742	\$ 693,371	\$ 1,862,113
Payments for interfund services and reimbursements	104,657	-	104,657
Payments to suppliers	(891,441)	(161,473)	(1,052,914)
Payments to employees	-	(196,902)	(196,902)
	<u>381,958</u>	<u>334,996</u>	<u>716,954</u>
Net cash and cash equivalents provided by operating activities			
Cash Flows from Capital and Related Financing Activities			
Proceeds from sale of capital assets	4,300	-	4,300
Purchase of capital assets	(103,037)	(38,118)	(141,155)
Principal and interest paid on capital debt	-	(353,643)	(353,643)
	<u>(98,737)</u>	<u>(391,761)</u>	<u>(490,498)</u>
Net cash and cash equivalents used in capital and related financing activities			
Cash Flows Provided by Investing Activities - Interest received on investments			
	<u>22,254</u>	<u>6,492</u>	<u>28,746</u>
Net Increase (Decrease) in Cash and Cash Equivalents	305,475	(50,273)	255,202
Cash and Cash Equivalents - Beginning of year	906,871	327,657	1,234,528
Cash and Cash Equivalents - End of year	<u><u>\$ 1,212,346</u></u>	<u><u>\$ 277,384</u></u>	<u><u>\$ 1,489,730</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 196	\$ 205,351	\$ 205,547
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation and amortization	146,402	102,081	248,483
Changes in assets and liabilities:			
Due to and from other funds	104,657	-	104,657
Prepaid and other assets	-	387	387
Net pension or OPEB liability	-	30,741	30,741
Accounts payable	130,703	(3,564)	127,139
	<u>381,762</u>	<u>129,645</u>	<u>511,407</u>
Total adjustments			
Net cash and cash equivalents provided by operating activities	<u><u>\$ 381,958</u></u>	<u><u>\$ 334,996</u></u>	<u><u>\$ 716,954</u></u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Internal Service Funds

March 31, 2019

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Assets				
Current assets:				
Cash and investments	\$ 1,925,669	\$ 14,522	\$ 9,053	\$ 1,949,244
Receivables - Net	6,782	-	-	6,782
Deposits	2,039,709	-	-	2,039,709
Total current assets	3,972,160	14,522	9,053	3,995,735
Liabilities				
Current liabilities:				
Accounts payable	-	11,080	2,947	14,027
Accrued liabilities and other	-	3,442	6,106	9,548
Total current liabilities	-	14,522	9,053	23,575
Noncurrent liabilities - Provision for claims	773,530	-	-	773,530
Total liabilities	773,530	14,522	9,053	797,105
Net Position - Unrestricted	\$ 3,198,630	\$ -	\$ -	\$ 3,198,630

Charter Township of Redford

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

Year Ended March 31, 2019

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Operating Revenue - Township contributions	\$ 981,072	\$ 284,342	\$ 305,047	\$ 1,570,461
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	865,115	-	-	865,115
Cost of services	-	284,342	305,047	589,389
Total operating expenses	865,115	284,342	305,047	1,454,504
Operating Income (Loss)	115,957	-	-	115,957
Nonoperating Revenue - Investment income	93,136	-	-	93,136
Change in Net Position	209,093	-	-	209,093
Net Position - Beginning of year	2,989,537	-	-	2,989,537
Net Position - End of year	\$ 3,198,630	\$ -	\$ -	\$ 3,198,630

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended March 31, 2019

	Self-insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 981,072	\$ 284,342	\$ 305,047	\$ 1,570,461
Payments to suppliers	-	(47,049)	(7,810)	(54,859)
Payments to employees and fringes	-	(233,182)	(294,494)	(527,676)
Claims paid	(1,037,034)	-	-	(1,037,034)
	(55,962)	4,111	2,743	(49,108)
Net cash and cash equivalents (used in) provided by operating activities				
Cash Flows Provided by Investing Activities -				
Interest received on investments	93,136	-	-	93,136
	37,174	4,111	2,743	44,028
Net Increase in Cash and Cash Equivalents				
Cash and Cash Equivalents - Beginning of year				
	1,888,495	10,411	6,310	1,905,216
	\$ 1,925,669	\$ 14,522	\$ 9,053	\$ 1,949,244
Cash and Cash Equivalents - End of year				
	\$ 1,925,669	\$ 14,522	\$ 9,053	\$ 1,949,244
Classification of Cash and Cash Equivalents				
- Cash and investments	\$ 1,925,669	\$ 14,522	\$ 9,053	\$ 1,949,244
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 115,957	\$ -	\$ -	\$ 115,957
Adjustments to reconcile operating income to net cash from operating activities:				
Changes in assets and liabilities:				
Net pension or OPEB liability	-	88	1,906	1,994
Accounts payable	-	4,023	837	4,860
Estimated claims liability	(171,919)	-	-	(171,919)
	(171,919)	4,111	2,743	(165,065)
	(55,962)	4,111	2,743	(49,108)
Net cash and cash equivalents (used in) provided by operating activities				
	\$ (55,962)	\$ 4,111	\$ 2,743	\$ (49,108)

Charter Township of Redford

**Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds**

March 31, 2019

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total Pension and OPEB Funds
Assets				
Cash and cash equivalents	\$ 1,150,806	\$ 1,000,000	\$ -	\$ 2,150,806
Investments:				
Agency securities	10,078,591	-	-	10,078,591
Stocks	47,631,355	-	-	47,631,355
Bonds	6,326,631	-	-	6,326,631
Real estate investment trust	51,097	-	-	51,097
Short-term funds (2a7-like)	-	4,386,500	2,200,120	6,586,620
Receivables	103,332	6,912	-	110,244
Total assets	<u>65,341,812</u>	<u>5,393,412</u>	<u>2,200,120</u>	<u>72,935,344</u>
Liabilities				
Accounts payable	66,448	22,296	-	88,744
Due to primary government	751,405	1,099,044	-	1,850,449
Other liabilities	1,270,634	-	-	1,270,634
Total liabilities	<u>2,088,487</u>	<u>1,121,340</u>	<u>-</u>	<u>3,209,827</u>
Net Position	<u>\$ 63,253,325</u>	<u>\$ 4,272,072</u>	<u>\$ 2,200,120</u>	<u>\$ 69,725,517</u>

Charter Township of Redford

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

Year Ended March 31, 2019

	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	\$ 1,693,150	\$ 77,052	\$ 40,633	\$ 1,810,835
Net increase in fair value of investments	762,726	-	-	762,726
Investment-related expenses	(297,926)	-	-	(297,926)
Net investment income	2,157,950	77,052	40,633	2,275,635
Contributions	5,061,573	3,267,986	1,681,257	10,010,816
Total additions	7,219,523	3,345,038	1,721,890	12,286,451
Deductions				
Benefit payments	8,165,454	3,167,216	1,531,257	12,863,927
Refunds and withdrawals	884,761	-	-	884,761
Deferred retirement option plan expenses	808,627	-	-	808,627
Administrative expenses	94,968	6,624	7,375	108,967
Total deductions	9,953,810	3,173,840	1,538,632	14,666,282
Net (Decrease) Increase in Net Position Held in Trust	(2,734,287)	171,198	183,258	(2,379,831)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	65,987,612	4,100,874	2,016,862	72,105,348
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 63,253,325</u></u>	<u><u>\$ 4,272,072</u></u>	<u><u>\$ 2,200,120</u></u>	<u><u>\$ 69,725,517</u></u>