

**Charter Township of Redford
Wayne County, Michigan**

**Financial Report
with Supplemental Information
March 31, 2015**

Charter Township of Redford

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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 discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford (the "Township"), as of and for the year ended March 31, 2015, 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 opinion.

To the Board of Trustees
Charter Township of Redford

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Redford as of March 31, 2015 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.

As discussed in Note 18 to the basic financial statements, the 2014 basic financial statements have been restated to correct a misstatement of fund balance in the Brownfield component unit. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the basic financial statements, during the year ended March 31, 2015, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans, an Amendment of GASB Statement No. 25*, and Governmental Accounting Standards Board Statement No. 70, *Nonexchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Redford's basic financial statements. The other supplemental information 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.

To the Board of Trustees
Charter Township of Redford

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2015 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.

Plante & Morse, PLLC

September 2, 2015

Charter Township of Redford

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Redford's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2015. Please read it in conjunction with the Township's financial statements and notes to the financial statements that follow.

Financial Highlights

- State-shared revenue, our second largest revenue source, increased approximately \$192,000 for the year ended March 31, 2015, to \$4,897,000.
- As of January 1, 2015, the Township went from being self-insured for health care to becoming fully insured for all active employees. The Township analyzed the two plans and will realize a savings in healthcare costs. With the implementation of this change, there was also a significant decrease in the annual required contribution for retiree health care for general, police, and fire employees.
- In August 2012, the voters in Redford approved the Police and Fire Special Assessment District (SAD), in accordance with P.A. 33. As a result, the General Fund realized an increase in property tax revenue dedicated to police and fire operations for the past four years. However, one of the police and fire operating millages expired in the fiscal year ended March 31, 2015. The SAD millage was set to cover the revenue lost in the expiration of the operating millage.
- Total net position related to the Township's governmental activities increased by approximately \$2,078,000. This is attributed to multiple factors: (1) expenses for governmental activities decreased by over \$2,000,000. This is mainly attributed to the change in health care as previously described as well as a decrease in activity in the Neighborhood Stabilization Grant Program; (2) total governmental activities revenue increased by approximately \$1,800,000; (3) the Township saw an increase in property tax revenue of approximately \$861,000. The majority of this is related to a decrease in estimated future chargebacks from Wayne County; (4) there was also an increase in fines and forfeitures collected of approximately \$493,000.

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 Township as a whole and a long-term view of the Township's finances. This long-term view uses the accrual basis of accounting so it can measure the cost of providing services during the current year and associated funding sources.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The fund financial statements present a short-term view by telling us 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 Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

The Township as a Whole

The following table illustrates, in a condensed format, the approximate net position as of March 31, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Cash and investments	\$ 22,108,000	\$ 21,311,000	\$ 7,653,000	\$ 11,087,000	\$ 29,761,000	\$ 32,398,000
Other current assets	12,561,000	11,634,000	5,750,000	4,239,000	18,311,000	15,873,000
Capital assets	19,086,000	20,551,000	42,111,000	41,692,000	61,197,000	62,243,000
Total assets	53,755,000	53,496,000	55,514,000	57,018,000	109,269,000	110,514,000
Deferred Outflows of Resources						
	-	-	21,000	26,000	21,000	26,000
Liabilities						
Current liabilities	2,121,000	3,756,000	2,126,000	2,561,000	4,247,000	6,317,000
Long-term liabilities	32,073,000	30,760,000	7,819,000	9,767,000	39,892,000	40,527,000
Total liabilities	34,194,000	34,516,000	9,945,000	12,328,000	44,139,000	46,844,000
Net Position						
Net investment in capital assets	8,915,000	9,347,000	37,363,000	35,546,000	46,278,000	44,893,000
Restricted	8,241,000	8,348,000	341,000	341,000	8,582,000	8,689,000
Unrestricted	2,405,000	1,285,000	7,886,000	8,829,000	10,291,000	10,114,000
Total net position	<u>\$ 19,561,000</u>	<u>\$ 18,980,000</u>	<u>\$ 45,590,000</u>	<u>\$ 44,716,000</u>	<u>\$ 65,151,000</u>	<u>\$ 63,696,000</u>

The current level of unrestricted net position for our governmental activities stands at \$2,405,000.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The following table shows the approximate changes in net position for the years ended March 31, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue:						
Charges for services	\$ 6,373,000	\$ 5,702,000	\$ 17,858,000	\$ 17,430,000	\$ 24,231,000	\$ 23,132,000
Operating grants	3,601,000	3,461,000	-	-	3,601,000	3,461,000
Capital grants	435,000	431,000	-	-	435,000	431,000
General revenue:						
Property taxes	19,490,000	18,629,000	-	-	19,490,000	18,629,000
State-shared revenue	4,897,000	4,705,000	-	-	4,897,000	4,705,000
Investment earnings (loss)	45,000	36,000	252,000	(90,000)	297,000	(54,000)
Gain on sale of assets	-	65,000	7,000	5,000	7,000	70,000
Transfers and other revenue	1,570,000	1,452,000	-	-	1,570,000	1,452,000
Total revenue	36,411,000	34,481,000	18,117,000	17,345,000	54,528,000	51,826,000
Program Expenses						
General government	2,581,000	3,471,000	-	-	2,581,000	3,471,000
District court	2,768,000	2,438,000	-	-	2,768,000	2,438,000
Public safety	21,533,000	22,731,000	-	-	21,533,000	22,731,000
Public works	4,678,000	4,844,000	-	-	4,678,000	4,844,000
Health and welfare	110,000	429,000	-	-	110,000	429,000
Community and economic development	1,510,000	1,905,000	-	-	1,510,000	1,905,000
Recreation and cultural	689,000	494,000	-	-	689,000	494,000
Interest on long-term debt	464,000	511,000	-	-	464,000	511,000
Water and sewer	-	-	14,807,000	14,666,000	14,807,000	14,666,000
Golf course	-	-	1,190,000	1,209,000	1,190,000	1,209,000
Senior housing	-	-	483,000	483,000	483,000	483,000
Protective inspection	-	-	764,000	539,000	764,000	539,000
Total expenses	34,333,000	36,823,000	17,244,000	16,897,000	51,577,000	53,720,000
Change in Net Position	\$ 2,078,000	\$ (2,342,000)	\$ 873,000	\$ 448,000	\$ 2,951,000	\$ (1,894,000)

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

An example of a current redevelopment is a large financial investment being made by a private developer in partnership with the Township. This development of the former Detroit Catholic Central property, known as the Shamrock Village Subdivision project located on Breakfast Drive just north of Interstate 96 between the major intersections of Beech Daly and Inkster roads, continues to successfully progress. It is comprised of a Phase I and Phase II development that will provide additional new housing stock, a senior housing component, and improved infrastructure to the community. The project is well into Phase II at the end of the current fiscal year.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Governmental Activities

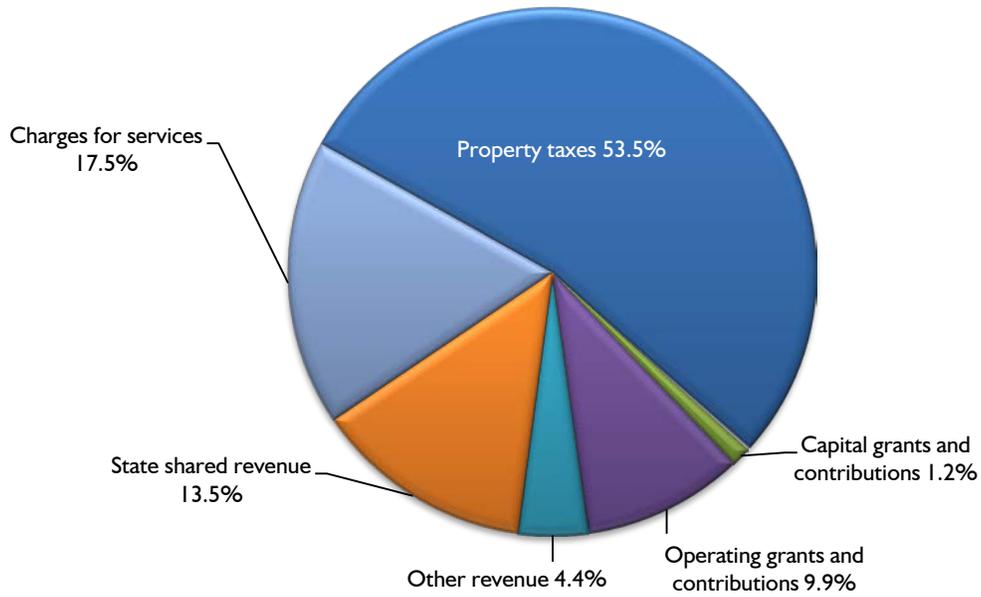
Local property taxes and state-shared revenue make up approximately 67 percent, or \$24,387,000, of the Township's total governmental revenue of \$36,411,000. The majority of the remaining amount of revenue is related to charges for services and operating and capital grants. As noted above in the "Financial Highlights" section, charges for services revenue increased by \$671,000. That is attributable to an increase in fines and fees compared to the previous fiscal year.

The largest area of expenditures is in the public safety and criminal justice activities, costing approximately \$21,533,000, or 63 percent of the total governmental expenses. Public safety expenditures decreased by \$1,198,000 in the current year as a result of the decrease in the other Postemployment benefit annual required contribution and the decrease in healthcare costs related to switching from a self-insured to a fully-insured plan. The public works activities, including solid waste disposal, cost approximately \$4,678,000, or 13 percent of governmental expenses. The remaining \$8,122,000 of expenses, or 24 percent, pays for recreation, community development, health and welfare, general government activities, and interest on debt. Community and economic development expenditures decreased by approximately \$395,000, mostly as a result of a decrease in Neighborhood Stabilization Program projects.

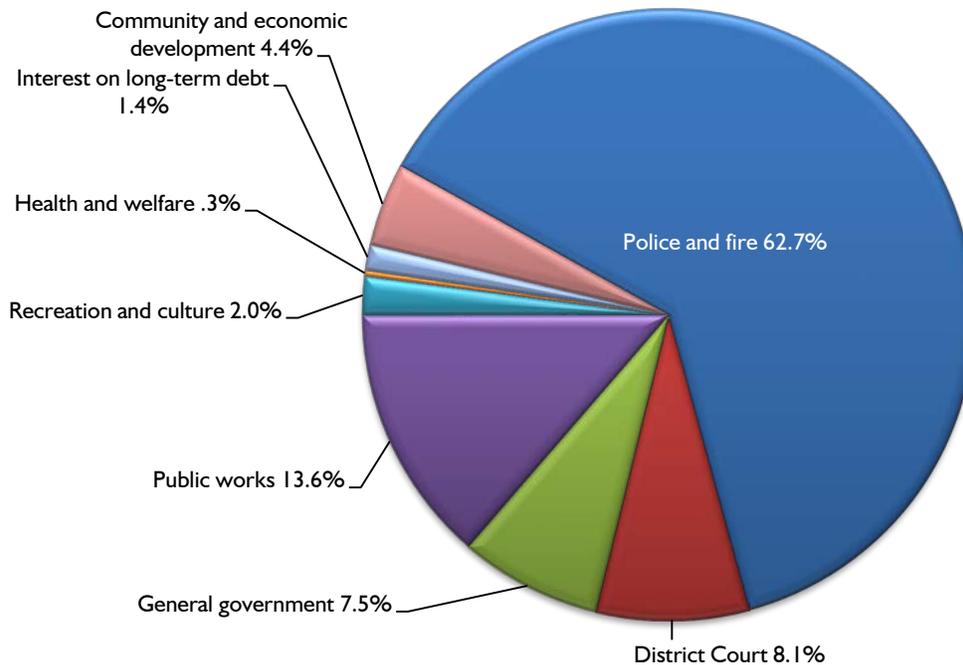
Charter Township of Redford

Management's Discussion and Analysis (Continued)

Revenue by Source - Governmental Activities



Expenses by Activity - Governmental Activities



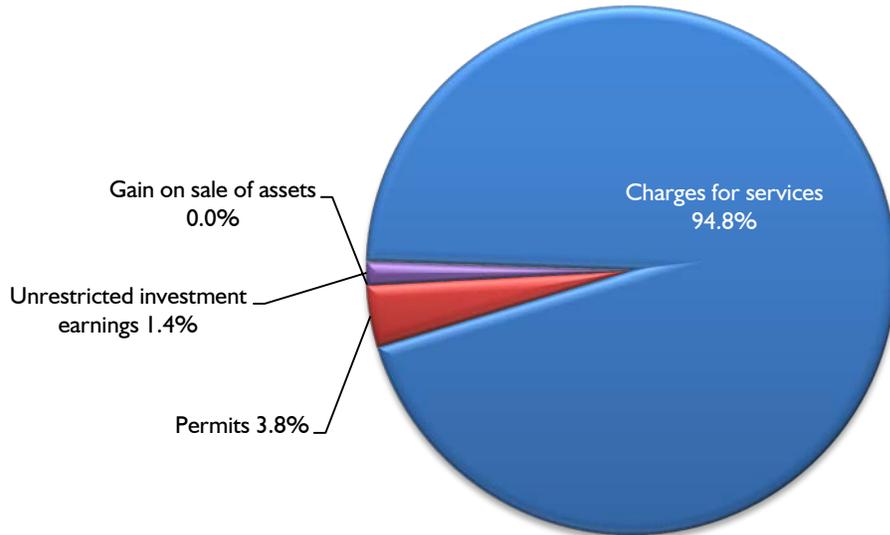
Business-type Activities

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

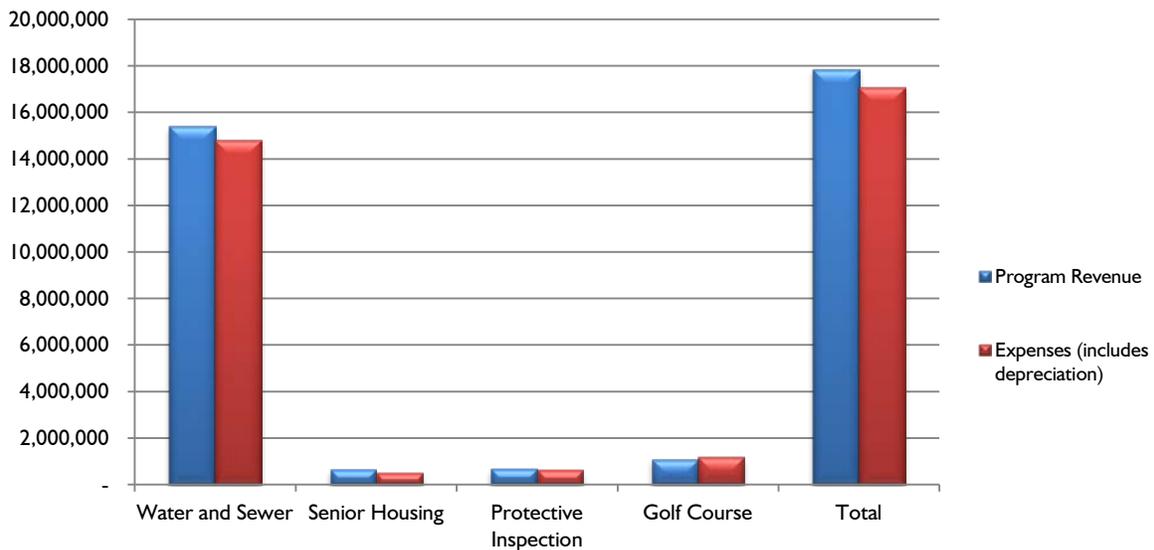
Charter Township of Redford

Management's Discussion and Analysis (Continued)

Revenue by Source - Business-type Activities



Expenses and Program Revenue - Business-type Activities



- Total net position related to the Township's business-type activities was an increase of \$875,000 compared to an increase of \$448,000 in the prior year. In FYE 2015, operating income in the Water and Sewer Fund was up approximately \$255,000, due to an increase in revenue and continuing to maintain operating expenses accordingly.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

- The 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 Township purchases water as a wholesale customer of the Detroit Water and Sewer Department. The Township, through our engineering consultants, developed a system of controls to monitor nonrevenue water on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. The fund realized operating income of approximately \$702,000 and an increase in net position of approximately \$845,000. The Township operates a combined sewerage transmission system that collects sanitary sewerage from customers and storm water run-off during rain events for delivery to the Detroit sewerage treatment facility.
- The Township owns and operates Glenhurst Municipal Golf Course as a business-type activity. The Township renegotiated and renewed the contract with a third party to oversee and manage the operations of the facility through March 2018.

The golf course operations produced a deficit of \$70,000 in FY 2015, after depreciation. The golf course experienced a sales decrease of \$25,000 while operating expenses decreased by \$20,000 from the previous year. Some of the revenue reduction can be attributed to the wet summer the Township experienced in 2014, reducing the number of golfers as compared to the previous year. Operating expenses decreased as a result of a decrease in the management fee and depreciation expense.

- The Township owns and operates a 92-unit independent-living senior citizens apartment complex named 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 Township. The financial results show an operating surplus of \$230,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$1,325,000 of principal remains outstanding.
- 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. For fiscal year 2015, the fund operated at a surplus.

Financial Analysis of the Township's Funds

Our analysis of the major funds is included in Note 1, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the 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 Township's major governmental funds for fiscal year 2015 were the General Fund, the Sidewalk Improvement Fund, and the Community Development Block Grant Fund.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

- The General Fund pays for most of the Township's governmental services. The most costly services are police and fire, which incurred expenses of approximately \$19,100,000 in fiscal year 2015. These two activities are partially funded by three police and fire millages. During the current year, this amounted to approximately \$5,217,000 (of which \$4,092,000 is further restricted as to use) for police and fire operations and \$7,395,000 for the retirement system. The remaining \$6,488,000 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 \$8,510,000.
- The Township operates a sidewalk improvement capital projects special assessment program, known as the Sidewalk Improvement Fund. Township ordinance officers cite hazardous sidewalks for replacement by the property owner. If the property owner does not make the repair within a reasonable time, the Township replaces the sidewalks and assesses the property. Payments can be made in full or will be assessed with interest on a five-year amortization schedule. The annual payments are collected on the property tax bill. For the 2015 fiscal year, approximately \$510,000 in sidewalks was replaced and \$683,000 in revenue was received. The current accounts receivable balance at year end was \$1,160,000.
- The Community Development Block Grant Fund accounts for program expenses and revenue received from the U.S. Department of Housing and Urban Development's Block Grant program and related program revenue. The Township received approximately \$1,326,000 in federal entitlements and program income during the 2015 fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account changing events. An amendment was passed, in accordance with budgetary accounting policies, increasing estimated revenue by \$840,000.

The expenditures were also amended, increasing by approximately \$865,000. This relates primarily to the expected increase of general retiree health benefits. In addition, the budget was amended to increase the overtime in the fire department.

Capital Asset and Debt Administration

At the end of the fiscal year, the Township had \$61,197,000 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 56 percent of the Township's total assets of \$112,388,000 (including component units).

Additional information regarding the Township's capital assets can be found in Note 4 of this report.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The long-term debt (including component units) of \$20,825,000 is related to the investment in capital assets and the Brownfield Redevelopment project, Shamrock. At the end of the fiscal year, the Township had \$10.2 million in debt in the governmental-type activities while business-type activities had \$4.7 million outstanding, with 73 percent of that amount in the Water and Sewer Fund and \$5.9 million in component unit debt.

Fiscal Year 2015-2016 Budget and Rates

The Township's General Fund budget for the 2015-2016 fiscal year anticipates an increase in revenue and expenditures over the prior year's original budget of approximately \$1,300,000.

The increase in property tax revenue is expected to be just over \$1,000,000. The police and fire pension millage, street lighting millage, and Police and Fire Special Assessment District are set and levied to cover costs.

The increase in expenditures is related to multiple factors. The police and fire departments each have \$200,000 budgeted for capital. The General Fund is budgeting for additional staff, contractual raises, inflationary increases, etc. Also, in the 2015-2016 year, the General Fund has to pick up some of the costs that have been previously charged to special revenue funds. For example, the Drug Forfeiture Fund has been used to cover police overtime or police capital in the past. This fund has now been depleted and can no longer cover these costs.

Like most metro-Detroit communities, the Township has experienced a severe decline in housing values reflective of the national housing and mortgage crisis. However, for the first time in many years, the 2015-2016 budget is projecting a slight increase in taxable value.

Water and sewer variable rates will increase in the 2015 fiscal year by just more than a 4.28 percent average. In addition, there will be a fixed component rate to follow the changes made by the supplier, Detroit Water and Sewer Department.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions concerning any of the information that is provided in this report, please contact the Township's Finance Department by visiting our website at www.redfordtwp.com.

Charter Township of Redford

Statement of Net Position (Deficit) March 31, 2015

	Primary Government			Component Units
	Governmental	Business-type	Total	
	Activities	Activities		
Assets				
Cash and investments	\$ 22,105,966	\$ 7,312,700	\$ 29,418,666	\$ 886,177
Receivables - Net (Note 3)	4,649,872	5,563,203	10,213,075	1,948,702
Due from component units	2,269,962	-	2,269,962	-
Internal balances	229,532	(229,532)	-	-
Deposits	2,190,717	9,707	2,200,424	-
Prepaid expenses and other assets	370,467	114,143	484,610	-
Restricted assets (Notes 2 and 8)	1,658	340,500	342,158	-
Assets held for resale	498,010	-	498,010	-
Inventories and other assets	-	51,678	51,678	-
Due from other governmental units (Note 3)	2,352,083	241,189	2,593,272	-
Capital assets:				
Assets not subject to depreciation (Note 4)	1,343,404	2,710,123	4,053,527	75,690
Assets subject to depreciation (Note 4)	17,742,599	39,401,104	57,143,703	208,764
Total assets	53,754,270	55,514,815	109,269,085	3,119,333
Deferred Outflows of Resources -				
Bond refunding loss being amortized	-	20,626	20,626	-
Liabilities				
Accounts payable	935,335	1,624,345	2,559,680	3,137
Due to other governmental units	101,845	-	101,845	-
Due to primary government	-	-	-	2,269,962
Accrued liabilities and other	665,878	87,825	753,703	1,002,712
Unearned revenue	13,932	4,735	18,667	-
Other current liabilities	403,721	51,281	455,002	-
Current portion of CSO installment agreement (Note 6)	-	358,560	358,560	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	41,994	-	41,994	-
Estimated insurance and other liabilities	45,612	-	45,612	-
Provision for property tax refunds	646,497	-	646,497	-
Current portion of long-term debt (Note 6)	1,453,882	1,475,015	2,928,897	350,000
Due in more than one year:				
Compensated absences (Note 6)	1,891,134	395,980	2,287,114	-
Estimated insurance and other liabilities (Note 9)	1,405,185	-	1,405,185	-
CSO installment agreement (Note 6)	-	1,284,819	1,284,819	-
Nonexchange financial guarantee (Note 7)	1,519,237	-	1,519,237	-
Net OPEB obligation (Notes 13 and 14)	16,350,220	1,390,565	17,740,785	-
Long-term debt (Note 6)	8,718,821	3,272,816	11,991,637	5,555,000
Total liabilities	34,193,293	9,945,941	44,139,234	9,180,811
Net Position (Deficit)				
Net investment in capital assets	8,914,958	37,363,396	46,278,354	284,454
Restricted for:				
Road improvements	1,054,393	-	1,054,393	-
PEG fees	71,721	-	71,721	-
Debt service	1,967,695	340,500	2,308,195	-
Solid waste activities	1,724,104	-	1,724,104	-
Grant programs	954,578	-	954,578	-
Dial-A-Ride	202,408	-	202,408	-
Street lighting	74,267	-	74,267	-
Drain improvements	888,575	-	888,575	-
Drug law enforcement	329,747	-	329,747	-
911	108,904	-	108,904	-
Storm water improvements	68,388	-	68,388	-
Public safety SAD	796,457	-	796,457	-
Unrestricted	2,404,782	7,885,604	10,290,386	(6,345,932)
Total net position (deficit)	\$ 19,560,977	\$ 45,589,500	\$ 65,150,477	\$ (6,061,478)

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	\$ 2,581,308	\$ 1,122,544	\$ 44,813	\$ 97,045
District Court	2,767,869	2,570,317	-	-
Public safety	21,532,669	1,330,561	193,164	17,229
Public works	4,678,475	1,059,117	2,027,715	197,870
Health and welfare	110,126	24,171	-	122,604
Community and economic development	1,510,147	2,080	1,297,332	-
Recreation and culture	689,224	264,213	38,000	-
Interest on long-term debt	463,839	-	-	-
Total governmental activities	34,333,657	6,373,003	3,601,024	434,748
Business-type activities:				
Water and Sewer Fund	14,807,112	15,402,859	-	-
Golf course	1,189,771	1,113,955	-	-
Senior Housing Fund	482,579	655,876	-	-
Protective inspection	622,366	685,602	-	-
Total business-type activities	17,101,828	17,858,292	-	-
Total primary government	<u>\$ 51,435,485</u>	<u>\$ 24,231,295</u>	<u>\$ 3,601,024</u>	<u>\$ 434,748</u>
Component units:				
Downtown Development Authority	\$ 128,279	\$ 8,251	\$ -	\$ -
Brownfield Redevelopment Financing Authority	3,317,453	-	-	-
Total component units	<u>\$ 3,445,732</u>	<u>\$ 8,251</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of fixed assets				
Total general revenue				
Transfers				
Change in Net Position				
Net Position (Deficit) - Beginning of year - As restated (Notes 7 and 17)				
Net Position (Deficit) - End of year				

Statement of Activities Year Ended March 31, 2015

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (1,316,906)	\$ -	\$ (1,316,906)	\$ -	
(197,552)	-	(197,552)	-	
(19,991,715)	-	(19,991,715)	-	
(1,393,773)	-	(1,393,773)	-	
36,649	-	36,649	-	
(210,735)	-	(210,735)	-	
(387,011)	-	(387,011)	-	
(463,839)	-	(463,839)	-	
(23,924,882)	-	(23,924,882)	-	
-	595,747	595,747	-	
-	(75,816)	(75,816)	-	
-	173,297	173,297	-	
-	63,236	63,236	-	
-	756,464	756,464	-	
(23,924,882)	756,464	(23,168,418)	-	
-	-	-	(120,028)	
-	-	-	(3,317,453)	
-	-	-	(3,437,481)	
19,490,385	-	19,490,385	3,243,165	
4,897,483	-	4,897,483	-	
45,362	252,240	297,602	3,990	
921,444	-	921,444	-	
507,204	-	507,204	827,175	
-	7,025	7,025	-	
25,861,878	259,265	26,121,143	4,074,330	
141,200	(141,200)	-	-	
2,078,196	874,529	2,952,725	636,849	
17,482,781	44,714,971	62,197,752	(6,698,327)	
\$ 19,560,977	\$ 45,589,500	\$ 65,150,477	\$ (6,061,478)	

Charter Township of Redford

Governmental Funds Balance Sheet March 31, 2015

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Nonmajor Funds	Total
Assets					
Cash and cash equivalents	\$ 8,760,326	\$ 1,128,754	\$ 60,813	\$ 10,557,327	\$ 20,507,220
Receivables (Note 3):					
Property taxes receivable	2,093,503	-	-	278,209	2,371,712
Receivables from sales to customers on account	-	1,159,535	451,873	389,970	2,001,378
Other receivables	260,729	-	-	16,053	276,782
Due from component units	2,269,962	-	-	-	2,269,962
Due from other funds (Note 5)	653,725	-	-	-	653,725
Prepaid expenses and other assets	337,540	-	11,270	21,657	370,467
Assets held for resale	-	-	248,604	249,406	498,010
Restricted assets	-	-	-	1,658	1,658
Due from other governmental units (Note 3)	2,078,835	-	243,267	29,981	2,352,083
Total assets	\$ 16,454,620	\$ 2,288,289	\$ 1,015,827	\$ 11,544,261	\$ 31,302,997
Liabilities					
Accounts payable	\$ 478,361	\$ -	\$ 20,468	\$ 420,178	\$ 919,007
Due to other governmental units	101,695	-	-	150	101,845
Due to other funds	-	-	291,320	132,873	424,193
Accrued liabilities and other	609,912	-	10,891	12,952	633,755
Unearned revenue (Note 3)	4,167	-	-	9,765	13,932
Deposits and other liabilities	403,721	-	-	-	403,721
Provision for property tax refunds	293,424	-	-	13,912	307,336
Total liabilities	1,891,280	-	322,679	589,830	2,803,789
Deferred Inflows of Resources -					
Unavailable revenue	2,196,073	1,132,032	695,140	615,721	4,638,966
Fund Balances					
Nonspendable (Note 16)	703,595	-	11,270	21,657	736,522
Restricted (Note 16)	821,002	-	248,604	6,091,367	7,160,973
Committed (Note 16)	278,077	-	-	3,572,359	3,850,436
Assigned (Note 16)	1,139,350	1,156,257	-	653,327	2,948,934
Unassigned (Note 16)	9,425,243	-	(261,866)	-	9,163,377
Total fund balances	12,367,267	1,156,257	(1,992)	10,338,710	23,860,242
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,454,620	\$ 2,288,289	\$ 1,015,827	\$ 11,544,261	\$ 31,302,997

Charter Township of Redford

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit) March 31, 2015

Fund Balance Reported in Governmental Funds	\$ 23,860,242
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	19,086,003
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	1,607,925
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures	2,323,753
Allowance for potential chargebacks on delinquent personal and real property taxes are expected to be collected over several years	(339,161)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(10,172,703)
Accrued interest is not due and payable in the current period and is not reported in the funds	(19,070)
Revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures	707,288
Employee compensated absences 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	(1,933,128)
Nonexchange financial guarantees are payable over a long period of time and do not represent a claim on current financial resources; therefore, they are not reported as a fund liability	(1,519,237)
Net other postemployment benefits obligation is not recorded as a liability in the funds	(16,350,220)
Internal Service Funds are included as part of governmental activities	<u>2,309,285</u>
Net Position of Governmental Activities	<u>\$ 19,560,977</u>

Charter Township of Redford

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2015

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Nonmajor Funds	Total
Revenue					
Property taxes (Note 1)	\$ 17,366,938	\$ -	\$ -	\$ 2,069,330	\$ 19,436,268
Licenses and permits	1,041,767	-	-	-	1,041,767
Federal grants	214,215	-	1,326,407	80,955	1,621,577
State sources	5,096,358	-	-	151,447	5,247,805
Charges for services	2,249,321	618,753	-	627,159	3,495,233
Fines and forfeitures	3,022,966	61,546	-	320,957	3,405,469
Investment income	20,390	2,475	-	22,192	45,057
Other revenue:					
Special assessments	-	-	-	147,726	147,726
Other miscellaneous income	1,938,844	-	-	2,132,192	4,071,036
Total revenue	<u>30,950,799</u>	<u>682,774</u>	<u>1,326,407</u>	<u>5,551,958</u>	<u>38,511,938</u>
Expenditures - Current					
General government	4,409,664	-	-	-	4,409,664
District Court	2,767,869	-	-	-	2,767,869
Public safety	19,384,314	-	-	874,215	20,258,529
Public works	1,707,627	510,399	-	2,251,369	4,469,395
Health and welfare	-	-	-	263,155	263,155
Community and economic development	80,175	-	1,327,263	220,242	1,627,680
Recreation and culture:					
Parks and recreation	237,712	-	-	-	237,712
Parks facilities	311,871	-	-	-	311,871
Senior citizens	62,200	-	-	-	62,200
Cultural	3,380	-	-	-	3,380
Capital outlay	-	-	-	111,790	111,790
Debt service	-	-	-	1,809,359	1,809,359
Total expenditures	<u>28,964,812</u>	<u>510,399</u>	<u>1,327,263</u>	<u>5,530,130</u>	<u>36,332,604</u>
Excess of Revenue Over (Under) Expenditures	1,985,987	172,375	(856)	21,828	2,179,334
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	3,935	-	-	-	3,935
Transfers in	506,333	-	-	1,096,617	1,602,950
Transfers out	(836,239)	-	(50,000)	(575,511)	(1,461,750)
Total other financing (uses) sources	<u>(325,971)</u>	<u>-</u>	<u>(50,000)</u>	<u>521,106</u>	<u>145,135</u>
Net Change in Fund Balances	1,660,016	172,375	(50,856)	542,934	2,324,469
Fund Balances - Beginning of year	<u>10,707,251</u>	<u>983,882</u>	<u>48,864</u>	<u>9,795,776</u>	<u>21,535,773</u>
Fund Balances (Deficit) - End of year	<u>\$ 12,367,267</u>	<u>\$ 1,156,257</u>	<u>\$ (1,992)</u>	<u>\$ 10,338,710</u>	<u>\$ 23,860,242</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Redford

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 2,324,469

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	347,941
Depreciation expense	(1,793,737)
Net book value of assets disposed of	(18,728)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(188,413)
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Expense related to the nonexchange financial guarantee is recognized on the statement of activities and not in the governmental funds	(22,452)
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Change in accrued interest payable and other	1,552
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,343,968
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Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	211,123
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Change in other postemployment liability	(801,874)
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Internal service funds are included as part of governmental activities	<u>674,347</u>
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Change in Net Position of Governmental Activities **\$ 2,078,196**

Charter Township of Redford

Proprietary Funds Statement of Net Position March 31, 2015

	Enterprise Funds				Governmental Activities
	Water and Sewer	Senior Housing	Nonmajor	Total	Proprietary Internal
	Fund	Fund	Enterprise Funds		Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 5,467,815	\$ 432,459	\$ 1,412,426	\$ 7,312,700	\$ 1,598,746
Receivables	5,553,674	704	8,825	5,563,203	-
Due from other funds	-	-	-	-	40,000
Deposits	-	-	9,707	9,707	2,190,717
Prepaid expenses and other assets	89,901	4,513	19,729	114,143	-
Inventories and other assets	51,678	-	-	51,678	-
Due from other governmental units	241,189	-	-	241,189	-
Total current assets	11,404,257	437,676	1,450,687	13,292,620	3,829,463
Noncurrent assets:					
Restricted assets (Note 8)	340,500	-	-	340,500	-
Capital assets (Note 4)	36,893,174	2,800,451	2,417,602	42,111,227	-
Total noncurrent assets	37,233,674	2,800,451	2,417,602	42,451,727	-
Total assets	48,637,931	3,238,127	3,868,289	55,744,347	3,829,463
Deferred Outflows of Resources -					
Bond discount/refunding loss being amortized	-	20,626	-	20,626	-
Liabilities					
Current liabilities:					
Accounts payable	1,596,232	6,198	21,915	1,624,345	16,328
Due to other funds	73,175	-	156,357	229,532	40,000
Accrued liabilities and other	62,860	23,286	1,679	87,825	13,053
Unearned revenue	-	-	4,735	4,735	-
Other current liabilities	131	51,150	-	51,281	-
Current portion of CSO installment agreement (Note 6)	358,560	-	-	358,560	-
Provision for claims	-	-	-	-	45,612
Current portion of long-term debt (Note 6)	1,170,015	305,000	-	1,475,015	-
Total current liabilities	3,260,973	385,634	184,686	3,831,293	114,993
Noncurrent liabilities:					
Compensated absences	317,190	41,899	36,891	395,980	-
Estimated insurance and other liabilities	-	-	-	-	1,405,185
Net OPEB obligation	1,170,623	44,528	175,414	1,390,565	-
CSO installment agreement - Net of current portion (Note 6)	1,284,819	-	-	1,284,819	-
Long-term debt (Note 6)	2,252,816	1,020,000	-	3,272,816	-
Total noncurrent liabilities	5,025,448	1,106,427	212,305	6,344,180	1,405,185
Total liabilities	8,286,421	1,492,061	396,991	10,175,473	1,520,178
Net Position					
Net investment in capital assets	33,470,343	1,475,451	2,417,602	37,363,396	-
Restricted - Debt service	340,500	-	-	340,500	-
Unrestricted	6,540,667	291,241	1,053,696	7,885,604	2,309,285
Total net position	<u>\$ 40,351,510</u>	<u>\$ 1,766,692</u>	<u>\$ 3,471,298</u>	<u>45,589,500</u>	<u>\$ 2,309,285</u>
Net Position of Business-type Activities				<u>\$ 45,589,500</u>	

Charter Township of Redford

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended March 31, 2015

	Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds		Proprietary Internal Service Fund
Operating Revenue					
Charges for services	\$ 15,315,777	\$ 655,876	\$ 1,113,955	\$ 17,085,608	\$ 522,391
Federal grants	87,082	-	-	87,082	-
Township contributions	-	-	-	-	4,962,742
Fees and permits	-	-	685,602	685,602	-
Total operating revenue	15,402,859	655,876	1,799,557	17,858,292	5,485,133
Operating Expenses					
Cost of water and sewer	11,357,221	-	-	11,357,221	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	4,315,858
Billing and administrative costs	325,000	-	-	325,000	-
General and administrative costs	1,567,534	330,684	-	1,898,218	522,391
Cost of services	-	-	1,637,273	1,637,273	-
Depreciation and amortization	1,450,767	95,628	174,864	1,721,259	-
Total operating expenses	14,700,522	426,312	1,812,137	16,938,971	4,838,249
Operating Income (Loss)	702,337	229,564	(12,580)	919,321	646,884
Nonoperating Revenue (Expenses)					
Investment income	248,369	1,002	2,869	252,240	27,463
Interest expense	(106,590)	(56,267)	-	(162,857)	-
Gain on sale of assets	1,025	-	6,000	7,025	-
Total nonoperating revenue (expenses)	142,804	(55,265)	8,869	96,408	27,463
Income (Loss) - Before contributions	845,141	174,299	(3,711)	1,015,729	674,347
Transfers Out	-	-	(141,200)	(141,200)	-
Change in Net Position	845,141	174,299	(144,911)	874,529	674,347
Net Position - Beginning of year	39,506,369	1,592,393	3,616,209	44,714,971	1,634,938
Net Position - End of year	<u>\$ 40,351,510</u>	<u>\$ 1,766,692</u>	<u>\$ 3,471,298</u>	<u>\$ 45,589,500</u>	<u>\$ 2,309,285</u>

Charter Township of Redford

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2015

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Proprietary Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 15,128,462	\$ 655,590	\$ 1,811,863	\$ -
Receipts from interfund services and reimbursements	-	-	-	5,485,133
Payments to suppliers	(9,384,670)	(144,845)	(1,167,498)	(347,002)
Payments to employees	(3,866,801)	(193,131)	(540,962)	(482,247)
Internal activity - Payments to other funds	(2,312,079)	-	(5,598)	-
Claims paid	-	-	-	(4,682,675)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in) provided by operating activities	(435,088)	317,614	97,805	(26,791)
Cash Flows from Noncapital Financing Activities - Transfer out	-	-	(141,200)	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from sales of capital assets	1,025	-	6,000	-
Purchase of capital assets	(2,081,597)	(5,156)	(53,905)	-
Principal and interest paid on capital debt	(1,245,608)	(314,794)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash used in capital and related financing activities	(3,326,180)	(319,950)	(47,905)	-
Cash Flows from Investing Activities - Interest received on investments	417,021	1,002	2,869	27,463
Net (Decrease) Increase in Cash and Cash Equivalents	(3,344,247)	(1,334)	(88,431)	672
Cash and Cash Equivalents - Beginning of year	9,152,562	433,793	1,500,857	1,598,074
Cash and Cash Equivalents - End of year	<u><u>\$ 5,808,315</u></u>	<u><u>\$ 432,459</u></u>	<u><u>\$ 1,412,426</u></u>	<u><u>\$ 1,598,746</u></u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 5,467,815	\$ 432,459	\$ 1,412,426	\$ 1,598,746
Restricted cash	340,500	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents	<u><u>\$ 5,808,315</u></u>	<u><u>\$ 432,459</u></u>	<u><u>\$ 1,412,426</u></u>	<u><u>\$ 1,598,746</u></u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 702,337	\$ 229,564	\$ (12,580)	\$ 646,884
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	1,450,767	95,628	174,864	-
Changes in assets and liabilities:				
Receivables	(274,397)	(286)	10,254	-
Deposits	-	-	2,569	(880,715)
Prepaid and other assets	251,472	(2,026)	(10,731)	(6,331)
Accounts payable	(382,380)	(2,011)	(1,632)	4,048
Due to other funds	(1,987,079)	-	(5,598)	-
Estimated claims liability	-	-	-	207,204
Accrued and other liabilities	(195,808)	(3,255)	(59,341)	2,119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in) provided by operating activities	<u><u>\$ (435,088)</u></u>	<u><u>\$ 317,614</u></u>	<u><u>\$ 97,805</u></u>	<u><u>\$ (26,791)</u></u>

Noncash Investing, Capital, and Financing Activities - During the year ended March 31, 2015, unrealized gains of \$165,647 on investments were recorded in the Water and Sewer Fund.

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Redford

Fiduciary Funds Statement of Fiduciary Net Position March 31, 2015

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 4,935,941	\$ 1,751,605
Investments:		
Agency securities	4,957,922	-
Stocks	42,994,546	-
Corporate bonds	13,095,737	-
Real estate investment trust	1,059,659	-
Short-term funds (2a7-like)	6,731,577	-
Accrued interest receivable	267,774	-
	<hr/>	<hr/>
Total assets	74,043,156	<u>\$ 1,751,605</u>
Liabilities		
Accounts payable	65,690	\$ -
Due to primary government	1,676,146	-
Refundable deposits, bonds, etc.	-	1,751,605
	<hr/>	<hr/>
Total liabilities	1,741,836	<u>\$ 1,751,605</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 72,301,320</u>	

Charter Township of Redford

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended March 31, 2015

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 1,895,238
Net increase in fair value of investments	2,892,737
Investment-related expenses	(409,737)
Net investment income	4,378,238
Contributions	9,970,089
Total additions	14,348,327
Deductions	
Benefit payments	12,573,779
Refunds and withdrawals	1,101,495
Deferred Retirement Plan Option expenses	1,537,001
Administrative expenses	55,662
Total deductions	15,267,937
Net Decrease in Net Position Held in Trust	(919,610)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year - As restated (Note 17)	73,220,930
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 72,301,320</u>

Charter Township of Redford

Component Units Statement of Net Position (Deficit) March 31, 2015

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 259,205	\$ 626,972	\$ 886,177
Receivables	-	1,948,702	1,948,702
Capital assets (Note 4)	284,454	-	284,454
Total assets	543,659	2,575,674	3,119,333
Liabilities			
Accounts payable	1,087	2,050	3,137
Due to primary government	-	2,269,962	2,269,962
Accrued liabilities and other	1,187	1,001,525	1,002,712
Due within one year - Current portion of long-term debt	-	350,000	350,000
Due in more than one year - Long-term debt	-	5,555,000	5,555,000
Total liabilities	2,274	9,178,537	9,180,811
Net Position (Deficit)			
Net investment in capital assets	284,454	-	284,454
Unrestricted	256,931	(6,602,863)	(6,345,932)
Total net position (deficit)	\$ 541,385	\$ (6,602,863)	\$ (6,061,478)

Charter Township of Redford

Component Units Statement of Activities Year Ended March 31, 2015

	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Downtown Development Authority - Public works	\$ 128,279	\$ 8,251	\$ (120,028)	\$ -	\$ (120,028)
Brownfield Redevelopment Financing Authority:					
Community and economic development	3,011,980	-	-	(3,011,980)	(3,011,980)
Debt service	305,473	-	-	(305,473)	(305,473)
Total Brownfield Redevelopment Financing Authority	<u>3,317,453</u>	<u>-</u>	<u>-</u>	<u>(3,317,453)</u>	<u>(3,317,453)</u>
Total component units	<u>\$ 3,445,732</u>	<u>\$ 8,251</u>	(120,028)	(3,317,453)	(3,437,481)
General revenue:					
Property taxes			161,274	3,081,891	3,243,165
Investment income			398	3,592	3,990
Other miscellaneous income			-	827,175	827,175
Total general revenue			<u>161,672</u>	<u>3,912,658</u>	<u>4,074,330</u>
Change in Net Position			41,644	595,205	636,849
Net Position (Deficit) - Beginning of year - As restated (Note 17)			<u>499,741</u>	<u>(7,198,068)</u>	<u>(6,698,327)</u>
Net Position (Deficit) - End of year			<u>\$ 541,385</u>	<u>\$ (6,602,863)</u>	<u>\$ (6,061,478)</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Charter Township of Redford:

Reporting Entity

The Charter Township of Redford is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the 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 Township (see discussion below for description).

Blended Component Units

The Redford Township Building Authority is governed by a board that is appointed by the Township board. Although it is legally separate from the 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 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 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 appointed 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 Township. The DDA does not publish separately issued financial statements. The DDA can be contacted at the Township offices at 15145 Beech Daly Road, Redford Township, Michigan 48239.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Brownfield Redevelopment Financing Authority - The Brownfield Redevelopment Financing Authority (the "Authority") was established pursuant to Public Act 381 of 1996. The Authority was created to promote revitalization of environmentally distressed areas within the boundaries of the 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 Township. The Authority does not publish separately issued financial statements. The Authority can be contacted at the Township offices at 15145 Beech Daly Road, Redford Township, Michigan 48239.

Economic Development Corporation - The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Township, primarily through loans to eligible businesses. The EDC had no financial activity during the year ended March 31, 2015.

Accounting and Reporting Principles

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

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. 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 and other items not properly included among program revenue are reported instead as general revenue.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. 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 government 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.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the 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, delinquent property taxes, 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 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Sidewalk Improvement Fund accounts for the construction and improvements to the sidewalks in the Township. Included in the fund are the special assessment receivables and revenue related to the construction, in addition to the construction costs.
- The Community Development Block Grant Fund accounts for program expenses and revenue received from the Federal Department of Housing and Urban Development's Block Grant Program, and related program revenue.

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 Township). The Township reports the following funds as “major” enterprise funds:

- The Water and Sewer Fund accounts for the results of operations for providing water and sewer services to the citizens and businesses of the Township. The fund's primary revenue is generated through user charges from those requesting water and sewer services.
- The Senior Housing Fund accounts for the results of operations for providing senior housing facilities to elderly citizens of the Township. The revenue is generated through monthly rental payments made by tenants.

The 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

The Agency Fund accounts for monies from the Shamrock Village Brownfield project to partially secure payment on the Brownfield Bonds protecting the Township should there be a default by the developer on the contractual obligations of the development agreement and/or Brownfield Plan.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- 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 government 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.

Further, 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash, Cash Equivalents, 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, 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 of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

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 of Redford water and sewer lines. In addition, unspent bond proceeds have been classified as restricted assets in the governmental funds.

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 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 fair market value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Lives</u>
Land improvements	7 to 50 years
Road usage rights	15 years
Buildings and improvements	7 to 50 years
Water and sewer facilities	50 to 100 years
Water meters	20 to 60 years
CSO basin	30 years
Vehicles	3 to 10 years
Equipment	5 to 10 years

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Amortization - Bond discounts recorded in the business-type activities are being amortized over the life of the bonds. For the year ended March 31, 2015, amortization of \$14,172 has been included in the operating expenses of the business-type activities, and accumulated amortization totaled \$1,273,900 for business-type activities.

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 as an "other financing source." Premiums received on debt issuances are reported as other financing sources while discounts are reported 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 (deficit) and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position (deficit). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position (deficit) and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Township has one item that qualifies for reporting in this category, which is the deferred inflows of resources related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: federal sources, grant reimbursements, and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note I - Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the government will 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 government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, with the following exception. 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 Township will spend the funds as allowable expenditures are incurred. Further, 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 government 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 government's highest level of decision-making authority. The Township board is the highest level of decision-making authority for the government 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.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

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

Property Tax Revenue

Property taxes are levied and become a lien on each December 1 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 Township's 2014 tax is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended March 31, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the Township totaled \$782 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 operating purposes, 6.0000 mills for police and fire special assessment district, 8.9300 mills for police and fire pension, 2.5984 mills for solid waste management, 1.2700 mills for street lighting, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$3.2 million for general operating purposes, \$1.1 million for police and fire operating purposes, \$4.1 million for the police and fire special assessment district, \$7.4 million for police and fire pension, \$2.0 million for solid waste management, \$0.9 million for street lighting, and \$0.1 million for Dial-A-Ride operating purposes. These amounts are recognized in the respective General and Special Revenue Funds.

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

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick leave 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 attributable to the governmental activities will be liquidated primarily by the General Fund. Claims and judgments liability will generally be liquidated through the Township's General Fund. The net pension obligation and net OPEB obligation have generally been liquidated from the funds that the individual employee's salaries are paid, which are primarily the General and Water and Sewer Funds.

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 and 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 enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as 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 Township's financial statements.

Note 2 - Deposits and Investments

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

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and cash equivalents	\$ 22,016,074	\$ 4,056,634	\$ 6,687,546	\$ 32,760,254	\$ 886,177
Investments	89,892	3,256,066	68,839,441	72,185,399	-
Restricted cash and investments	1,658	340,500	-	342,158	-
Total	<u>\$ 22,107,624</u>	<u>\$ 7,653,200</u>	<u>\$ 75,526,987</u>	<u>\$ 105,287,811</u>	<u>\$ 886,177</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 2 - Deposits and Investments (Continued)

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

	Primary Government	Component Units
Deposits with financial institutions	\$ 33,587,934	\$ 886,177
Investments:		
U.S. government securities	6,421,079	-
Stocks	42,994,546	-
Bonds	13,095,740	-
Real estate investment trust	1,059,659	-
Short-term funds (2a7-like)	8,109,378	-
Petty cash or cash on hand	19,475	-
Total	<u>\$ 105,287,811</u>	<u>\$ 886,177</u>

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

The Pension, Police and Fire, and General Employees' Trust Funds are also authorized by Michigan Public Act 347 of 2012 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 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 of Redford's deposits and investment policies are in accordance with statutory authority.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 2 - Deposits and Investments (Continued)

The 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 Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$34,202,144 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The 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 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 \$880,404 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 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 Township does not have a policy for custodial credit risk. At year end, the Township had no investment securities which were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

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 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 Township had the following investments:

Investment	Fair Value	Weighted Average Maturity (in years)
U.S. government agency securities (Water and Sewer Fund)	\$ 1,463,158	13.4
U.S. government agency securities (pension)	4,957,922	24.7
Corporate bonds (pension)	13,095,737	8.3
Total	<u>\$ 19,516,817</u>	

Charter Township of Redford

Notes to Financial Statements March 31, 2015

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 Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
U.S. Treasury	\$ 1,340,812	AAA	Moody's
U.S. government securities (pension)	3,612,194	AA+	Moody's
U.S. government securities (Water and Sewer Fund)	1,463,158	AA+	Moody's
Corporate bonds (pension)	556,824	AA2	Moody's
Corporate bonds (pension)	420,687	A3	Moody's
Corporate bonds (pension)	3,928,360	A2	Moody's
Corporate bonds (pension)	1,917,062	A1	Moody's
Corporate bonds (pension)	663,974	BBB	Moody's
Corporate bonds (pension)	923,008	BAA3	Moody's
Corporate bonds (pension)	1,564,334	BAA2	Moody's
Corporate bonds (pension)	3,116,599	BAA1	Moody's
Corporate bonds (pension)	4,892	Not rated	
Short-term funds - MBIA pooled accounts	2,985	Not rated	
Comerica J-Fund	8,106,393	A1, P1	S&P, Moody's
Total	\$ 27,621,282		

Concentration of Credit Risk - The Township limits the amount it may invest in any one issuer to 5 percent. No more than 5 percent of the Township's investments is invested in any one issuer.

Note 3 - Receivables

Receivables as of year end for the 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	Sidewalk Improvement Fund	Community Development Block Grant	Nonmajor Funds	Governmental Funds Total	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Proprietary Funds Total	Total Primary Government	Component Units
Receivables:											
Property taxes receivable	\$ 2,208,627	\$ -	\$ -	\$ 278,209	\$ 2,486,836	\$ -	\$ -	\$ -	\$ -	\$ 2,486,836	\$ -
Receivables from sales to customers on account	-	1,159,535	451,873	389,970	2,001,378	4,603,392	704	8,825	4,612,921	6,614,299	-
Accrued interest receivable	12,000	-	-	-	12,000	-	-	-	-	12,000	-
Due from other governmental units	2,078,835	-	243,267	29,981	2,352,083	241,189	-	-	241,189	2,593,272	-
Other receivables	248,729	-	-	16,053	264,782	950,282	-	-	950,282	1,215,064	1,948,702
Less allowance for uncollectibles	(115,124)	-	-	-	(115,124)	-	-	-	-	(115,124)	-
Net receivables	\$ 4,433,067	\$ 1,159,535	\$ 695,140	\$ 714,213	\$ 7,001,955	\$ 5,794,863	\$ 704	\$ 8,825	\$ 5,804,392	\$ 12,806,347	\$ 1,948,702

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 3 - Receivables (Continued)

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

	Governmental Funds	
	Unavailable	Unearned
Delinquent property taxes	\$ 2,323,753	\$ -
Special assessments	1,607,925	-
Community Development Block Grant	695,140	-
FEMA Grant	7,054	-
Home Grant	-	9,765
JAG Grant	5,094	-
Parks and recreation	-	4,167
Total	\$ 4,638,966	\$ 13,932

Note 4 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance April 1, 2014	Additions	Disposals and Adjustments	Balance March 31, 2015
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Capital assets being depreciated:				
Road rights	12,755,044	-	-	12,755,044
Buildings and improvements	17,207,170	75,404	(22,250)	17,260,324
Machinery and equipment	319,575	66,419	(12,000)	373,994
Vehicles	3,874,715	81,870	(53,101)	3,903,484
Office equipment	3,714,608	124,248	(93,185)	3,745,671
Land improvements	2,948,240	-	-	2,948,240
Furniture and fixtures	78,713	-	-	78,713
Subtotal	40,898,065	347,941	(180,536)	41,065,470
Accumulated depreciation:				
Road usage rights	5,463,770	850,371	-	6,314,141
Buildings and improvements	8,846,387	374,099	(3,522)	9,216,964
Machinery and equipment	271,609	14,605	(12,000)	274,214
Vehicles	2,845,717	198,083	(53,101)	2,990,699
Office equipment	2,996,806	216,243	(93,185)	3,119,864
Land improvements	1,210,189	135,871	-	1,346,060
Furniture and fixtures	56,464	4,465	-	60,929
Subtotal	21,690,942	1,793,737	(161,808)	23,322,871
Net capital assets being depreciated	19,207,123	(1,445,796)	(18,728)	17,742,599
Net capital assets	\$ 20,550,527	\$ (1,445,796)	\$ (18,728)	\$ 19,086,003

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 4 - Capital Assets (Continued)

Business-type Activities	Balance April 1, 2014	Reclassifications	Additions	Disposals and Adjustments	Balance March 31, 2015
Capital assets not being depreciated:					
Land	\$ 868,128	\$ -	\$ -	\$ -	\$ 868,128
Construction in progress	1,646,616	(1,651,375)	1,846,754	-	1,841,995
Subtotal	2,514,744	(1,651,375)	1,846,754	-	2,710,123
Capital assets being depreciated:					
Water and sewer facilities	35,366,163	1,651,375	81,868	-	37,099,406
Water meters	2,004,053	-	-	-	2,004,053
Buildings and improvements	9,259,875	-	-	-	9,259,875
Equipment	2,543,957	-	59,006	(109,927)	2,493,036
Vehicles	1,353,253	-	138,858	(17,211)	1,474,900
Road rights	37,077	-	-	-	37,077
CSO basin	19,109,560	-	-	-	19,109,560
Land improvements	74,215	-	-	-	74,215
Subtotal	69,748,153	1,651,375	279,732	(127,138)	71,552,122
Accumulated depreciation:					
Water and sewer facilities	10,761,238	-	585,211	-	11,346,449
Water meters	1,891,160	-	20,259	-	1,911,419
Buildings and improvements	4,753,993	-	211,458	-	4,965,451
Equipment	1,649,502	-	176,180	(109,927)	1,715,755
Vehicles	1,059,297	-	65,203	(17,211)	1,107,289
Road rights	3,708	-	2,472	-	6,180
Land improvements	9,484	-	4,949	-	14,433
CSO basin	10,442,687	-	641,355	-	11,084,042
Subtotal	30,571,069	-	1,707,087	(127,138)	32,151,018
Net capital assets being depreciated	39,177,084	1,651,375	(1,427,355)	-	39,401,104
Net capital assets	\$ 41,691,828	\$ -	\$ 419,399	\$ -	\$ 42,111,227

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 4 - Capital Assets (Continued)

Component Units	Balance April 1, 2014	Additions	Balance March 31, 2015
Capital assets not being depreciated - Land	\$ 75,690	\$ -	\$ 75,690
Capital assets being depreciated:			
Machinery and equipment	14,416	-	14,416
Land improvements	257,885	-	257,885
Subtotal	272,301	-	272,301
Accumulated depreciation:			
Machinery and equipment	10,058	1,743	11,801
Land improvements	35,542	16,194	51,736
Subtotal	45,600	17,937	63,537
Net capital assets being depreciated	226,701	(17,937)	208,764
Net capital assets	<u>\$ 302,391</u>	<u>\$ (17,937)</u>	<u>\$ 284,454</u>

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

Governmental activities:

General government	\$ 74,971
Public safety	629,584
Public works	920,733
Community and economic development	47,894
Recreation and culture	120,555
Total governmental activities	<u>\$ 1,793,737</u>

Business-type activities:

Water and sewer	\$ 1,441,751
Senior housing	90,472
Protective inspection	5,701
Golf course	169,163
Total business-type activities	<u>\$ 1,707,087</u>

Component unit activities - Downtown Development Authority	<u>\$ 17,937</u>
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Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Community Development Block Grant Fund	\$ 291,320
	Nonmajor governmental funds	132,873
	Nonmajor enterprise funds	116,357
	Internal Service Funds	40,000
	Water and Sewer Fund	<u>73,175</u>
	Total General Fund	653,725
Internal Service Funds	Nonmajor enterprise funds	<u>40,000</u>
	Total	<u>\$ 693,725</u>

Receivable Fund	Payable Fund	Amount
Due to/from Primary Government and Component Units		
General Fund	Brownfield Redevelopment Financing Authority	<u>\$ 2,269,962</u>

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

Interfund transfers reported in the fund financial statements related to debt service are comprised of the following:

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Nonmajor governmental funds	\$ 836,239
Community Development Block Grant Fund	Nonmajor governmental funds	50,000
Nonmajor governmental funds	Nonmajor governmental funds	575,511
Nonmajor enterprise funds	General Fund	<u>141,200</u>
	Total	<u>\$ 1,602,950</u>

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

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 6 - Long-term Debt

The 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 Township. County contractual agreements and installment purchase agreements are also general obligations of the government. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. The Building Authority bond commitments are limited by the Township's legal ability to levy property taxes.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation bonds:							
2006 Capital Improvement Bonds:							
Amount of issue - \$2,695,000	3.75% -	\$150,000 -					
Maturing through 2021	4.00%	\$200,000	\$ 1,295,000	\$ -	\$ (200,000)	\$ 1,095,000	\$ 200,000
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.22% -	\$350,000 -					
Maturing through 2024	4.50%	\$500,000	3,900,000	-	(300,000)	3,600,000	350,000
Building Authority Bonds:							
2011 Refunding Bonds for 1998A Fire Station:							
Amount of issue - \$1,525,000 (part of \$3,105,000 issue)	2.25% -	\$225,000-					
Maturing through 2018	3.00%	\$245,000	905,000	-	(205,000)	700,000	230,000
2011 Refunding Bonds for 1998B Service Building:							
Amount of issue - \$830,000 (part of \$3,105,000 issue)	2.25% -						
Maturing through 2018	3.00%	\$125,000	505,000	-	(130,000)	375,000	125,000
2011 Refunding Bonds for 1999 Service Building:							
Amount of issue - \$265,000 (part of \$3,105,000 issue)	2.25% -						
Maturing through 2018	3.00%	\$50,000	145,000	-	(45,000)	100,000	50,000
2007 Capital Improvement Bonds:							
Lyndon:							
Amount of issue - \$507,461 (part of \$4.5M original issue)		\$22,440-					
Maturing through 2022	4.00%	\$47,400	301,265	-	(33,459)	267,806	36,247
Glendale:							
Amount of issue - \$304,486 (part of \$4.5M original issue)		\$13,464 -					
Maturing through 2022	4.00%	\$28,441	180,764	-	(20,076)	160,688	21,749
2007 Capital Improvement Bond - Roads:							
Amount of issue - \$2,812,401 (part of \$4.5M original issue)		\$124,365-					
Maturing through 2022	4.00%	\$262,697	1,669,642	-	(185,433)	1,484,209	200,886
2007 CDBG Bond:							
Amount of issue - \$3,545,000	4.55% -	\$195,000-					
Maturing through 2023	5.13%	\$365,000	2,615,000	-	(225,000)	2,390,000	240,000
Total bonds payable			11,516,671	-	(1,343,968)	10,172,703	1,453,882
Accumulated compensated absences			2,144,252	574,325	(785,449)	1,933,128	41,994
Total governmental activities			\$ 13,660,923	\$ 574,325	\$ (2,129,417)	\$ 12,105,831	\$ 1,495,876

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions and Transfers	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General obligation bonds:							
2004 Combined Sewer Overflow							
Refunding Bonds:							
Amount of issue - \$5,495,000							
Maturing through 2016							
	3.63%	\$550,000	\$ 1,110,000	\$ -	\$ (560,000)	\$ 550,000	\$ 550,000
2004 Refunding Bonds Senior Housing:							
Amount of issue - \$1,695,000							
Maturing through 2018							
	3.70%-4.00%	\$305,000 - \$350,000	1,585,000	-	(260,000)	1,325,000	305,000
Revenue bonds:							
2012 Water Supply and Sewage							
Disposal Bonds Revenue Refunding							
Bonds:							
Amount of issue - \$3,405,000							
Maturing through 2020							
	1.55%	\$348,000- \$497,000	2,535,000	-	(442,000)	2,093,000	461,000
1994 Combined Sewer Overflow State							
Revolving Fund Debt:							
Amount of Issue - \$2,052,897							
Maturing through 2016							
	2.00%	\$92,897	177,897	-	(85,000)	92,897	92,897
2007 Capital Improvement Bonds:							
Water Mains:							
Amount of issue - \$925,642 (part							
of 4.5M original issue)							
Maturing through 2022							
	4.00%	\$66,118- \$264,730	773,319	-	(61,031)	712,288	66,118
Less deferred amounts -							
Issuance discounts							
			(34,367)	-	9,013	(25,354)	-
Total bonds payable			6,146,849	-	(1,399,018)	4,747,831	1,475,015
CSO installment agreement			2,001,939	-	(358,560)	1,643,379	358,560
Accumulated compensated absences			478,376	37,052	(119,448)	395,980	-
Total business-type activities			<u>\$ 8,627,164</u>	<u>\$ 37,052</u>	<u>\$ (1,877,026)</u>	<u>\$ 6,787,190</u>	<u>\$ 1,833,575</u>
Component Unit Activities							
Limited Tax General Obligation Bonds,							
Series 2007:							
Amount of issue - \$3,805,000							
Maturing through 2026							
	4.00% - 5.00%	\$200,000 - \$320,000	\$ 3,080,000	\$ -	\$ (200,000)	\$ 2,880,000	\$ 200,000
Limited Tax General Obligation Bonds,							
Series 2006A:							
Amount of issue - \$3,670,000							
Maturing through 2026							
	5.35%-5.70%	\$125,000 - \$400,000	3,175,000	-	(150,000)	3,025,000	150,000
Total bonds payable			<u>\$ 6,255,000</u>	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>\$ 5,905,000</u>	<u>\$ 350,000</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 6 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$950,000. 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
2016	\$ 1,453,882	\$ 412,444	\$ 1,866,326	\$ 1,475,015	\$ 126,708	\$ 1,601,723	\$ 350,000	\$ 289,450	\$ 639,450
2017	1,463,882	360,834	1,824,716	845,118	83,837	928,955	395,000	271,425	666,425
2018	1,468,796	305,555	1,774,351	918,204	62,131	980,335	430,000	250,975	680,975
2019	1,178,710	249,487	1,428,197	754,290	37,579	791,869	465,000	230,875	695,875
2020	1,173,624	201,730	1,375,354	429,376	15,566	444,942	500,000	208,900	708,900
2021-2025	3,433,809	338,139	3,771,948	351,182	10,375	361,557	3,045,000	644,925	3,689,925
2026-2030	-	-	-	-	-	-	720,000	35,600	755,600
Total	\$ 10,172,703	\$ 1,868,189	\$ 12,040,892	\$ 4,773,185	\$ 336,196	\$ 5,109,381	\$ 5,905,000	\$ 1,932,150	\$ 7,837,150

Future Revenue Pledged for Debt Payments - The 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 \$2,279,701.

The Township has pledged a portion of future property tax revenue to repay \$5,905,000 in Brownfield Redevelopment bonds issued in 2006 and 2007 to finance various capital improvements. The bonds are payable from the incremental property taxes captured by the Authority, and are guaranteed by the Township in the event the captures do not cover the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds total \$7,837,150, payable through 2026. For the current year, principal and interest paid and total property tax captures were \$655,475 and \$1,686,496, 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 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 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, 2015 was \$7,635,000.

Note 7 - Nonexchange Financial Guarantees

During the current year, the Township adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantee*.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 7 - Nonexchange Financial Guarantees (Continued)

In February 2006, the Township guaranteed the 20-year, \$3,670,000 December 2006A Brownfield Redevelopment Authority (BRA) bonds. In March 2007, the Township guaranteed the 19-year, \$3,805,000 December 2007 BRA bonds. Both bond series mature annually through April 2026, with semiannual interest payments. In the event that the BRA is unable to make a payment, the Charter Township of Redford will be required to make that payment.

As a result of plan changes from the developer in the year ended 2015, the Charter Township of Redford determined that it was more likely than not that the Township would be required to pay a portion of the remaining debt of the Brownfield Redevelopment Authority based on this guarantee. The amount of the liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee. The liability recognized for nonexchange financial guarantees by the Township at March 31, 2015 is as follows:

<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
\$ 1,025,404	\$ 493,833	\$ -	\$ 1,519,237

Note 8 - Restricted Assets

Restricted assets consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash and cash equivalents	\$ 1,658	\$ 340,500

Net assets have been restricted in the amount of \$1,658 in the governmental activities for unspent bond proceeds and \$340,500 in the business-type activities for the 2012 Revenue Bonds debt.

Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for workers' compensation claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions; the Township was self-insured for medical benefits provided to employees through December 31, 2014. At January 1, 2015, the Township switched to a fully insured plan through Blue Cross/Blue Shield of Michigan. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 9 - Risk Management (Continued)

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

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

	General Liability		Medical Claims	
	2015	2014	2015	2014
Unpaid claims - Beginning of year	\$ 943,593	\$ 965,382	\$ 300,000	\$ 500,000
Incurred claims (including claims incurred but not reported)	1,321,373	858,970	3,511,875	3,048,196
Claim payments	(859,781)	(880,759)	(3,766,263)	(3,248,196)
Unpaid claims - End of year	<u>\$ 1,405,185</u>	<u>\$ 943,593</u>	<u>\$ 45,612</u>	<u>\$ 300,000</u>

Note 10 - Single Employer Defined Benefit Pension Plan

Plan Description - The Police and Fire Pension Plan is a combination of a single-employer defined benefit pension plan and a single-employer defined contribution plan. The defined contribution portion of the plan was set up for the annual employees' contribution. The assets of the defined contribution plan are used to fund the defined benefit pension plan. Therefore, the two plans work together as a defined benefit pension plan. The plan is administered by the Redford Township Police and Fire Employees' Retirement System; this plan covers substantially all police and fire employees of the Township. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. At March 31, 2014, the date of the most recent actuarial valuation, membership consisted of 161 retirees and beneficiaries currently receiving benefits. The plan does not issue a separate financial report.

Management of the plan is vested in the Pension Board, which consists of five members: the Treasurer by State Statute, and four appointed by the Township Board.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units. The Township has assumed the responsibility to contribute 5 percent of employees' covered wages on behalf of the police and fire employees.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 10 - Single Employer Defined Benefit Pension Plan (Continued)

Plan Membership - At March 31, 2015, pension plan membership consisted of the following:

Retirees and beneficiaries	161
Vested members	1
Active plan members	<u>95</u>
Total	<u><u>257</u></u>

Benefits Provided - The pension plan provides retirement, disability, and death benefits. Benefit terms are established by labor contracts and may be amended through collective bargaining of Township board action.

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by union contracts and plan provisions. For the year ended March 31, 2015, the Township's average contribution rate was 64.1 percent of annual payroll.

Deferred Retirement Option Program (DROP)

During 2012, the Township began offering a DROP to those members of the fire department that were hired before June 1, 2010 and had at least 20 years of service. Once a member elects to enter the DROP, a valuation of his or her accumulated benefits is performed and the individual DROP account balances will earn interest at a rate of 5 percent per annum. The DROP employees continue working at their current salary level, but for pension plan purposes they stop accruing benefits. At March 31, 2015, the plan has \$4,089,552 in DROP accounts.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 10 - Single Employer Defined Benefit Pension Plan (Continued)

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of March 31, 2015:

Asset Class	Target Allocation
Domestic equity	50 %
U.S. government or agency fixed income	10
Domestic Bonds	35
Real estate	5

Rate of Return - For the year ended March 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

The following reserves have been 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: command at 2 percent, patrol at 5 percent, and fire at 5 percent. For any employee who terminates before vesting in the pension plan, their balance is returned to the plan.

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

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 10 - Single Employer Defined Benefit Pension Plan (Continued)

The balances of the reserve accounts at March 31, 2015 are as follows:

	<u>Amount Funded</u>
Retiree reserve	\$ 65,165,667
Employee reserve	3,938,020

Net Pension Liability of the Township

The Township reports pension expense based on funding requirements, as directed by GASB Statement No. 27. Beginning next year, the Township will adopt GASB Statement No. 68, which will require the measurement of pension expense as it is earned, rather than as it is funded. The net pension liability of the Township has been measured as of March 31, 2015.

The components of the net pension liability of the Township at March 31, 2015 were as follows:

Total pension liability	\$ 111,462,446
Plan fiduciary net position	<u>(66,173,445)</u>
Township's net pension liability	<u>\$ 45,289,001</u>

Plan fiduciary net position as a percentage of the total pension liability	59.4 %
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Inflation	4.5 %
Salary increases	8.9 % Average, including inflation
Investment rate of return	7.5 % Net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Mortality Table.

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 10 - Single Employer Defined Benefit Pension Plan (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	7.5 %
International equity	8.5
Domestic bonds	2.5
Real estate	4.5
International bonds	3.5

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 7.5 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net pension liability of the Township	\$ 56,928,997	\$ 45,289,001	\$ 35,495,017

Pension Cost

The pension plan does not issue a separate financial report.

Annual Pension Cost - For the year ended March 31, 2015, the Township's annual pension cost of \$4,560,754 for the plan was equal to the Township's required and actual contribution. The pension cost for the three most recent years is as follows:

	<u>Fiscal Year Ended March 31</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual pension cost (APC)	\$ 4,560,754	\$ 4,257,948	\$ 4,070,562
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 10 - Single Employer Defined Benefit Pension Plan (Continued)

Funding Status and Funding Progress - As of March 31, 2014, the most recent actuarial valuation date, the plan was 62 percent funded. The actuarial value of assets was \$67.1 million, resulting in an unfunded actuarial accrued liability of \$41.0 million. The covered payroll (annual payroll to active employees covered by the plan) was \$6.2 million, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 663 percent.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at March 31, 2013, using the entry age actuarial cost method. For the most recent actuarial valuation at March 31, 2014, significant actuarial assumptions used include (a) a 7.5 percent investment rate of return, (b) projected salary increases of 0-4.40 percent per year, and (c) 3 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 19 years.

Note 11 - Multi-employer Defined Benefit Pension Plan

Plan Description - The Township also participates in the Municipal Employees' Retirement System of Michigan, an agent multiple-employer defined benefit pension plan that covers a substantial number of employees of the Township other than police and fire employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 3 percent to 5 percent, which is paid by the Township.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 11 - Multi-employer Defined Benefit Pension Plan (Continued)

Annual Pension Cost - For the year ended March 31, 2015, the Township's annual pension cost of \$1,258,669 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2012, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year attributable to inflation, and (c) additional projected salary increases ranging from 0 percent to 13 percent per year, attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a 10-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 24 years.

Three-year Trend Information

	Fiscal Year Ended March 31		
	2015	2014	2013
Annual pension cost (APC)	\$ 1,258,669	\$ 893,945	\$ 922,879
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -
	Actuarial Valuation as of December 31		
	2014	2013	2012
Actuarial value of assets	\$ 31,882,944	\$ 32,374,401	\$ 33,032,514
Actuarial accrued liability (AAL)			
(entry age)	\$ 49,011,356	\$ 47,468,148	\$ 46,439,237
Unfunded AAL (UAAL)	\$ 17,128,412	\$ 15,093,747	\$ 13,406,723
Funded ratio	65.1 %	68.2 %	71.1 %
Covered payroll	\$ 3,917,961	\$ 3,865,436	\$ 3,912,707
UAAL as a percentage of covered payroll	437.2 %	390.5 %	342.6 %

Note 12 - Commitments

The 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 Township has agreed to pay the corporation from its Golf Course (Enterprise) Fund fees based on the golf course revenue attained. The Township will pay a total of \$613,292 between April 1, 2015 and November 31, 2015, and the remaining amounts owed to the corporation for services rendered during the calendar year 2015 will be paid by March 31, 2016. In the case of overpayment, the corporation will refund the Township.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 13 - Other Postemployment Benefits - General Employees

Plan Description - The Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and are accounted for separately. Currently, the plans have 453 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

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

Funding Policy - The collective bargaining agreements require a premium sharing payment for their health care of up to \$1,040 a year. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

Funding Progress - For the year ended March 31, 2015, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2014. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 28 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,325,415
Interest on the prior year's net OPEB obligation	213,308
Less adjustment to the annual required contribution	<u>(313,989)</u>
Annual OPEB cost	2,224,734
Amounts contributed	<u>(2,579,514)</u>
Decrease in net OPEB obligation	(354,780)
OPEB obligation - Beginning of year	<u>5,332,701</u>
OPEB obligation - End of year	<u><u>\$ 4,977,921</u></u>

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/11	3/31/10	\$ 2,474,269	\$ 2,437,096	84.0 %	84.0 %	\$ 3,107,166
3/31/12	3/31/10	2,537,298	2,497,996	87.0	88.0	3,453,702
3/31/13	3/31/12	3,311,555	3,195,581	66.0	68.0	4,473,738
3/31/14	3/31/12	3,372,489	3,292,721	72.0	74.0	5,332,701
3/31/15	3/31/14	2,325,415	2,224,734	111.0	116.0	4,977,921

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 13 - Other Postemployment Benefits - General Employees (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 43,388,361	\$ 43,388,361	- %	\$ 6,074,730	714.2 %
3/31/08	412,368	42,630,000	42,217,632	1.0	5,750,510	734.2
3/31/10	824,735	41,871,717	41,046,982	2.0	4,268,956	961.5
3/31/12	1,052,884	64,178,229	63,125,345	1.6	4,315,561	1,462.7
3/31/14	1,459,769	47,910,814	46,451,045	3.0	3,917,961	1,185.6

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

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

In the March 31, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 13 percent initially, reduced by decrements to an ultimate rate of 8 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was 4 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 28 years.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 14 - Other Postemployment Benefits - Police and Fire

Plan Description - The Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees and accounted for separately. Currently, the plans have 453 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

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

Funding Policy - The collective bargaining agreements require a premium sharing payment for their health care of up to \$1,040 a year. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Township has made contributions to advance-fund these benefits for police and fire, as determined by the Township board through annual budget resolutions.

Funding Progress - For the year ended March 31, 2015, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of March 31, 2014. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 28 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 4,061,291
Interest on the prior year's net OPEB obligation	468,575
Less adjustment to the annual required contribution	<u>(689,734)</u>
Annual OPEB cost	3,840,132
Amounts contributed	<u>(2,791,641)</u>
Increase in net OPEB obligation	1,048,491
OPEB obligation - Beginning of year	<u>11,714,373</u>
OPEB obligation - End of year	<u>\$ 12,762,864</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 14 - Other Postemployment Benefits - Police and Fire (Continued)

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Annual OPEB Costs	Employer Contributions		Net OPEB Obligation
				Percentage of ARC Contributed	Percentage OPEB Costs Contributed	
3/31/11	3/31/10	\$ 3,934,609	\$ 3,872,415	66.0 %	67.0 %	\$ 5,874,506
3/31/12	3/31/10	4,041,285	3,966,979	64.0	66.0	7,241,485
3/31/13	3/31/12	5,319,946	5,076,788	48.0	50.0	9,766,923
3/31/14	3/31/12	5,423,626	5,249,481	61.0	63.0	11,714,381
3/31/15	3/31/14	4,061,291	3,840,124	69.0	73.0	12,762,856

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 59,892,022	\$ 59,892,022	- %	\$ 7,779,088	769.9 %
3/31/08	1,229,359	61,070,000	59,840,641	2.0	6,743,929	887.3
3/31/10	2,458,718	62,256,519	59,797,801	3.9	6,547,439	913.3
3/31/12	2,707,436	99,006,507	96,299,071	2.7	5,871,250	1,640.2
3/31/14	4,224,443	83,755,784	79,531,341	5.0	6,182,760	1,286.3

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

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

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 14 - Other Postemployment Benefits - Police and Fire (Continued)

In the March 31, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 13 percent initially, reduced by decrements to an ultimate rate of 8 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The investment rate of return was 4 percent. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of projected payroll over 28 years.

Note 15 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the Township's defined benefit pension plan (see Note 10) and the postemployment healthcare plans (see Notes 13 and 14). The plans do not issue separate financial statements:

	Pension Trust	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund
Statement of Net Position			
Investments	\$ 67,043,805	\$ 4,970,266	\$ 1,761,311
Other assets	267,774	-	-
Liabilities	(697,833)	(1,044,003)	-
Net position	<u>\$ 66,613,746</u>	<u>\$ 3,926,263</u>	<u>\$ 1,761,311</u>
Statement of Changes in Net Position			
Investment income	\$ 4,376,536	\$ 1,188	\$ 514
Contributions	4,595,406	2,791,641	2,583,556
Benefit payments	(7,400,093)	(2,894,172)	(2,279,514)
Other deductions	(2,691,658)	-	(2,500)
Net change in net position	<u>\$ (1,119,809)</u>	<u>\$ (101,343)</u>	<u>\$ 301,542</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 16 - Fund Balance Constraints

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

	General Fund	Sidewalk Improvement Fund	Community Development Block Grant	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepays	\$ 337,540	\$ -	\$ 11,270	\$ 21,657	\$ 370,467
Long-term receivable	366,055	-	-	-	366,055
Restricted:					
Road improvements	-	-	-	707,120	707,120
Drug law enforcement	66,367	-	-	263,380	329,747
Debt service	-	-	-	1,968,733	1,968,733
Storm water improvements	-	-	-	68,388	68,388
Street lighting	74,267	-	-	-	74,267
Dial-A-Ride services	-	-	-	184,268	184,268
Solid waste activities	-	-	-	1,466,953	1,466,953
911 services	-	-	-	94,710	94,710
Drain improvements	-	-	-	888,575	888,575
Future CDBG/NSP expenditures	-	-	248,604	250,638	499,242
Police and Fire SAD	597,855	-	-	198,602	796,457
PEG purposes	71,721	-	-	-	71,721
Grant programs	10,792	-	-	-	10,792
Total restricted	821,002	-	248,604	6,091,367	7,160,973
Committed:					
Court building improvements	-	-	-	3,572,359	3,572,359
Parks and recreation	278,077	-	-	-	278,077
Assigned - MERS contributions	200,000	-	-	-	200,000
Assigned - Capital projects	300,897	1,156,257	-	653,327	2,110,481
Assigned - Compensated absences	400,000	-	-	-	400,000
Assigned - Road improvements	238,453	-	-	-	238,453
Unassigned	9,425,243	-	(261,866)	-	9,163,377
Total fund balance	\$ 12,367,267	\$ 1,156,257	\$ (1,992)	\$ 10,338,710	\$ 23,860,242

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 17 - Change in Accounting

During the current year, the Township adopted GASB Statement Number 67, *Financial Reporting for Pension Plans*. This statement required changes to the actuarial valuations resulting in a different measurement of the liability of the employer(s) to plan members for benefits provided through the pension plan. As a result, the disclosures within the pension footnote have changed considerably along with the related schedules in the required supplemental information. The adjustment has been applied retrospectively, causing a decrease in the Deferred Retirement Option Plan liability and corresponding increase in net position of the Pension Trust Fund of \$4,127,319.

Also, during the current year, the Township adopted GASB Statement Number 70, *Nonexchange Financial Guarantees*. The adjustment has been applied retrospectively. As a result, a liability for nonexchange financial guarantee has been recorded in the government-wide full-accrual statements and beginning government-wide net position has been decreased by \$1,025,404. See Note 7 for details.

Note 18 - Reporting Change (Prior Period Adjustments)

The financial statements for the year ended March 31, 2014 have been restated in order to correct the capture amounts due from the Brownfield Redevelopment Authority to one of the Brownfield entities. The Township reassessed the capture schedule used to determine amounts owed from the Brownfield Redevelopment Authority and determined additional captures were due. The effect of this correction was to increase captures payable and decrease fund balance and net position by \$51,243.

Note 19 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending March 31, 2016.

Charter Township of Redford

Notes to Financial Statements March 31, 2015

Note 19 - Upcoming Accounting Pronouncements (Continued)

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for the year ending March 31, 2017. The Township is currently evaluating the impact this standard will have on the financial statements when adopted, during the Township's 2017 fiscal year.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Township will, after adoption of GASB 75, recognize on the face of the financial statements its net OPEB liability. The Township is currently evaluating the impact these standards will have on the financial statements when adopted. GASB 74 is effective for the year ending March 31, 2018, whereas GASB 75 is effective one year later.

Note 20 - Subsequent Events

Subsequent to year end, the Township issued \$3,135,000 in Tax Increment Refunding Bonds with interest rates ranging from 1.25 percent to 4.00 percent. The proceeds of these bonds were used to advance refund \$3,025,000 of outstanding Series 2006A Limited Tax General Obligation bonds with interest rates ranging from 5.35 percent to 5.70 percent. The net proceeds of \$3,029,111 after payment of underwriting fees, insurance, and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the governmental long-term debt account group. The advance refunding reduced total debt service payments over the next nine years by approximately \$164,000, which represents an economic gain of approximately \$133,000.

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 17,092,250	\$ 17,172,500	\$ 17,366,938	\$ 194,438
Licenses and permits	869,365	924,517	967,679	43,162
Federal grants	138,141	227,215	214,215	(13,000)
State-shared revenue and grants	5,083,965	5,080,063	5,096,358	16,295
Charges for services	1,387,050	1,405,312	1,431,755	26,443
Fines and forfeitures	2,067,940	2,676,662	2,862,798	186,136
Investment income	20,000	10,000	19,561	9,561
Other revenue	1,335,219	1,337,957	1,399,862	61,905
Total revenue	27,993,930	28,834,226	29,359,166	524,940
Expenditures				
Current:				
General government:				
Legislative	178,515	247,548	229,540	18,008
Executive	135,385	155,024	144,561	10,463
Accounting	525,970	626,539	593,169	33,370
Information systems	403,830	474,037	457,238	16,799
Treasurer	315,835	384,500	367,956	16,544
Assessor	377,200	331,485	329,918	1,567
Clerk	305,270	358,911	351,374	7,537
Elections	141,165	125,567	115,573	9,994
Buildings and grounds	219,700	245,222	203,304	41,918
Attorney	157,000	141,714	111,965	29,749
Civil service	151,228	226,890	226,432	458
Police and fire civil service	2,400	630	630	-
Public service building maintenance	212,440	241,440	237,229	4,211
Insurance and other functions	540,510	558,919	783,080	(224,161)
Public education government	125,520	188,798	175,616	13,182
Marquee maintenance	106,950	83,660	96,379	(12,719)
Total general government	3,898,918	4,390,884	4,423,964	(33,080)
District Court:				
District Court costs	1,959,684	1,987,143	1,897,730	89,413
Criminal justice	478,500	480,500	534,802	(54,302)
Probation	231,110	327,082	310,842	16,240
Work program	28,730	30,902	24,495	6,407
Total District Court	2,698,024	2,825,627	2,767,869	57,758
Public safety:				
Police	10,771,085	10,731,246	10,622,272	108,974
Dispatch	770,330	594,061	543,283	50,778
Fire	7,238,664	7,680,075	7,590,831	89,244
School crossing	37,560	40,276	40,135	141
School resource officer	328,375	373,975	365,406	8,569
ALS transport collection fee	60,000	68,000	69,545	(1,545)
COPS grant	151,000	193,765	186,579	7,186
Total public safety	19,357,014	19,681,398	19,418,051	263,347
Public works:				
Street construction	900,000	895,000	820,384	74,616
DPW	199,000	173,500	152,985	20,515
Total public works	1,099,000	1,068,500	973,369	95,131

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures				
Current (Continued):				
Community and economic development:				
Redevelopment	\$ 11,200	\$ 9,227	\$ 11,199	\$ (1,972)
Community promotion	27,000	8,130	8,431	(301)
Zoning board of appeals	12,700	19,130	21,620	(2,490)
Other community and economic development	46,055	61,088	50,124	10,964
Total community and economic development	96,955	97,575	91,374	6,201
Recreation and culture:				
Parks and recreation	482,763	396,255	237,712	158,543
Parks facilities	345,375	356,098	311,871	44,227
Senior citizens	39,600	68,224	62,200	6,024
Cultural	5,500	3,763	3,380	383
Total recreation and culture	873,238	824,340	615,163	209,177
Total expenditures	28,023,149	28,888,324	28,289,790	598,534
Excess of Revenue (Under) Over Expenditures	(29,219)	(54,098)	1,069,376	1,123,474
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	3,935	3,935	-
Transfers in	267,569	267,880	506,333	238,453
Transfers out	(238,350)	(190,105)	(160,000)	30,105
Total other financing sources	29,219	81,710	350,268	268,558
Net Change in Fund Balance	-	27,612	1,419,644	1,392,032
Fund Balance - Beginning of year	9,970,755	9,970,755	9,970,755	-
Fund Balance - End of year	<u>\$ 9,970,755</u>	<u>\$ 9,998,367</u>	<u>\$ 11,390,399</u>	<u>\$ 1,392,032</u>

The Township's budget was adopted on a fund basis. The budget comparison shown above for the General Fund is more detailed than the General Appropriations Act. Information in this schedule is presented for the purpose of additional analysis.

Charter Township of Redford

Notes to Required Supplemental Information Year Ended March 31, 2015

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 revenues 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 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. This comparison includes expenditure budget overruns. A comparison of actual results of operations, including budget overruns, to the nonmajor fund budgets as adopted by the Township board is available at the clerk's office for inspection.

The 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

Notes to Required Supplemental Information (Continued) Year Ended March 31, 2015

The budget statements are presented on the same basis of accounting used in preparing the adopted budget. The following is a reconciliation of the budget statement of the General Fund to the operating statement:

	Total Revenue	Total Expenditures	Other Financing Sources (Uses)
Amounts per operating statement	\$ 30,950,799	\$ 28,964,812	\$ (325,971)
Accrued Employee Benefits Fund	(538,982)	(270,465)	-
Accrued police and fire SAD	-	(346,538)	-
Ordinance enforcement fund	(1,052,651)	(734,258)	-
Debt payments budgeted as expenditures	-	676,239	676,239
Total	<u>\$ 29,359,166</u>	<u>\$ 28,289,790</u>	<u>\$ 350,268</u>

Fund Deficit - The Township has a fund deficit in the modified-based statement of the Brownfield Redevelopment Financing Authority Fund in the amount of \$2,641,618 and the modified-based statement of the Community Development Block Grant Fund of \$1,992.

Charter Township of Redford

Required Supplemental Information Police and Fire Pension System Year Ended March 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/09	\$ 61,100,000	\$ 91,900,000	\$ 30,800,000	66.5 %	\$ 6,900,000	446.4 %
3/31/10	61,400,000	99,600,000	38,200,000	61.6	6,500,000	587.7
3/31/11	62,100,000	102,800,000	40,700,000	60.4	5,800,000	701.7
3/31/12	62,800,000	104,500,000	41,700,000	60.1	5,900,000	706.8
3/31/13	65,800,000	109,700,000	43,900,000	60.0	6,000,000	731.7
3/31/14	67,100,000	108,100,000	41,000,000	62.1	6,200,000	661.3

The schedule of employer contributions is as follows:

Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed
3/31/10	\$ 2,964,791	100.0 %
3/31/11	3,914,550	100.0
3/31/12	4,407,240	100.0
3/31/13	4,070,562	100.0
3/31/14	4,257,948	100.0
3/31/15	4,560,754	100.0

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2014, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	19 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	4.4% - 8.9%
* Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information General Employees Pension System Year Ended March 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/12	\$ 33,032,514	\$ 46,439,237	\$ 13,406,723	71.1 %	\$ 3,912,707	342.6 %
3/31/13	32,374,401	47,468,148	15,093,747	68.2	3,865,436	390.5
3/31/14	31,882,944	49,011,356	17,128,412	65.1	3,917,961	437.2

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/13	3/31/10	\$ 922,879	100.0 %
3/31/14	3/31/11	893,945	100.0
3/31/15	3/31/14	1,258,669	100.0

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2014, the latest actuarial valuation, follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	0% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information OPEB System Schedule - General Employees Year Ended March 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 43,388,361	\$ 43,388,361	- %	\$ 6,074,730	714.2 %
3/31/08	412,368	42,630,000	42,217,632	1.0	5,750,510	734.2
3/31/10	824,735	41,871,717	41,046,982	2.0	4,268,956	961.5
3/31/12	1,052,884	64,178,229	63,125,345	1.6	4,315,561	1,462.7
3/31/14	1,459,769	47,910,814	46,451,045	3.0	3,917,961	1,185.6

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/10	3/31/06	\$ 3,407,837	57.0 %
3/31/11	3/31/10	2,474,269	84.0
3/31/12	3/31/10	2,537,298	87.0
3/31/13	3/31/12	3,311,555	66.0
3/31/14	3/31/12	3,372,489	72.0
3/31/15	3/31/14	2,325,415	111.0

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2014, the latest actuarial valuation, follows:

Amortization method	Entry age actuarial cost method
Amortization period (perpetual)	28 years
Asset valuation method	Reported market value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	8% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information OPEB System Schedule - Police and Fire Employees Year Ended March 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/06	\$ -	\$ 59,892,022	\$ 59,892,022	- %	\$ 7,779,088	769.9 %
3/31/08	1,229,359	61,070,000	59,840,641	2.0	6,743,929	887.3
3/31/10	2,458,718	62,256,519	59,797,801	3.9	6,547,439	913.3
3/31/12	2,707,436	99,006,507	96,299,071	2.7	5,871,250	1,640.2
3/31/14	4,224,443	83,755,784	79,531,341	5.0	6,182,760	1,286.3

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/10	3/31/06	\$ 4,575,896	49.0 %
3/31/11	3/31/10	3,872,415	66.0
3/31/12	3/31/10	3,966,979	64.0
3/31/13	3/31/12	5,076,788	48.0
3/31/14	3/31/12	5,249,481	61.0
3/31/15	3/31/14	4,061,291	69.0

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

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2014, the latest actuarial valuation, follows:

Amortization method	Entry age actuarial cost method
Amortization period (perpetual)	28 years
Asset valuation method	Reported market value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	8% - 13%
*Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Redford

Required Supplemental Information Police and Fire Employees Retirement System Schedule of Investment Returns Last Ten Fiscal Years

2015

Annual money-weighted rate of return, net of investment expense

7.3 %

Charter Township of Redford

Required Supplemental Information Police and Fire Employees Retirement System Schedule of Changes in the Township Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2015
Total Pension Liability	
Service cost	\$ 1,069,633
Interest	7,463,736
Changes in benefit terms	5,036,434
Differences between expected and actual experience	3,930,269
Changes in assumptions	-
Benefit payments, including refunds	(10,038,589)
Net Change in Total Pension Liability	7,461,483
Total Pension Liability - Beginning of year	104,000,963
Total Pension Liability - End of year	\$ 111,462,446
Plan Fiduciary Net Position	
Contributions - Employer	\$ 4,560,754
Contributions - Member	34,652
Net investment income	3,936,234
Administrative expenses	(53,162)
Benefit payments, including refunds	(10,038,589)
Other	-
Net Change in Plan Fiduciary Net Position	(1,560,111)
Plan Fiduciary Net Position - Beginning of year	67,733,556
Plan Fiduciary Net Position - End of year	\$ 66,173,445
Township's Net Pension Liability - Ending	\$ 45,289,001
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.37 %
Covered Employee Payroll	\$ 4,085,614
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	1,108.5 %

Charter Township of Redford

Required Supplemental Information Police and Fire Employees Retirement System Schedule of Township Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,560,754	\$ 4,257,948	\$ 4,082,568	\$ 4,407,240	\$ 3,902,126	\$ 2,953,180	\$ 2,862,102	\$ 4,732,216	\$ 4,220,496	\$ 3,799,719
Contributions in relation to the actuarially determined contribution	4,560,754	4,257,948	4,082,568	4,407,240	3,902,126	2,953,180	2,862,102	4,732,216	4,220,496	3,799,719
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,085,614	\$ 3,909,678	\$ -							
Contributions as a Percentage of Covered Employee Payroll	111.6 %	108.9 %	- %	- %	- %	- %	- %	- %	- %	- %

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

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.

Valuation date Covered employee payroll is as of March 31 of the current fiscal year excluding DROPs (2015 payroll was projected from the 2014 valuation).

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, 2015
Asset valuation method	4 years smoothed market
Inflation	4.50%
Salary increases	8.9%-4.50%, including inflation
Investment rate of return	7.50%, net of pension plan investment 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 1983 Group Annuity Mortality Table.

Other Supplemental Information

Charter Township of Redford

Special Revenue Funds

	Special Revenue Funds						
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Public Improvement - Storm Water
Assets							
Cash and investments	\$ 157,641	\$ 9,765	\$ 318,119	\$ 1,834,062	\$ 101,651	\$ 132,759	\$ 68,388
Receivables	44,380	-	-	268,301	-	-	-
Prepaid expenses	7,463	-	-	-	14,194	-	-
Assets held for resale	-	-	-	-	-	249,406	-
Restricted assets	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Total assets	\$ 209,484	\$ 9,765	\$ 318,119	\$ 2,102,363	\$ 115,845	\$ 382,165	\$ 68,388
Liabilities							
Accounts payable	\$ 901	\$ -	\$ 54,198	\$ 364,902	\$ -	\$ 177	\$ -
Due to other governmental units	150	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	131,350	-
Accrued liabilities and other	5,470	-	541	-	6,941	-	-
Unearned revenue	-	9,765	-	-	-	-	-
Provision for property tax refunds	555	-	-	13,357	-	-	-
Total liabilities	7,076	9,765	54,739	378,259	6,941	131,527	-
Deferred Inflows of Resources - Unavailable revenue							
	10,677	-	-	257,151	-	-	-
Fund Balances							
Nonspendable - Prepays	7,463	-	-	-	14,194	-	-
Restricted:							
Road improvements	-	-	-	-	-	-	-
Drug law enforcement	-	-	263,380	-	-	-	-
Debt service	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	68,388
Dial-A-Ride services	184,268	-	-	-	-	-	-
Solid waste activities	-	-	-	1,466,953	-	-	-
911 services	-	-	-	-	94,710	-	-
Drain improvements	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	250,638	-
Public safety capital projects	-	-	-	-	-	-	-
Committed - Court Building improvements	-	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-	-
Total fund balances	191,731	-	263,380	1,466,953	108,904	250,638	68,388
Total liabilities, deferred inflows of resources, and fund balances	\$ 209,484	\$ 9,765	\$ 318,119	\$ 2,102,363	\$ 115,845	\$ 382,165	\$ 68,388

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2015**

Debt Service Funds						Capital Projects Funds	
Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement	Police Station
\$ -	\$ 420,804	\$ 374,371	\$ 564,409	\$ 605,199	\$ -	\$ 777,488	\$ 74,441
4,435	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,122	-	-
-	-	-	-	-	-	-	-
\$ 4,435	\$ 420,804	\$ 374,371	\$ 564,409	\$ 605,199	\$ 1,122	\$ 777,488	\$ 74,441
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,523	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,523	-	-	-	-	-	-	-
620	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,292	420,804	374,371	564,409	605,199	1,122	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	198,602	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	578,886	74,441
2,292	420,804	374,371	564,409	605,199	1,122	777,488	74,441
\$ 4,435	\$ 420,804	\$ 374,371	\$ 564,409	\$ 605,199	\$ 1,122	\$ 777,488	\$ 74,441

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2015

Capital Projects Funds					
Smith Drain	Marquee Renovation	Court Building Improvement	Road Improvement	Road Paving	Total Nonmajor Governmental Funds
\$ 888,575	\$ -	\$ 3,542,378	\$ 687,277	\$ -	\$ 10,557,327
-	-	-	367,116	-	684,232
-	-	-	-	-	21,657
-	-	-	-	-	249,406
-	-	-	-	536	1,658
-	-	29,981	-	-	29,981
\$ 888,575	\$ -	\$ 3,572,359	\$ 1,054,393	\$ 536	\$ 11,544,261
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,178
-	-	-	-	-	150
-	-	-	-	-	132,873
-	-	-	-	-	12,952
-	-	-	-	-	9,765
-	-	-	-	-	13,912
-	-	-	-	-	589,830
-	-	-	347,273	-	615,721
-	-	-	-	-	21,657
-	-	-	707,120	-	707,120
-	-	-	-	-	263,380
-	-	-	-	536	1,968,733
-	-	-	-	-	68,388
-	-	-	-	-	184,268
-	-	-	-	-	1,466,953
-	-	-	-	-	94,710
888,575	-	-	-	-	888,575
-	-	-	-	-	250,638
-	-	-	-	-	198,602
-	-	3,572,359	-	-	3,572,359
-	-	-	-	-	653,327
888,575	-	3,572,359	707,120	536	10,338,710
\$ 888,575	\$ -	\$ 3,572,359	\$ 1,054,393	\$ 536	\$ 11,544,261

Charter Township of Redford

	Special Revenue Funds						
	Dial-A-Ride	Home Grant	Drug Law Enforcement	Solid Waste Management	911 Dispatch	Neighborhood Stabilization Grant	Public Improvement - Storm Water
Revenue							
Property taxes	\$ 82,463	\$ -	\$ -	\$ 1,986,721	\$ -	\$ -	\$ -
Federal grants	-	3,484	-	-	-	77,471	-
State sources	122,604	-	-	-	6,687	-	-
Charges for services	24,171	-	-	331,446	271,542	-	-
Fines and forfeitures	-	-	38,059	-	-	-	-
Investment income	-	-	1,512	2,707	44	-	174
Other revenue:							
Special assessments	-	-	-	-	-	-	-
Other miscellaneous income	60,305	-	36,851	-	-	-	-
Total revenue	289,543	3,484	76,422	2,320,874	278,273	77,471	174
Expenditures							
Current:							
Public safety	-	-	478,622	-	395,593	-	-
Public works	-	-	-	2,249,869	-	-	-
Health and welfare	263,155	-	-	-	-	-	-
Community and economic development	-	3,484	-	-	-	216,758	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	263,155	3,484	478,622	2,249,869	395,593	216,758	-
Excess of Revenue Over (Under) Expenditures	26,388	-	(402,200)	71,005	(117,320)	(139,287)	174
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	160,000	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	160,000	-	-
Net Change in Fund Balances	26,388	-	(402,200)	71,005	42,680	(139,287)	174
Fund Balances - Beginning of year	165,343	-	665,580	1,395,948	66,224	389,925	68,214
Fund Balances - End of year	\$ 191,731	\$ -	\$ 263,380	\$ 1,466,953	\$ 108,904	\$ 250,638	\$ 68,388

**Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2015**

	Debt Service Funds					Capital Projects Funds
Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement
\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	621	421	805	792	2	1,803
-	-	-	-	-	-	-
-	393,981	572,941	463,777	597,016	-	-
146	394,602	573,362	464,582	597,808	2	1,803
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	250,058	332,165	344,073	463,250	419,813	101,590
-	250,058	332,165	344,073	463,250	419,813	-
-	250,058	332,165	344,073	463,250	419,813	101,590
146	144,544	241,197	120,509	134,558	(419,811)	(99,787)
-	47,798	25,463	50,000	167,998	419,813	151,900
-	-	-	-	-	-	(126,369)
-	47,798	25,463	50,000	167,998	419,813	25,531
146	192,342	266,660	170,509	302,556	2	(74,256)
2,146	228,462	107,711	393,900	302,643	1,120	851,744
\$ 2,292	\$ 420,804	\$ 374,371	\$ 564,409	\$ 605,199	\$ 1,122	\$ 777,488

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, 2015

	Capital Projects Funds						Total Nonmajor Governmental Funds
	Police Station	Smith Drain	Marquee Renovation	Court Building Improvement	Road Improvement	Road Paving	
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,069,330
Federal grants	-	-	-	-	-	-	80,955
State sources	-	-	-	-	22,156	-	151,447
Charges for services	-	-	-	-	-	-	627,159
Fines and forfeitures	-	-	-	282,898	-	-	320,957
Investment income	190	2,260	-	8,692	1,633	536	22,192
Other revenue:							
Special assessments	-	-	-	-	147,726	-	147,726
Other miscellaneous income	-	-	-	-	7,321	-	2,132,192
Total revenue	190	2,260	-	291,590	178,836	536	5,551,958
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	874,215
Public works	-	-	-	-	1,500	-	2,251,369
Health and welfare	-	-	-	-	-	-	263,155
Community and economic development	-	-	-	-	-	-	220,242
Capital outlay	-	-	-	10,200	-	-	111,790
Debt service	-	-	-	-	-	-	1,809,359
Total expenditures	-	-	-	10,200	1,500	-	5,530,130
Excess of Revenue Over (Under) Expenditures	190	2,260	-	281,390	177,336	536	21,828
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	73,645	-	1,096,617
Transfers out	-	-	(11)	-	(136,734)	(312,397)	(575,511)
Total other financing sources (uses)	-	-	(11)	-	(63,089)	(312,397)	521,106
Net Change in Fund Balances	190	2,260	(11)	281,390	114,247	(311,861)	542,934
Fund Balances - Beginning of year	74,251	886,315	11	3,290,969	592,873	312,397	9,795,776
Fund Balances - End of year	\$ 74,441	\$ 888,575	\$ -	\$ 3,572,359	\$ 707,120	\$ 536	\$ 10,338,710

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds March 31, 2015

	Golf Course	Protective Inspection	Total
Assets			
Current assets:			
Cash and investments	\$ 420,132	\$ 992,294	\$ 1,412,426
Receivables	169	8,656	8,825
Deposits	9,707	-	9,707
Prepaid expenses and other assets	-	19,729	19,729
Total current assets	430,008	1,020,679	1,450,687
Noncurrent assets - Capital assets	2,388,447	29,155	2,417,602
Total assets	2,818,455	1,049,834	3,868,289
Liabilities			
Current liabilities:			
Accounts payable	8,129	13,786	21,915
Due to other funds	156,357	-	156,357
Accrued liabilities and other	-	1,679	1,679
Deferred revenue	4,735	-	4,735
Total current liabilities	169,221	15,465	184,686
Noncurrent liabilities:			
Compensated absences	-	36,891	36,891
Net OPEB obligation	-	175,414	175,414
Total noncurrent liabilities	-	212,305	212,305
Total liabilities	169,221	227,770	396,991
Net Position			
Net investment in capital assets	2,388,447	29,155	2,417,602
Unrestricted	260,787	792,909	1,053,696
Total net position	\$ 2,649,234	\$ 822,064	\$ 3,471,298

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended March 31, 2015

	Golf Course	Protective Inspection	Total
Operating Revenue			
Charges for services	\$ 1,113,955	\$ -	\$ 1,113,955
Other operating revenues	-	685,602	685,602
Total operating revenue	1,113,955	685,602	1,799,557
Operating Expenses			
Cost of services	1,020,608	616,665	1,637,273
Depreciation and amortization	169,163	5,701	174,864
Total operating expenses	1,189,771	622,366	1,812,137
Operating (Loss) Income	(75,816)	63,236	(12,580)
Nonoperating Revenue			
Investment income	-	2,869	2,869
Gain on sale of assets	6,000	-	6,000
Total nonoperating revenue	6,000	2,869	8,869
(Loss) Income - Before contributions	(69,816)	66,105	(3,711)
Transfers Out	-	(141,200)	(141,200)
Change in Net Position	(69,816)	(75,095)	(144,911)
Net Position - Beginning of year	2,719,050	897,159	3,616,209
Net Position - End of year	\$ 2,649,234	\$ 822,064	\$ 3,471,298

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2015

	Golf Course	Protective Inspection	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,118,356	\$ 693,507	\$ 1,811,863
Payments to suppliers	(1,031,980)	(135,518)	(1,167,498)
Payments to employees	-	(540,962)	(540,962)
Internal activity - (Payments to) receipts from other funds	(5,655)	57	(5,598)
Net cash provided by operating activities	80,721	17,084	97,805
Cash Flows from Noncapital Financing Activities -			
Transfers to other funds	-	(141,200)	(141,200)
Cash Flows from Capital and Related Financing Activities			
Proceeds from sales of capital assets	6,000	-	6,000
Purchase of capital assets	(46,461)	(7,444)	(53,905)
Net cash used in capital and related financing activities	(40,461)	(7,444)	(47,905)
Cash Flows from Investing Activities - Interest received on investments			
	-	2,869	2,869
Net Increase (Decrease) in Cash and Cash Equivalents	40,260	(128,691)	(88,431)
Cash and Cash Equivalents - Beginning of year	379,872	1,120,985	1,500,857
Cash and Cash Equivalents - End of year	<u>\$ 420,132</u>	<u>\$ 992,294</u>	<u>\$ 1,412,426</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (75,816)	\$ 63,236	\$ (12,580)
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	169,163	5,701	174,864
Changes in assets and liabilities:			
Receivables	4,510	5,744	10,254
Inventories	2,569	-	2,569
Prepaid and other assets	-	(10,731)	(10,731)
Accounts payable	(14,050)	12,418	(1,632)
Due to others	(5,655)	57	(5,598)
Accrued and other liabilities	-	(59,341)	(59,341)
Net cash provided by operating activities	<u>\$ 80,721</u>	<u>\$ 17,084</u>	<u>\$ 97,805</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2015.

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Internal Service Funds March 31, 2015

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Assets - Current assets:				
Cash and investments	\$ 1,569,365	\$ 17,042	\$ 12,339	\$ 1,598,746
Due from other funds	40,000	-	-	40,000
Deposits	2,190,717	-	-	2,190,717
Total assets	3,800,082	17,042	12,339	3,829,463
Liabilities				
Current liabilities:				
Accounts payable	-	11,479	4,849	16,328
Due to other funds	40,000	-	-	40,000
Accrued liabilities and other	-	5,563	7,490	13,053
Provision for claims	45,612	-	-	45,612
Total current liabilities	85,612	17,042	12,339	114,993
Noncurrent liabilities -				
Estimated insurance and other liabilities	1,405,185	-	-	1,405,185
Total liabilities	1,490,797	17,042	12,339	1,520,178
Total Net Position	\$ 2,309,285	\$ -	\$ -	\$ 2,309,285

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended March 31, 2015

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Operating Revenue				
Charges for services	\$ -	\$ 250,774	\$ 271,617	\$ 522,391
Township contributions	4,962,742	-	-	4,962,742
Total operating revenue	4,962,742	250,774	271,617	5,485,133
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	4,315,858	-	-	4,315,858
General and administrative costs	-	250,774	271,617	522,391
Total operating expenses	4,315,858	250,774	271,617	4,838,249
Operating Income	646,884	-	-	646,884
Nonoperating Revenue -				
Investment income	27,463	-	-	27,463
Change in Net Position	674,347	-	-	674,347
Net Position - Beginning of year	1,634,938	-	-	1,634,938
Net Position - End of year	<u>\$ 2,309,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,309,285</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2015

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 4,962,742	\$ 250,774	\$ 271,617	\$ 5,485,133
Payments to suppliers	(306,694)	(37,838)	(2,470)	(347,002)
Payments to employees	-	(212,419)	(269,828)	(482,247)
Claims paid	(4,682,675)	-	-	(4,682,675)
Net cash (used in) provided by operating activities	(26,627)	517	(681)	(26,791)
Cash Flows from Investing Activities - Interest received on investments	27,463	-	-	27,463
Net Increase (Decrease) in Cash and Cash Equivalents	836	517	(681)	672
Cash and Cash Equivalents - Beginning of year	1,568,529	16,525	13,020	1,598,074
Cash and Cash Equivalents - End of year	<u>\$ 1,569,365</u>	<u>\$ 17,042</u>	<u>\$ 12,339</u>	<u>\$ 1,598,746</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 646,884	\$ -	\$ -	\$ 646,884
Changes in assets and liabilities:				
Deposits	(880,715)	-	-	(880,715)
Prepaid and other assets	-	-	(6,331)	(6,331)
Accounts payable	-	187	3,861	4,048
Estimated claims liability	207,204	-	-	207,204
Accrued and other liabilities	-	330	1,789	2,119
Net cash (used in) provided by operating activities	<u>\$ (26,627)</u>	<u>\$ 517</u>	<u>\$ (681)</u>	<u>\$ (26,791)</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2015.

Charter Township of Redford

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds March 31, 2015

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Assets				
Cash and cash equivalents	\$ 4,935,941	\$ -	\$ -	\$ 4,935,941
Investments:				
Agency securities	4,957,922	-	-	4,957,922
Stocks	42,994,546	-	-	42,994,546
Corporate bonds	13,095,737	-	-	13,095,737
Real estate investment trust	1,059,659	-	-	1,059,659
Other	-	4,970,266	1,761,311	6,731,577
Accrued interest	267,774	-	-	267,774
Total assets	67,311,579	4,970,266	1,761,311	74,043,156
Liabilities				
Accounts payable	30,653	35,037	-	65,690
Due to primary government	667,180	1,008,966	-	1,676,146
Total liabilities	697,833	1,044,003	-	1,741,836
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 66,613,746	\$ 3,926,263	\$ 1,761,311	\$ 72,301,320

Charter Township of Redford

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended March 31, 2015

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Additions				
Investment income:				
Interest and dividends	\$ 1,893,536	\$ 1,188	\$ 514	\$ 1,895,238
Net increase in fair value of investments	2,892,737	-	-	2,892,737
Investment-related expenses	(409,737)	-	-	(409,737)
Net investment income	4,376,536	1,188	514	4,378,238
Contributions	4,595,406	2,791,641	2,583,042	9,970,089
Total additions	8,971,942	2,792,829	2,583,556	14,348,327
Deductions				
Benefit payments	7,400,093	2,894,172	2,279,514	12,573,779
Refunds and withdrawals	1,101,495	-	-	1,101,495
Deferred Retirement Option Plan expenses	1,537,001	-	-	1,537,001
Administrative expenses	53,162	-	2,500	55,662
Total deductions	10,091,751	2,894,172	2,282,014	15,267,937
Net (Decrease) Increase in Net Position Held in Trust	(1,119,809)	(101,343)	301,542	(919,610)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year - As restated	67,733,555	4,027,606	1,459,769	73,220,930
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 66,613,746</u>	<u>\$ 3,926,263</u>	<u>\$ 1,761,311</u>	<u>\$ 72,301,320</u>