

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

**Financial Report
with Supplemental Information
March 31, 2016**

Charter Township of Redford

Contents

Report Letter	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	13-14
Statement of Activities	15-16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of the Balance Sheet to the Statement of Net Position	18
Statement of Revenue, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenue, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23
Fiduciary Funds:	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Component Units:	
Statement of Net Position	26
Statement of Activities	27
Notes to Financial Statements	28-71

Charter Township of Redford

Contents (Continued)

Required Supplemental Information	72
Budgetary Comparison Schedule - General Fund	73-74
Notes to Required Supplemental Information	75-76
General Employees Pension System Schedule of Changes in the Township Net Pension Liability and Related Ratios	77
Police and Fire Employee Retirement System Schedule of Changes in the Township Net Pension Liability and Related Ratios	78
General Employees Pension System Schedule of Contributions	79
Police and Fire Employee Retirement System Schedule of Township Contributions	80
Police and Fire Employees Retirement System Schedule of Investment Returns	81
OPEB System Schedule - General Employees	82
OPEB System Schedule - Police and Fire Employees	83
Other Supplemental Information	84
Nonmajor Governmental Funds:	
Combining Balance Sheet	85-87
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	88-90
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	91
Combining Statement of Revenue, Expenses, and Changes in Net Position	92
Combining Statement of Cash Flows	93
Internal Service Funds:	
Combining Statement of Net Position	94
Combining Statement of Revenue, Expenses, and Changes in Net Position	95
Combining Statement of Cash Flows	96
Fiduciary Funds:	
Combining Statement of Assets and Liabilities	97
Combining Statement of Changes in Fiduciary Net Position	98

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, 2016 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 an opinion 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, 2016 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, during the year ended March 31, 2016, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Charter Township of Redford's basic financial statements. The other supplemental information 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 1, 2016 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 & Moran, PLLC

September 1, 2016

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, 2016. 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, decreased approximately \$78,000 for the year ended March 31, 2016, to \$4,820,000.
- As of January 1, 2015, the Township went from being self-insured for health care to becoming fully insured for all active employees. The new plan is a high deductible health savings account with the calculated savings being approximately 5 percent per year.
- In April 2015, the Township refunded the Series 2006A Limited Tax General Obligation bonds related to the Shamrock Brownfield project. The refinancing reduced total debt service payments over the next nine years by approximately \$164,000.
- The Township has a new water meter replacement program that is going on its second and final year. This program is to manage water loss and nonrevenue water, thereby giving Redford Township the ability to be more effective and efficient as it manages its water and sewer assets. This capital improvement project will allow Redford Township to monitor water purchased and water sold on a daily basis from the Great Lakes Water Authority (GLWA). Redford Township is committed to continued investment in its infrastructure.

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.

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.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

The Township as a Whole

The following table illustrates, in a condensed format, the approximate net position as of March 31, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Cash and investments	\$ 27,577,000	\$ 22,108,000	\$ 7,524,000	\$ 7,653,000	\$ 35,101,000	\$ 29,761,000
Other current assets	9,352,000	12,561,000	5,781,000	5,750,000	15,133,000	18,311,000
Capital assets	17,769,000	19,086,000	42,487,000	42,111,000	60,256,000	61,197,000
Total assets	54,698,000	53,755,000	55,792,000	55,514,000	110,490,000	109,269,000
Deferred Outflows of Resources	7,443,000	-	1,179,000	21,000	8,622,000	21,000
Liabilities						
Current liabilities	2,540,000	2,121,000	2,319,000	2,126,000	4,859,000	4,247,000
Long-term liabilities	97,959,000	32,073,000	12,874,000	7,819,000	110,833,000	39,892,000
Total liabilities	100,499,000	34,194,000	15,193,000	9,945,000	115,692,000	44,139,000
Deferred Inflows of Resources	177,000	-	-	-	177,000	-
Net Position						
Net investment in capital assets	9,051,000	8,915,000	39,208,000	37,363,000	48,259,000	46,278,000
Restricted	8,901,000	8,241,000	340,000	341,000	9,241,000	8,582,000
Unrestricted	(56,487,000)	2,405,000	2,230,000	7,886,000	(54,257,000)	10,291,000
Total net position	<u>\$ (38,535,000)</u>	<u>\$ 19,561,000</u>	<u>\$ 41,778,000</u>	<u>\$ 45,590,000</u>	<u>\$ 3,243,000</u>	<u>\$ 65,151,000</u>

During the year, the Township was required to implement GASB 68, *Accounting and Financial Reporting for Pensions*. Therefore, this is the first year the net pension liability and deferred outflows appear on the balance sheet rather than just stated in the footnotes. As a result of this implementation, beginning net position was restated for both governmental and business-type activities. Total net position related to the Township's governmental activities decreased by \$555,000 because \$2,900,000 in pension expense was added in the current year. Total net position related to business-type activities increased by \$1,124,624 due to pension expense increasing by \$459,000.

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, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue						
Program revenue:						
Charges for services	\$ 6,651,000	\$ 6,373,000	\$ 18,512,000	\$ 17,858,000	\$ 25,163,000	\$ 24,231,000
Operating grants	2,922,000	3,601,000	-	-	2,922,000	3,601,000
Capital grants	271,000	435,000	-	-	271,000	435,000
General revenue:						
Property taxes	19,734,000	19,490,000	-	-	19,734,000	19,490,000
State-shared revenue	4,820,000	4,897,000	-	-	4,820,000	4,897,000
Investment earnings	49,000	45,000	103,000	252,000	152,000	297,000
Gain on sale of assets	6,000	-	11,000	7,000	17,000	7,000
Transfers and other revenue	1,361,000	1,570,000	153,000	-	1,514,000	1,570,000
Total revenue	35,814,000	36,411,000	18,779,000	18,117,000	54,593,000	54,528,000
Program Expenses						
General government	3,686,000	2,581,000	-	-	3,686,000	2,581,000
District court	2,948,000	2,768,000	-	-	2,948,000	2,768,000
Public safety	22,180,000	21,533,000	-	-	22,180,000	21,533,000
Public works	4,701,000	4,678,000	-	-	4,701,000	4,678,000
Health and welfare	296,000	110,000	-	-	296,000	110,000
Community and economic development	1,204,000	1,510,000	-	-	1,204,000	1,510,000
Recreation and cultural	937,000	689,000	-	-	937,000	689,000
Interest on long-term debt	417,000	464,000	-	-	417,000	464,000
Water and sewer	-	-	15,189,000	14,807,000	15,189,000	14,807,000
Golf course	-	-	1,165,000	1,190,000	1,165,000	1,190,000
Senior housing	-	-	502,000	483,000	502,000	483,000
Protective inspection	-	-	798,000	764,000	798,000	764,000
Total expenses	36,369,000	34,333,000	17,654,000	17,244,000	54,023,000	51,577,000
Change in Net Position	\$ (555,000)	\$ 2,078,000	\$ 1,125,000	\$ 873,000	\$ 570,000	\$ 2,951,000

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

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Governmental Activities

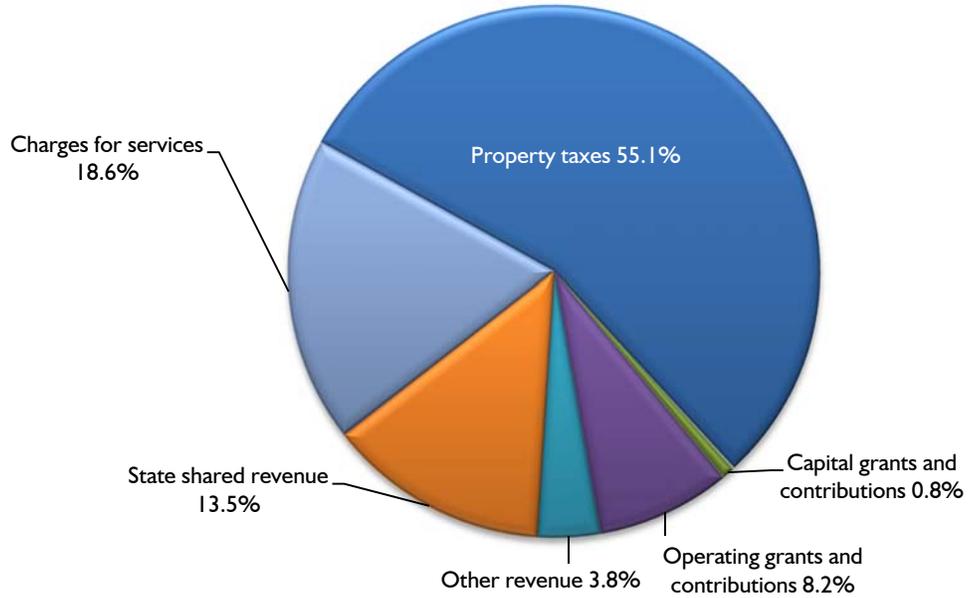
Local property taxes and state-shared revenue make up approximately 68 percent, or \$24,554,000, of the Township's total governmental revenue of \$35,814,000. The majority of the remaining amount of revenue is related to charges for services and operating and capital grants. Charges for services revenue increased by \$271,000, which 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 \$22,180,000, or 61 percent of the total governmental expenses. Public safety expenditures increased by \$647,000 in the current year as a result of the implementation of GASB 68. The public works activities, including solid waste disposal, cost approximately \$4,701,000, or 13 percent of governmental expenses. The remaining \$9,488,000 of expenses, or 26 percent, pays for recreation, community development, health and welfare, general government activities, and interest on debt. General government expenditures increased by \$1,104,000 due to the implementation of GASB 68.

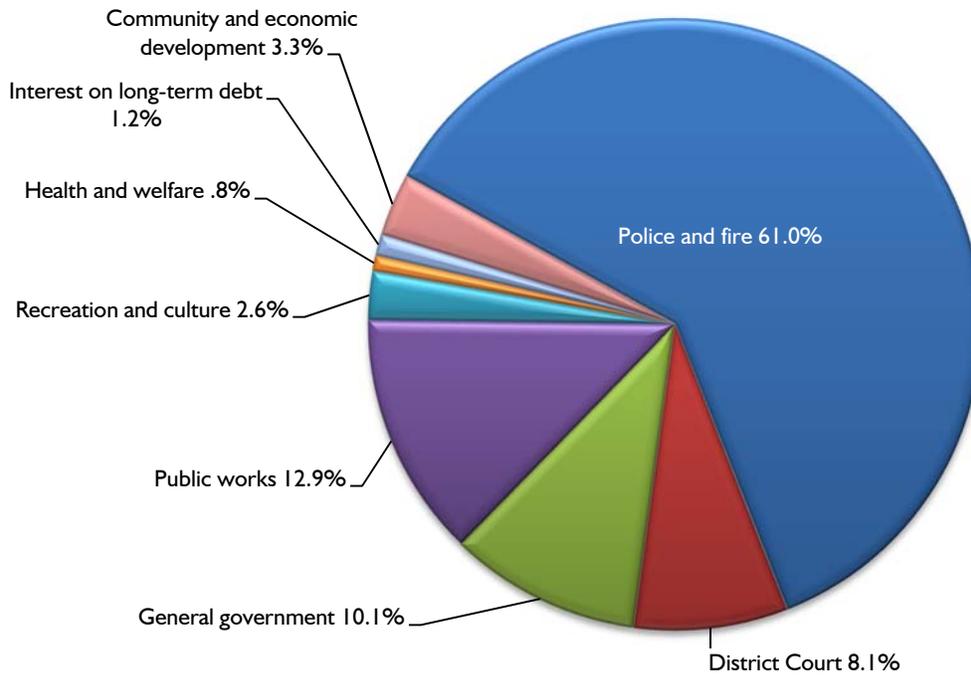
Charter Township of Redford

Management's Discussion and Analysis (Continued)

Revenue by Source - Governmental Activities



Expenses by Activity - Governmental Activities



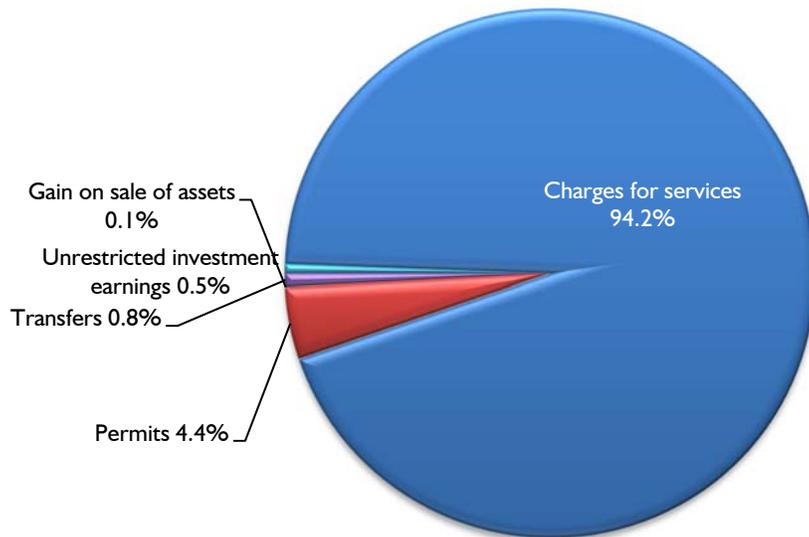
Charter Township of Redford

Management's Discussion and Analysis (Continued)

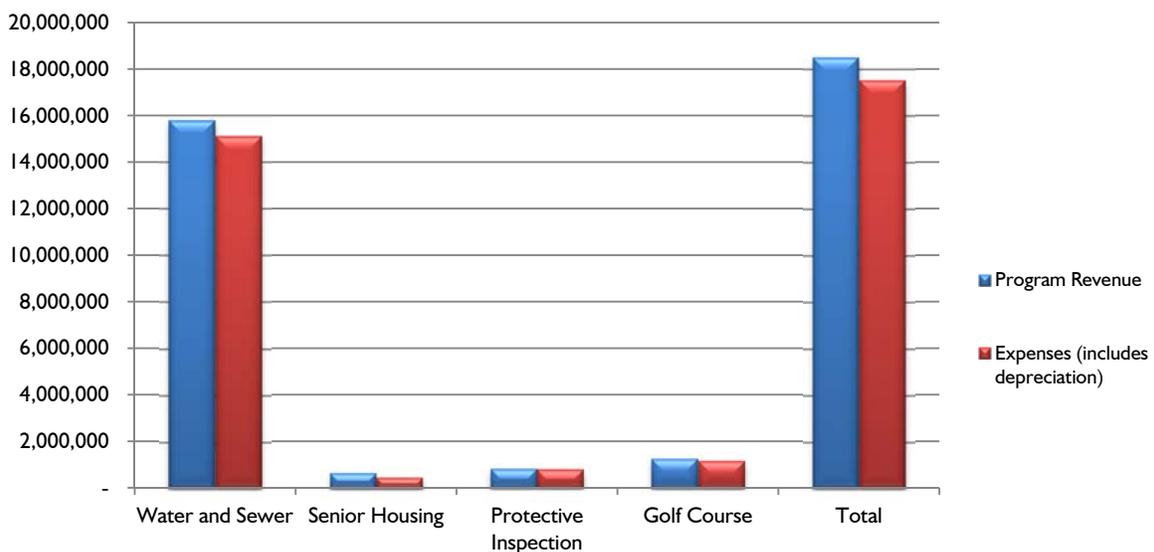
Business-type Activities

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

Revenue by Source - Business-type Activities



Expenses and Program Revenue - Business-type Activities



Charter Township of Redford

Management's Discussion and Analysis (Continued)

- The net position increased by \$1,125,000 for the business-type activities (Enterprise Funds) in FY 2015-16. This is an increase of \$252,000 from the change in net position in the previous fiscal year.
- 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 Great Lakes Water Authority. The Township, through our engineering consultants, developed a system of controls to monitor water loss on a continual timely basis. The methodology identifies changes in water volume, pressure, and source locations that can be evaluated daily or more often if needed. Implementation of these controls resulted in a significant reduction in the water loss percentage. The fund realized operating income of approximately \$674,000 and an increase in net position of approximately \$823,000.
- The Township owns Glenhurst Municipal Golf Course as a business-type activity. There is a contract with a third party to oversee and manage the operations of the facility through March 2018.
- The golf course operations produced a surplus of \$99,000, compared to a deficit of \$70,000 in FY 2015, after depreciation. The golf course experienced a sales increase of \$144,000 while operating expenses decreased by \$24,000 from the previous year. Some of the revenue increase can be attributed to additional greens fees the Township earned. 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, 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 \$194,000 after depreciation and before debt service. The facility was opened on October 1, 1993. The construction was financed by issuing bonds, of which \$1,020,000 of principal remains outstanding. These bonds will be paid off in FY 2018.
- The Protective Inspection Fund is operated as a business-type activity. The fund accounts for activities related to building and construction code enforcement. The goal of the operation is to generate sufficient revenue from building ordinance code fees to support the cost of operations.

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 2016 were the General Fund and the Sidewalk Improvement 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 \$19,024,000 in fiscal year 2016. These two activities are partially funded by two police and fire millages. During the current year, this amounted to approximately \$5,856,000 (of which \$4,870,000 is further restricted as to use) for police and fire operations and \$7,270,000 for the retirement system. The remaining \$5,898,000 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 \$9,117,000.
- 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 2016 fiscal year, approximately \$560,000 in sidewalks was replaced and \$630,000 in revenue was received. The current accounts receivable balance at year end was \$1,151,000.

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 \$328,000.

The expenditures were also amended, decreasing by approximately \$665,000. This relates primarily to the decrease in expected healthcare costs. The Township received a refund check from Blue Cross Blue Shield during the year for overpaid runoff payments when transitioning from self-insured to fully insured health care. In the budgetary comparison schedule, this refund is reflected as a decrease in expense.

Capital Asset and Debt Administration

At the end of the fiscal year, the Township had \$60,537,000 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 53 percent of the Township's total assets of \$113,243,000 (including component units).

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

The long-term debt (including component units) of \$17,763,000 is related to the investment in capital assets and the Brownfield Redevelopment project, Shamrock. At the end of the fiscal year, the Township had \$8.7 million in debt in the governmental-type activities while business-type activities had \$3.3 million outstanding, with 69 percent of that amount in the Water and Sewer Fund. Component unit debt was \$5.8 million.

Charter Township of Redford

Management's Discussion and Analysis (Continued)

Fiscal Year 2016-2017 Budget and Rates

The Township's General Fund budget for the 2016-2017 fiscal year anticipates an increase in revenue and expenditures over the prior year's original budget of approximately \$783,000.

Property tax revenue from the set millage is expected to be relatively similar to FY 2016. The police and fire pension millage, street lighting millage, and Police and Fire Special Assessment District are set and levied to cover costs. In 2016-2017, the Township expects to receive state reimbursement for lost personal property taxes. This reimbursement amounts to almost \$279,000 in the General Fund. There is also a projected increase in fines and forfeitures of \$323,000 over the 2015-2016 budget.

The increase in expenditures is related to multiple factors. The General Fund is budgeting for additional police officers, anticipated employee contractual raises, inflationary increases, etc. The police department was awarded the 2015 COPS Grant from the Department of Justice. This grant will cover 29 percent of two new officers. The entire amount of the expenditures related to these officers is reflected in the budget. The parks and recreation department has budgeted for renovations at Claude Allison and park improvements.

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

A new fire rescue squad was ordered with funds set aside from the FY 2016 budget, but will be delivered in FY 2017. In addition, a new fire engine was ordered in FY 2016. The majority of the funding source is financed with the first debt payment due in FY 2018.

Water and sewer variable rates will increase in the 2017 fiscal year by approximately 3.13 percent. In addition, the base fee will increase to \$21.52. This base fee was approved to follow the changes made by the supplier, Great Lakes Water Authority. Finally, the Township sold \$7,765,000 in capital improvement bonds for the purpose of improving the water supply and sewage disposal systems.

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 March 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 27,575,691	\$ 7,183,851	\$ 34,759,542	\$ 2,139,235
Receivables - Net (Note 3)	4,699,027	5,232,957	9,931,984	333,865
Due from component units	680,980	-	680,980	-
Internal balances	160,723	(160,723)	-	-
Deposits	1,526,393	7,107	1,533,500	-
Prepaid expenses and other assets	483,132	115,903	599,035	-
Restricted assets (Notes 2 and 8)	1,128	340,500	341,628	-
Assets held for resale	472,933	-	472,933	-
Inventories and other assets	-	51,678	51,678	-
Due from other governmental units (Note 3)	1,328,594	533,715	1,862,309	-
Capital assets:				
Assets not subject to depreciation (Note 4)	1,351,479	4,486,384	5,837,863	75,690
Assets subject to depreciation (Note 4)	16,417,430	38,000,342	54,417,772	205,256
Total assets	54,697,510	55,791,714	110,489,224	2,754,046
Deferred Outflows of Resources				
Bond refunding loss being amortized	-	15,469	15,469	148,523
Deferred pension costs (Notes 10 and 11)	7,443,458	1,163,569	8,607,027	-
Total deferred outflows of resources	7,443,458	1,179,038	8,622,496	148,523
Liabilities				
Accounts payable	1,025,558	1,971,805	2,997,363	762,105
Due to other governmental units	159,909	632	160,541	1,788
Due to primary government	-	-	-	680,980
Accrued liabilities and other	929,225	294,445	1,223,670	1,040,333
Unearned revenue	23,932	2,368	26,300	-
Other current liabilities	401,606	49,431	451,037	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	58,365	-	58,365	-
Current portion of CSO installment agreement (Note 6)	-	358,560	358,560	-
Provision for property tax refunds	584,420	-	584,420	-
Current portion of long-term debt (Note 6)	1,463,882	845,118	2,309,000	445,000
Due in more than one year:				
Compensated absences (Note 6)	1,944,434	425,644	2,370,078	-
Provision for property tax refunds (Note 9)	731,066	-	731,066	361,054
CSO installment agreement (Note 6)	-	896,379	896,379	-
Nonexchange financial guarantee (Note 7)	1,166,326	-	1,166,326	-
Net OPEB obligation (Notes 13 and 14)	17,088,523	1,372,467	18,460,990	-
Net pension liability (Notes 10 and 11)	67,666,826	6,542,100	74,208,926	-
Long-term debt (Note 6)	7,254,939	2,433,595	9,688,534	5,320,000
Total liabilities	100,499,011	15,192,544	115,691,555	8,611,260
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 11)	176,718	-	176,718	-

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

Charter Township of Redford

Statement of Net Position (Continued) March 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 9,051,216	\$ 39,208,013	\$ 48,259,229	\$ 280,946
Restricted for:				
Road improvements	1,234,773	-	1,234,773	-
PEG fees	124,898	-	124,898	-
Debt service	1,645,771	340,500	1,986,271	-
Solid waste activities	1,745,394	-	1,745,394	-
Grant programs	1,052,278	-	1,052,278	-
Dial-A-Ride	244,595	-	244,595	-
Street lighting	90,577	-	90,577	-
Drain improvements	890,631	-	890,631	-
Drug law enforcement	587,074	-	587,074	-
911	148,157	-	148,157	-
Storm water improvements	68,546	-	68,546	-
Public safety SAD	1,067,807	-	1,067,807	-
Unrestricted	(56,486,478)	2,229,695	(54,256,783)	(5,989,637)
Total net position	<u>\$ (38,534,761)</u>	<u>\$ 41,778,208</u>	<u>\$ 3,243,447</u>	<u>\$ (5,708,691)</u>

Charter Township of Redford

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,686,138	\$ 1,216,709	\$ 111,872	\$ 90,287
District Court	2,947,738	2,632,935	-	-
Public safety	22,179,647	1,417,367	264,980	18,813
Public works	4,701,082	1,102,042	847,019	157,918
Health and welfare	295,778	21,979	136,408	-
Community and economic development	1,204,373	3,530	1,553,520	-
Recreation and culture	936,767	256,354	8,000	3,670
Interest on long-term debt	416,646	-	-	-
Total governmental activities	36,368,169	6,650,916	2,921,799	270,688
Business-type activities:				
Water and Sewer Fund	15,188,703	15,787,109	-	-
Golf course	1,165,041	1,257,434	-	-
Senior Housing Fund	502,467	650,306	-	-
Protective inspection	798,128	816,990	-	-
Total business-type activities	17,654,339	18,511,839	-	-
Total primary government	\$ 54,022,508	\$ 25,162,755	\$ 2,921,799	\$ 270,688
Component units:				
Downtown Development Authority	\$ 159,742	\$ 3,470	\$ -	\$ -
Brownfield Redevelopment Financing Authority	500,631	-	-	-
Total component units	\$ 660,373	\$ 3,470	\$ -	\$ -
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 - Beginning of year				
Net Position - End of year				

Statement of Activities Year Ended March 31, 2016

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,267,270)	\$ -	\$ (2,267,270)	\$ -
(314,803)	-	(314,803)	-
(20,478,487)	-	(20,478,487)	-
(2,594,103)	-	(2,594,103)	-
(137,391)	-	(137,391)	-
352,677	-	352,677	-
(668,743)	-	(668,743)	-
(416,646)	-	(416,646)	-
(26,524,766)	-	(26,524,766)	-
-	598,406	598,406	-
-	92,393	92,393	-
-	147,839	147,839	-
-	18,862	18,862	-
-	857,500	857,500	-
(26,524,766)	857,500	(25,667,266)	-
-	-	-	(156,272)
-	-	-	(500,631)
-	-	-	(656,903)
19,733,710	-	19,733,710	1,007,335
4,819,571	-	4,819,571	-
49,091	102,606	151,697	2,355
978,328	-	978,328	-
536,299	-	536,299	-
6,200	11,400	17,600	-
26,123,199	114,006	26,237,205	1,009,690
(153,118)	153,118	-	-
(554,685)	1,124,624	569,939	352,787
(37,980,076)	40,653,584	2,673,508	(6,061,478)
\$ (38,534,761)	\$ 41,778,208	\$ 3,243,447	\$ (5,708,691)

Charter Township of Redford

Governmental Funds Balance Sheet March 31, 2016

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents	\$ 13,428,000	\$ 1,195,781	\$ 8,502,355	\$ 23,126,136
Investments	-	-	2,862,669	2,862,669
Receivables - Net (Note 3):				
Property taxes receivable	2,105,023	-	258,643	2,363,666
Receivables from sales to customers on account	-	1,151,224	701,468	1,852,692
Other receivables	156,364	-	16,053	172,417
Due from component units	680,980	-	-	680,980
Due from other funds (Note 5)	274,516	-	-	274,516
Prepaid expenses and other assets	454,143	-	28,989	483,132
Assets held for resale	-	-	472,933	472,933
Restricted assets	-	-	1,128	1,128
Due from other governmental units (Note 3)	1,130,583	-	198,011	1,328,594
	<u>\$ 18,229,609</u>	<u>\$ 2,347,005</u>	<u>\$ 13,042,249</u>	<u>\$ 33,618,863</u>
Total assets				
Liabilities				
Accounts payable	\$ 479,665	\$ -	\$ 539,377	\$ 1,019,042
Due to other governmental units	159,759	-	150	159,909
Due to other funds	1,354	-	112,439	113,793
Accrued liabilities and other	876,217	-	21,319	897,536
Unearned revenue (Note 3)	14,167	-	9,765	23,932
Deposits and other liabilities	401,606	-	-	401,606
Provision for property tax refunds	222,638	-	26,226	248,864
	<u>2,155,406</u>	<u>-</u>	<u>709,276</u>	<u>2,864,682</u>
Total liabilities				
Deferred Inflows of Resources - Unavailable revenue	2,202,774	1,122,302	1,107,185	4,432,261
Fund Balances				
Nonspendable (Note 16)	1,135,123	-	28,989	1,164,112
Restricted (Note 16)	777,319	-	6,547,034	7,324,353
Committed (Note 16)	288,992	-	3,850,074	4,139,066
Assigned (Note 16)	450,530	1,224,703	911,976	2,587,209
Unassigned (Note 16)	11,219,465	-	(112,285)	11,107,180
	<u>13,871,429</u>	<u>1,224,703</u>	<u>11,225,788</u>	<u>26,321,920</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,229,609</u>	<u>\$ 2,347,005</u>	<u>\$ 13,042,249</u>	<u>\$ 33,618,863</u>

Charter Township of Redford

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position March 31, 2016

Fund Balance Reported in Governmental Funds	\$ 26,321,920
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	17,768,909
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position, but are reported as expenses in the governmental funds	7,443,458
Certain changes in pension plan net position are reported as deferred inflows of resources in the statement of net position, but are reported as reductions of expenses in the governmental funds	(176,718)
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	1,520,401
Delinquent personal and real property taxes are expected to be collected over several years and are not available to pay for current year expenditures	2,330,516
Allowance for potential chargebacks on delinquent personal and real property taxes are expected to be collected over several years	(335,556)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(8,718,821)
Accrued interest is not due and payable in the current period and is not reported in the funds	(17,337)
Revenue related to grants was not collected within 60 days of year end and is not available to pay for current year expenditures	581,344
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	(2,002,799)
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	(1,166,326)
Net other postemployment benefits obligation is not recorded as a liability in the funds	(17,088,523)
Net pension liability in governmental activities is not reported in the funds	(67,666,826)
Internal service funds are included as part of governmental activities	<u>2,671,597</u>
Net Position of Governmental Activities	<u>\$ (38,534,761)</u>

Charter Township of Redford

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2016

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Revenue				
Property taxes (Note 1)	\$ 17,642,513	\$ -	\$ 2,080,829	\$ 19,723,342
Licenses and permits	1,105,824	-	-	1,105,824
Federal grants	127,995	-	1,606,880	1,734,875
State sources	5,080,213	-	148,675	5,228,888
Charges for services	2,352,271	569,085	502,314	3,423,670
Fines and forfeitures	3,163,956	58,471	568,334	3,790,761
Investment income	27,373	2,757	18,585	48,715
Other revenue:				
Special assessments	-	-	92,457	92,457
Other miscellaneous income	1,649,168	-	911,660	2,560,828
Total revenue	<u>31,149,313</u>	<u>630,313</u>	<u>5,929,734</u>	<u>37,709,360</u>
Expenditures - Current				
General government	4,502,020	-	-	4,502,020
District Court	2,742,238	-	-	2,742,238
Public safety	19,140,628	-	395,342	19,535,970
Public works	1,746,601	561,867	2,241,295	4,549,763
Health and welfare	14,539	-	250,544	265,083
Community and economic development	79,924	-	1,345,942	1,425,866
Recreation and culture:				
Parks and recreation	382,143	-	-	382,143
Parks facilities	296,272	-	-	296,272
Senior citizens	72,864	-	-	72,864
Cultural	3,581	-	-	3,581
Capital outlay	-	-	70,824	70,824
Debt service	-	-	1,872,262	1,872,262
Total expenditures	<u>28,980,810</u>	<u>561,867</u>	<u>6,176,209</u>	<u>35,718,886</u>
Excess of Revenue Over (Under) Expenditures	2,168,503	68,446	(246,475)	1,990,474
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	10,725	-	5,025	15,750
Transfers in	438,700	-	1,281,760	1,720,460
Transfers out	(1,113,766)	-	(151,240)	(1,265,006)
Total other financing (uses) sources	<u>(664,341)</u>	<u>-</u>	<u>1,135,545</u>	<u>471,204</u>
Net Change in Fund Balances	1,504,162	68,446	889,070	2,461,678
Fund Balances - Beginning of year	<u>12,367,267</u>	<u>1,156,257</u>	<u>10,336,718</u>	<u>23,860,242</u>
Fund Balances - End of year	<u>\$ 13,871,429</u>	<u>\$ 1,224,703</u>	<u>\$ 11,225,788</u>	<u>\$ 26,321,920</u>

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 2,461,678
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	448,353
Depreciation expense	(1,765,447)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(203,100)
Change in liability related to the nonexchange financial guarantee is recognized on the statement of activities and not in the governmental funds	352,911
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	(69,671)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,453,882
Change in accrued interest and other	1,734
Change in other postemployment liability	(738,303)
Change in net pension liability is recorded when incurred in the statement of activities	(2,859,034)
Internal service funds are included as part of governmental activities	<u>362,312</u>
Change in Net Position of Governmental Activities	<u><u>\$ (554,685)</u></u>

Charter Township of Redford

Proprietary Funds Statement of Net Position March 31, 2016

	Enterprise Funds				Governmental
	Water and Sewer	Senior Housing	Nonmajor	Total	Activities
	Fund	Fund	Enterprise Funds		Proprietary Internal Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 5,049,484	\$ 403,303	\$ 1,731,064	\$ 7,183,851	\$ 1,586,886
Receivables - Net	5,226,742	-	6,215	5,232,957	310,252
Due from other funds	-	-	-	-	40,000
Deposits	-	-	7,107	7,107	1,526,393
Prepaid expenses and other assets	91,101	3,790	21,012	115,903	-
Inventories and other assets	51,678	-	-	51,678	-
Due from other governmental units	533,715	-	-	533,715	-
Total current assets	10,952,720	407,093	1,765,398	13,125,211	3,463,531
Noncurrent assets:					
Restricted assets (Note 8)	340,500	-	-	340,500	-
Capital assets (Note 4)	37,362,004	2,710,974	2,413,748	42,486,726	-
Total noncurrent assets	37,702,504	2,710,974	2,413,748	42,827,226	-
Total assets	48,655,224	3,118,067	4,179,146	55,952,437	3,463,531
Deferred Outflows of Resources					
Bond refunding loss being amortized	-	15,469	-	15,469	-
Deferred pension costs	914,233	83,112	166,224	1,163,569	-
Total deferred outflows	914,233	98,581	166,224	1,179,038	-
Liabilities					
Current liabilities:					
Accounts payable	1,861,797	3,330	106,678	1,971,805	6,516
Due to other governmental units	-	-	632	632	-
Due to other funds	-	-	160,723	160,723	40,000
Accrued liabilities and other	260,829	19,325	14,291	294,445	14,352
Unearned revenue	-	-	2,368	2,368	-
Other current liabilities	131	49,300	-	49,431	-
Current portion of CSO installment agreement	358,560	-	-	358,560	-
Current portion of long-term debt	520,118	325,000	-	845,118	-
Total current liabilities	3,001,435	396,955	284,692	3,683,082	60,868
Noncurrent liabilities:					
Compensated absences	340,266	45,768	39,610	425,644	-
Estimated insurance and other liabilities	-	-	-	-	731,066
Net OPEB obligation	1,156,444	43,810	172,213	1,372,467	-
Net pension liability	5,140,222	467,293	934,585	6,542,100	-
CSO installment agreement (Note 6)	896,379	-	-	896,379	-
Long-term debt (Note 6)	1,738,595	695,000	-	2,433,595	-
Total noncurrent liabilities	9,271,906	1,251,871	1,146,408	11,670,185	731,066
Total liabilities	12,273,341	1,648,826	1,431,100	15,353,267	791,934
Net Position					
Net investment in capital assets	35,103,291	1,690,974	2,413,748	39,208,013	-
Restricted - Debt service	340,500	-	-	340,500	-
Unrestricted	1,852,325	(123,152)	500,522	2,229,695	2,671,597
Total net position	<u>\$ 37,296,116</u>	<u>\$ 1,567,822</u>	<u>\$ 2,914,270</u>	<u>\$ 41,778,208</u>	<u>\$ 2,671,597</u>

Charter Township of Redford

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended March 31, 2016

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Senior Housing Fund	Nonmajor Enterprise Funds	Total	Proprietary Internal Service Fund
	Fund	Fund	Enterprise Funds	Total	Fund
Operating Revenue					
Charges for services	\$ 15,787,109	\$ 650,306	\$ 1,257,434	\$ 17,694,849	\$ 449,578
Township contributions	-	-	-	-	1,258,606
Fees and permits	-	-	816,990	816,990	-
Refunds	-	-	-	-	582,723
Total operating revenue	15,787,109	650,306	2,074,424	18,511,839	2,290,907
Operating Expenses					
Cost of water and sewer	11,714,553	-	-	11,714,553	-
Benefit payments, reinsurance charges, and claim administration	-	-	-	-	911,651
Billing and administrative costs	375,000	-	-	375,000	-
General and administrative costs	1,553,321	361,426	-	1,914,747	449,578
Cost of services	-	-	1,792,258	1,792,258	-
Depreciation and amortization	1,470,307	94,633	170,911	1,735,851	-
Total operating expenses	15,113,181	456,059	1,963,169	17,532,409	1,361,229
Operating Income	673,928	194,247	111,255	979,430	929,678
Nonoperating Revenue (Expenses)					
Investment income	97,798	917	3,891	102,606	41,206
Interest expense	(75,522)	(46,408)	-	(121,930)	-
Gain on sale of assets	6,400	-	5,000	11,400	-
Total nonoperating revenue (expenses)	28,676	(45,491)	8,891	(7,924)	41,206
Income - Before contributions	702,604	148,756	120,146	971,506	970,884
Transfers in	120,221	4,940	27,957	153,118	-
Transfers Out	-	-	-	-	(608,572)
Change in Net Position	822,825	153,696	148,103	1,124,624	362,312
Net Position - Beginning of year - As restated	36,473,291	1,414,126	2,766,167	40,653,584	2,309,285
Net Position - End of year	<u>\$ 37,296,116</u>	<u>\$ 1,567,822</u>	<u>\$ 2,914,270</u>	<u>\$ 41,778,208</u>	<u>\$ 2,671,597</u>

Charter Township of Redford

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2016

	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	\$ 16,106,540	\$ 651,010	\$ 2,074,723	\$ -
Receipts from interfund services and reimbursements	-	-	-	1,708,184
Payments to suppliers	(9,503,609)	(137,046)	(1,077,091)	(37,530)
Payments to employees	(3,230,289)	(192,868)	(553,151)	(420,561)
Internal activity - (Payments) charges to other funds	(836,615)	-	4,366	-
Claims paid	-	-	-	(1,048,659)
Other receipts	-	-	-	354,072
Net cash provided by operating activities	<u>2,536,027</u>	<u>321,096</u>	<u>448,847</u>	<u>555,506</u>
Cash Flows from Noncapital Financing Activities - Transfer in (out)	120,221	4,940	27,957	(608,572)
Cash Flows from Capital and Related Financing Activities				
Proceeds from sales of capital assets	6,400	-	5,000	-
Purchase of capital assets	(1,939,137)	(5,156)	(167,057)	-
Principal and interest paid on capital debt	(1,239,640)	(350,953)	-	-
Net cash used in capital and related financing activities	<u>(3,172,377)</u>	<u>(356,109)</u>	<u>(162,057)</u>	<u>-</u>
Cash Flows from Investing Activities - Interest received on investments	97,798	917	3,891	41,206
Net (Decrease) Increase in Cash and Cash Equivalents	(418,331)	(29,156)	318,638	(11,860)
Cash and Cash Equivalents - Beginning of year	5,808,315	432,459	1,412,426	1,598,746
Cash and Cash Equivalents - End of year	<u>\$ 5,389,984</u>	<u>\$ 403,303</u>	<u>\$ 1,731,064</u>	<u>\$ 1,586,886</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 5,049,484	\$ 403,303	\$ 1,731,064	\$ 1,586,886
Restricted cash	340,500	-	-	-
Total cash and cash equivalents	<u>\$ 5,389,984</u>	<u>\$ 403,303</u>	<u>\$ 1,731,064</u>	<u>\$ 1,586,886</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 673,928	\$ 194,247	\$ 111,255	\$ 929,678
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation and amortization	1,470,307	94,633	170,911	-
Changes in assets and liabilities:				
Receivables	341,186	704	299	354,072
Deposits	-	-	2,600	-
Prepaid and other assets	(293,726)	723	(1,283)	-
Accounts payable	265,565	(4,718)	85,339	(9,812)
Due to other funds	(461,615)	-	4,366	-
Estimated claims liability	-	-	-	(719,731)
Accrued and other liabilities	540,382	35,507	75,360	1,299
Net cash provided by operating activities	<u>\$ 2,536,027</u>	<u>\$ 321,096</u>	<u>\$ 448,847</u>	<u>\$ 555,506</u>

Noncash Investing, Capital, and Financing Activities - During the year ended March 31, 2016, unrealized gains of \$34,490 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, 2016

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 110,457
Investments:		
Agency securities	10,586,001	-
Stocks	37,295,827	-
Corporate bonds	13,086,708	-
Real estate investment trust	921,668	-
Short-term funds (2a7-like)	6,191,681	-
Accrued interest receivable	181,110	-
Total assets	68,262,995	\$ 110,457
Liabilities		
Accounts payable	103,712	\$ -
Refundable deposits, bonds, etc.	-	110,457
Other current liabilities	544,795	-
Total liabilities	648,507	\$ 110,457
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 67,614,488	

Charter Township of Redford

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended March 31, 2016

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income (loss):	
Interest and dividends	\$ 2,249,259
Net decrease in fair value of investments	(1,735,433)
Investment-related expenses	(394,153)
Net investment income (loss)	119,673
Contributions	9,608,051
Total additions	9,727,724
Deductions	
Benefit payments	12,706,470
Refunds and withdrawals	658,606
Deferred Retirement Plan Option expenses	974,177
Administrative expenses	75,303
Total deductions	14,414,556
Net Decrease in Net Position Held in Trust	(4,686,832)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year - As restated	72,301,320
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 67,614,488

Charter Township of Redford

Component Units Statement of Net Position March 31, 2016

	Downtown Development Authority	Brownfield Redevelopment Financing Authority	Total
Assets			
Cash and investments	\$ 275,038	\$ 1,864,197	\$ 2,139,235
Receivables - Net	-	333,865	333,865
Capital assets	280,946	-	280,946
Total assets	555,984	2,198,062	2,754,046
Deferred Outflows of Resources -			
Bond refunding loss being amortized	-	148,523	148,523
Liabilities			
Accounts payable	998	761,107	762,105
Due to other governmental units	-	1,788	1,788
Due to primary government	-	680,980	680,980
Accrued liabilities and other	1,364	1,038,969	1,040,333
Due within one year (Note 6) -			
Current portion of long-term debt	-	445,000	445,000
Due in more than one year (Note 6):			
Provision for property tax refunds	-	361,054	361,054
Long-term debt	-	5,320,000	5,320,000
Total liabilities	2,362	8,608,898	8,611,260
Net Position			
Net investment in capital assets	280,946	-	280,946
Unrestricted	272,676	(6,262,313)	(5,989,637)
Total net position	\$ 553,622	\$ (6,262,313)	\$ (5,708,691)

Charter Township of Redford

Component Units Statement of Activities Year Ended March 31, 2016

	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	\$ 159,742	\$ 3,470	\$ (156,272)	\$ -	\$ (156,272)
Brownfield Redevelopment Financing Authority:					
Community and economic development	176,658	-	-	(176,658)	(176,658)
Debt service	323,973	-	-	(323,973)	(323,973)
Total Brownfield Redevelopment Financing Authority	500,631	-	-	(500,631)	(500,631)
Total component units	\$ 660,373	\$ 3,470	(156,272)	(500,631)	(656,903)
General revenue:					
Property taxes			168,060	839,275	1,007,335
Investment income			449	1,906	2,355
Total general revenue			168,509	841,181	1,009,690
Change in Net Position			12,237	340,550	352,787
Net Position - Beginning of year			541,385	(6,602,863)	(6,061,478)
Net Position - End of year			\$ 553,622	\$ (6,262,313)	\$ (5,708,691)

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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, 2016

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, 2016.

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, 2016

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.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the 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, 2016

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 for which specific revenue was used. 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.

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.

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.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note I - Summary of Significant Accounting Policies (Continued)

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.

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.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Amortization - Bond discounts recorded in the business-type activities are being amortized over the life of the bonds. For the year ended March 31, 2016, amortization of \$11,053 has been included in the operating expenses of the business-type activities, and accumulated amortization totaled \$515,084 for business-type activities. Additionally, there was \$13,502 of amortization for deferred cost of refunding for component units.

Note I - Summary of Significant Accounting Policies (Continued)

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 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 Township has two items that fall into this category: the deferred charge on refunding reported in the component unit and government-wide statement of net position and the deferred outflows of resources related to the defined benefit pension plan are reported in the government-wide and proprietary financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, the government-wide statements and proprietary fund report deferred outflows from the difference between projected and actual investment earnings of the pension plan, differences between expected and actual experience in the police and fire plan, as well as Township contributions made after the measurement date of the net pension liability.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

Note I - Summary of Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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.

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 2015 tax is levied and collectible on December 1, 2015 and is recognized as revenue in the year ended March 31, 2016, when the proceeds of the levy are budgeted and available for the financing of operations.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

The 2015 taxable valuation of the Township totaled \$794 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, 6.8500 mills for police and fire special assessment district, 9.4500 mills for police and fire pension, 2.5984 mills for solid waste management, 1.2000 mills for street lighting, and 0.1079 mills for Dial-A-Ride operating purposes. This resulted in \$3.3 million for general operating purposes, \$1.0 million for police and fire operating purposes, \$4.9 million for the police and fire special assessment district, \$7.3 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 - The Charter Township of Redford offers a single employer-defined benefit plan to its police and fire employees and an agent multiemployer defined benefit pension plan to its general employees. The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plans' fiduciary net positions. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Redford Township Pension Plans, and additions to/deductions from the pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability has generally been liquidated from the funds from which the individual employee's salaries are paid, which are primarily the General and Water and Sewer Funds.

Other Postemployment Benefit Costs - The Township offers 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, 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. The net OPEB obligation has generally been liquidated from the funds from which the individual employee's salaries are paid, which are primarily the General and Water and Sewer Funds.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund and Internal Service Funds is charges to customers for sales 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	\$ 24,618,885	\$ 5,394,778	\$ 110,457	\$ 30,124,120	\$ 2,139,235
Investments	2,956,806	1,789,073	68,081,885	72,827,764	-
Restricted cash and investments	1,128	340,500	-	341,628	-
Total	<u>\$ 27,576,819</u>	<u>\$ 7,524,351</u>	<u>\$ 68,192,342</u>	<u>\$ 103,293,512</u>	<u>\$ 2,139,235</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	\$ 30,446,273	\$ 2,139,235
Investments:		
U.S. government securities	13,446,318	-
Stocks	37,295,827	-
Bonds	13,086,708	-
Real estate investment trust	921,668	-
Short-term funds (2a7-like)	7,577,243	-
Certificates of deposits	500,000	-
Petty cash or cash on hand	19,475	-
Total	<u>\$ 103,293,512</u>	<u>\$ 2,139,235</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, 2016

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 \$37,319,258 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 \$2,136,187 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)	\$ 2,362,669	6.01
U.S. government agency securities (Court Building Improvement Fund)	497,648	2.45
U.S. government agency securities (pension)	10,586,001	25.28
Corporate bonds (pension)	13,086,708	8.25
Total	<u>\$ 26,533,026</u>	

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	\$ 1,046,760	AAA	Moody's
U.S. government securities (pension)	4,313,380	AA+	S&P
U.S. government securities (pension)	5,222,493	Not rated	
U.S. government securities (Court Building Fund)	497,648	AA+	S&P
U.S. government securities (Water and Sewer Fund)	2,362,669	Not rated	
Corporate bonds (pension)	552,662	AA2	S&P
Corporate bonds (pension)	1,211,815	A3	Moody's
Corporate bonds (pension)	3,663,030	A2	Moody's
Corporate bonds (pension)	1,057,104	A1	Moody's
Corporate bonds (pension)	653,126	BAA3	Moody's
Corporate bonds (pension)	3,010,606	BAA2	Moody's
Corporate bonds (pension)	2,938,362	BAA1	Moody's
Corporate bonds (pension)	3,350	Not rated	Moody's
Short-term funds - MBIA pooled accounts	2,991	Not rated	
Comerica J-Fund	7,574,252	A1, P1	S&P, Moody's
Total	\$ 34,110,248		

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	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	\$ 2,241,213	\$ -	\$ 258,643	\$ 2,499,856	\$ -	\$ -	\$ -	\$ -	\$ 2,499,856	\$ -
Receivables from sales to customers on account	-	1,151,224	701,468	1,852,692	4,262,206	-	6,215	4,268,421	6,121,113	-
Due from other governmental units	1,130,583	-	198,011	1,328,594	533,715	-	-	533,715	1,862,309	-
Other receivables	156,364	-	16,053	172,417	964,536	-	-	964,536	1,136,953	333,865
Less allowance for uncollectibles	(136,190)	-	-	(136,190)	-	-	-	-	(136,190)	-
Net receivables	\$ 3,391,970	\$ 1,151,224	\$ 1,174,175	\$ 5,717,369	\$ 5,760,457	\$ -	\$ 6,215	\$ 5,766,672	\$ 11,484,041	\$ 333,865

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	\$ 2,330,516	\$ -
Special assessments	1,520,401	-
Community Development Block Grant	581,344	-
FEMA Grant	-	10,000
Home Grant	-	9,765
JAG Grant	-	-
Parks and recreation	-	4,167
Total	\$ 4,432,261	\$ 23,932

Note 4 - Capital Assets

Capital asset activity of the Township was as follows:

	Balance April 1, 2015	Additions	Disposals and Adjustments	Balance March 31, 2016
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,343,404	\$ -	\$ -	\$ 1,343,404
Construction in progress	-	8,075	-	8,075
Subtotal	1,343,404	8,075	-	1,351,479
Capital assets being depreciated:				
Road rights	12,755,044	-	-	12,755,044
Buildings and improvements	17,260,324	-	-	17,260,324
Machinery and equipment	373,994	-	-	373,994
Vehicles	3,903,484	160,601	(257,611)	3,806,474
Office equipment	3,745,671	262,477	-	4,008,148
Land improvements	2,948,240	17,200	-	2,965,440
Furniture and fixtures	78,713	-	-	78,713
Subtotal	41,065,470	440,278	(257,611)	41,248,137
Accumulated depreciation:				
Road usage rights	6,314,141	850,371	-	7,164,512
Buildings and improvements	9,216,964	371,628	-	9,588,592
Machinery and equipment	274,214	12,568	-	286,782
Vehicles	2,990,698	212,698	(257,611)	2,945,785
Office equipment	3,119,865	175,293	-	3,295,158
Land improvements	1,346,060	138,424	-	1,484,484
Furniture and fixtures	60,929	4,465	-	65,394
Subtotal	23,322,871	1,765,447	(257,611)	24,830,707
Net capital assets being depreciated	17,742,599	(1,325,169)	-	16,417,430
Net capital assets	\$ 19,086,003	\$ (1,317,094)	\$ -	\$ 17,768,909

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 4 - Capital Assets (Continued)

Business-type Activities	Balance April 1, 2015	Additions	Disposals and Adjustments	Balance March 31, 2016
Capital assets not being depreciated:				
Land	\$ 868,128	\$ -	\$ -	\$ 868,128
Construction in progress	1,841,995	1,776,261	-	3,618,256
Subtotal	2,710,123	1,776,261	-	4,486,384
Capital assets being depreciated:				
Water and sewer facilities	37,099,406	68,330	-	37,167,736
Water meters	2,004,055	-	-	2,004,055
Buildings and improvements	9,259,875	-	-	9,259,875
Equipment	2,493,034	177,056	(35,600)	2,634,490
Vehicles	1,474,900	88,647	(79,158)	1,484,389
Road rights	37,077	-	-	37,077
CSO basin	19,109,560	-	-	19,109,560
Land improvements	74,215	-	-	74,215
Subtotal	71,552,122	334,033	(114,758)	71,771,397
Accumulated depreciation:				
Water and sewer facilities	11,346,449	594,837	-	11,941,286
Water meters	1,911,419	18,272	-	1,929,691
Buildings and improvements	4,965,451	196,383	-	5,161,834
Equipment	1,715,755	177,603	(25,600)	1,867,758
Vehicles	1,107,289	88,924	(79,158)	1,117,055
Road rights	6,180	2,471	-	8,651
Land improvements	14,433	4,949	-	19,382
CSO basin	11,084,042	641,356	-	11,725,398
Subtotal	32,151,018	1,724,795	(104,758)	33,771,055
Net capital assets being depreciated	39,401,104	(1,390,762)	(10,000)	38,000,342
Net capital assets	\$ 42,111,227	\$ 385,499	\$ (10,000)	\$ 42,486,726

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 4 - Capital Assets (Continued)

Component Units	Balance April 1, 2015	Additions	Balance March 31, 2016
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	14,927	272,812
Subtotal	272,301	14,927	287,228
Accumulated depreciation:			
Machinery and equipment	11,801	1,743	13,544
Land improvements	51,736	16,692	68,428
Subtotal	63,537	18,435	81,972
Net capital assets being depreciated	208,764	(3,508)	205,256
Net capital assets	<u>\$ 284,454</u>	<u>\$ (3,508)</u>	<u>\$ 280,946</u>

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

Governmental activities:	
General government	\$ 82,199
Public safety	607,346
Public works	920,733
Community and economic development	36,959
Recreation and culture	118,210
Total governmental activities	<u>\$ 1,765,447</u>
Business-type activities:	
Water and sewer	\$ 1,464,407
Senior housing	89,477
Protective inspection	19,451
Golf course	151,460
Total business-type activities	<u>\$ 1,724,795</u>
Component unit activities - Downtown Development Authority	<u>\$ 18,435</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	\$ 110,916
	Nonmajor enterprise funds	163,600
	Total General Fund	274,516
Internal service funds	Nonmajor enterprise funds	40,000
	Total	<u>\$ 314,516</u>

Receivable Fund	Payable Fund	Amount
Due to/from Primary Government and Component Units		
General Fund	Brownfield Redevelopment Financing Authority	<u>\$ 680,980</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	\$ 1,113,766
Nonmajor governmental funds	Nonmajor governmental funds	151,240
Proprietary Internal Service Fund	General Fund	438,164
	Nonmajor government funds	17,290
	Water and Sewer Fund	120,221
	Senior Housing Fund	4,940
	Nonmajor enterprise funds	27,957
	Total Proprietary Internal Service Fund	<u>608,572</u>
	Total	<u>\$ 1,873,578</u>

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

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	3.85%	\$200,000	\$ 1,095,000	\$ -	\$ (200,000)	\$ 895,000	\$ 200,000
2009 Capital Improvement Bonds:							
Amount of issue - \$5,000,000	4.00% -	\$350,000 -					
Maturing through 2024	4.50%	\$500,000	3,600,000	-	(350,000)	3,250,000	350,000
Building Authority Bonds:							
2011 Refunding Bonds for 1998A Fire Station:							
Amount of issue - \$1,525,000 (part of \$3,105,000 issue)		\$225,000-					
Maturing through 2018	3.00%	\$245,000	700,000	-	(230,000)	470,000	225,000
2011 Refunding Bonds for 1998B Service Building:							
Amount of issue - \$830,000 (part of \$3,105,000 issue)		\$125,000					
Maturing through 2018	3.00%	\$125,000	375,000	-	(125,000)	250,000	125,000
2011 Refunding Bonds for 1999 Service Building:							
Amount of issue - \$265,000 (part of \$3,105,000 issue)		\$50,000					
Maturing through 2018	3.00%	\$50,000	100,000	-	(50,000)	50,000	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	267,806	-	(36,247)	231,559	36,247
Glendale:							
Amount of issue - \$304,486 (part of \$4.5M original issue)		\$13,464 -					
Maturing through 2022	4.00%	\$28,441	160,688	-	(21,749)	138,939	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	1,484,209	-	(200,886)	1,283,323	200,886
2007 CDBG Bond:							
Amount of issue - \$3,545,000	4.48% -	\$255,000-					
Maturing through 2023	5.13%	\$365,000	2,390,000	-	(240,000)	2,150,000	255,000
Total bonds payable			10,172,703	-	(1,453,882)	8,718,821	1,463,882
Accumulated compensated absences			1,933,128	878,137	(808,466)	2,002,799	58,365
Total governmental activities			\$ 12,105,831	\$ 878,137	\$ (2,262,348)	\$ 10,721,620	\$ 1,522,247

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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							
	-	-	\$ 550,000	\$ -	\$ (550,000)	\$ -	\$ -
2004 Refunding Bonds Senior Housing:							
Amount of issue - \$1,695,000							
Maturing through 2018							
	4.00%	\$325,000 - \$350,000	1,325,000	-	(305,000)	1,020,000	325,000
Revenue bonds:							
2012 Water Supply and Sewage							
Disposal Bonds Revenue Refunding							
Bonds:							
Amount of issue - \$3,405,000							
Maturing through 2020							
	1.55%	\$333,000- \$497,000	2,093,000	-	(461,000)	1,632,000	454,000
1994 Combined Sewer Overflow State							
Revolving Fund Debt:							
Amount of Issue - \$2,052,897							
Maturing through 2016							
	-	-	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- \$86,462	712,288	-	(66,118)	646,170	66,118
Less deferred amounts - Issuance discounts							
			(25,354)	-	5,897	(19,457)	-
Total bonds payable			4,747,831	-	(1,469,118)	3,278,713	845,118
CSO installment agreement			1,643,379	-	(388,440)	1,254,939	358,560
Accumulated compensated absences			395,980	140,742	(111,078)	425,644	-
Total business-type activities			<u>\$ 6,787,190</u>	<u>\$ 140,742</u>	<u>\$ (1,968,636)</u>	<u>\$ 4,959,296</u>	<u>\$ 1,203,678</u>
	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit Activities							
Limited Tax General Obligation Bonds, Series 2007:							
Amount of issue - \$3,805,000							
Maturing through 2026							
	4.00%	\$200,000 - \$1,205,000	\$ 2,880,000	\$ -	\$ (200,000)	\$ 2,680,000	\$ 220,000
Limited Tax General Obligation Bonds, Series 2006A:							
Amount of issue - \$3,670,000							
Maturing through 2026							
	-	-	3,025,000	-	(3,025,000)	-	-
Limited Tax General Obligation Bonds, Series 2015A							
Amount of Issue - \$3,135,000							
Maturing through 2026							
	1.25% - 4.00%	\$50,000 - \$390,000	-	3,135,000	(50,000)	3,085,000	225,000
Total bonds payable			<u>\$ 5,905,000</u>	<u>\$ 3,135,000</u>	<u>\$ (3,275,000)</u>	<u>\$ 5,765,000</u>	<u>\$ 445,000</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 6 - Long-term Debt (Continued)

Total interest expense for the year was approximately \$793,000. 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
2017	\$ 1,463,882	\$ 360,834	\$ 1,824,716	\$ 845,118	\$ 62,131	\$ 907,249	\$ 445,000	\$ 208,337	\$ 653,337
2018	1,468,796	305,555	1,774,351	918,204	37,579	955,783	470,000	193,737	663,737
2019	1,178,710	249,487	1,428,197	754,290	15,566	769,856	500,000	179,449	679,449
2020	1,173,624	201,730	1,375,354	429,376	6,917	436,293	530,000	163,167	693,167
2021	1,213,538	151,857	1,365,395	86,462	3,458	89,920	560,000	145,103	705,103
2022-2026	2,220,271	186,282	2,406,553	245,263	3,459	248,722	3,260,000	392,015	3,652,015
Total	\$ 8,718,821	\$ 1,455,745	\$ 10,174,566	\$ 3,278,713	\$ 129,110	\$ 3,407,823	\$ 5,765,000	\$ 1,281,808	\$ 7,046,808

Advance and Current Refundings - During the year, the Township issued \$3,135,000 in Tax Increment Refunding Bonds with interest rates ranging from 1.25 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.

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 \$1,691,505.

The Township has pledged a portion of future property tax revenue to repay \$5,765,000 in Brownfield Redevelopment bonds issued in 2007 and 2015 to finance various capital improvements. The bonds are payable from the incremental property taxes captured by the Authority, and are guaranteed by the 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 \$7,046,806, payable through 2026. For the current year, principal and interest paid and total property tax captures were \$626,987 and \$2,443,390, respectively.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 6 - Long-term Debt (Continued)

No Commitment Debt - Excluded from the basic financial statements are revenue bonds issued by the Economic Development Corporation. The revenue bonds are payable solely from the net revenue derived from the respective leases and are not a general obligation of the 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, 2016 was \$7,635,000.

Note 7 - Nonexchange Financial Guarantees

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. In 2015, the Township refunded the 2006A bonds with the 2015 refunding bonds of \$3,135,000. 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.

The Charter Township of Redford has 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.

In the current year, the guarantee was reduced due to the refinancing of the bonds representing a decrease in future debt payments as well as payments on the guarantee. The General Fund made payments of \$37,032 on the guarantee, and the net present value of reduced debt payments from the refinance resulted in an additional decrease of \$315,879.

The liability recognized for nonexchange financial guarantees by the Township at March 31, 2016 is as follows:

<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
\$ 1,519,237	\$ -	\$ (352,911)	\$ 1,166,326

Note 8 - Restricted Assets

Restricted assets consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash and cash equivalents	\$ 1,128	\$ 340,500

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 8 - Restricted Assets (Continued)

Net position has been restricted in the amount of \$1,128 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. As of 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.

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	
	2016	2015	2016	2015
Unpaid claims - Beginning of year	\$ 1,405,185	\$ 943,593	\$ 45,612	\$ 300,000
Incurred claims (including claims incurred but not reported)	208,788	1,321,373	-	3,511,875
Claim payments	(882,907)	(859,781)	(45,612)	(3,766,263)
Unpaid claims - End of year	\$ 731,066	\$ 1,405,185	\$ -	\$ 45,612

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 10 - Agent-defined Benefit Pension Plan Description

Plan Description - The Township participates in an agent multiple employer-defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS of Michigan), which covers all employees of the Township other than police and fire employees. MERS of Michigan was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS of Michigan issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS of Michigan at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided - The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS of Michigan. Benefit terms are established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process.

Retirement benefits for employees are calculated as a percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60. Early retirement age is 55 with 20 years of service or any age with 25 total years of service, with reduced benefits at 55 with 15 years of service. Employees are eligible for non-duty disability benefits after vesting and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal a percentage of the employee's straight-line benefit. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Unit	Multiplier	Max.	Vesting Period	Employee Contributions
General (Open Division)	2.50%	80%	8 years	0%
Appointed and Elected (Open Division)	2.50%	80%	8 years	0%
MAPE (Closed to new hires)	2.50%	80%	8 years	2%
Trustee (Open Division)	2.50%	80%	8 years	3%
Appointed (Open Division)	2.50%	80%	8 years	0%
MAPE Employees after 1/1/2011 (Closed to new hires)	2.25%	80%	10 years	3%
MAPE Employees after 9/14/2011 (Open to new hires)	1.50%	no max	10 years	3%
Court MAPE after 9/7/11 (Open Division)	1.50%	no max	8 years	2%

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

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 10 - Agent-defined Benefit Pension Plan Description (Continued)

Benefit terms, within the parameters established by MERS of Michigan, are generally established and amended by authority of the Township board, generally after negotiations of these terms with the affected unions.

Employees Covered by Benefit Terms - At the December 31, 2015 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	176
Inactive plan members entitled to but not yet receiving benefits	29
Active plan members	99
	<hr/>
Total employees covered by MERS of Michigan	304

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, MERS of Michigan retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS of Michigan retirement board. 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. The employer may establish contribution rates to be paid by its covered employees.

For the year ended March 31, 2016, the average active employee contribution rate was 1.9 percent of annual payroll and the Township's average contribution rate was 36.3 percent of annual payroll.

Net Pension Liability

The net pension liability reported at March 31, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 10 - Agent-defined Benefit Pension Plan Description (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 47,918,091	\$ 30,080,037	\$ 17,838,054
Service cost	536,952	-	536,952
Interest	3,824,685	-	3,824,685
Changes in benefits	10,493	-	10,493
Differences between expected and actual experience	145,971	-	145,971
Changes in assumptions	2,154,773	-	2,154,773
Contributions - Employer	-	1,551,380	(1,551,380)
Contributions - Employee	-	80,905	(80,905)
Net investment income	-	(422,384)	422,384
Benefit payments, including refunds	(3,704,706)	(3,704,706)	-
Administrative expenses	-	(63,614)	63,614
Net changes	2,968,168	(2,558,419)	5,526,587
Balance at December 31, 2015	\$ 50,886,259	\$ 27,521,618	\$ 23,364,641

Of the net total pension liability, \$16,822,541 has been allocated to governmental activities, \$5,140,222 has been allocated to the Water and Sewer Fund, \$467,293 has been allocated to the Senior Housing Fund, and \$934,585 has been allocated to the Protective Inspection Fund.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 10 - Agent-defined Benefit Pension Plan Description (Continued)

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

For the year ended March 31, 2016, the Township recognized pension expense related to the MERS plan of \$3,291,438. At March 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 97,314	\$ -
Changes in assumptions	1,436,516	-
Net difference between projected and actual earnings on pension plan investments	2,252,700	-
Employer contributions to the plan subsequent to the measurement date	369,075	-
Total	<u>\$ 4,155,605</u>	<u>\$ -</u>

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

Years Ending March 31	Amount
2017	\$ 1,330,090
2018	1,330,090
2019	563,175
2020	563,175

Actuarial Assumptions - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 %	
Salary increases	3.75 %	Long-term wage inflation
Investment rate of return	7.75 %	Net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the rates were based on the RP-2014 Disabled Retiree Mortality Tables.

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

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 10 - Agent-defined Benefit Pension Plan Description (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 8.0 percent, which reflects a 0.25 percent decrease from the prior actuarial report. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer 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.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2015, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (%)</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58 %	5.02 %
Global fixed income	20	2.18
Real assets	13	4.23
Diversifying strategies	10	6.56

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 8.0 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

	<u>1 Percent Decrease (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>1 Percent Increase (9.0%)</u>
Net pension liability of the Township	\$ 28,412,681	\$ 23,364,641	\$ 19,048,317

Note 10 - Agent-defined Benefit Pension Plan Description (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position, and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 11 - Police and Fire Pension Plan

Pension Plan Description

Plan Description - The Pension Board administers the Charter Township of Redford Police and Fire Pension Plan - a single-employer defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the Township. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process.

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, 2015, the date of the most recent actuarial valuation, membership consisted of 165 retirees and beneficiaries currently receiving benefits. The plan does not issue a separate financial report

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

Management of the plan is vested in the pension board, which consists of five members: the treasurer by state statute, and four appointed by the Township board.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

Employees Covered by Benefit Terms - At the March 31, 2016 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	165
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>90</u>
Total employees covered by the plan	<u>256</u>

Benefits Provided - The pension plan provides retirement, disability, and death benefits.

For police command, fire hired before June 1, 2010, and police patrol hired before September 1, 2011, benefits are calculated as 2.8 percent of the member's three-year final average compensation (FAC) times the member's first 25 years of service plus 1 percent of FAC times years of service in excess of 25 years. The maximum pension is 75 percent of FAC.

For fire hired after June 1, 2010 and after, straight-life pension equals 2.25 percent of three-year final average compensation (FAC) times the first 25 years of service plus 1 percent of FAC times years of service in excess of 25 years. The maximum pension is 61.25 percent of FAC.

For police patrol hired after September 1, 2011 and after, straight-life pension equals 2.25 percent of three-year final average compensation (FAC) times the first 25 years of service plus 1 percent of FAC times years of service in excess of 25 years. There is a maximum of 240 hours of unused leave. The maximum pension is 75 percent of FAC.

Police command, fire, and police patrol hired before September 1, 2011 with 10 years of continuous service are eligible to retire at age 60 with 10 years of service, or at any age with 25 years of service. Police patrol hired after September 1, 2011 are eligible to retire at age 60 with 10 years of service, or at 50 with 25 years of service.

All plan members are eligible for nonduty disability benefits after five years of service and for duty-related disability benefits upon hire.

Nonduty disability retirement benefits at age 55 are determined in the same manner as retirement benefits. Before age 55, the member receives 1.5 percent of FAC times years of service, and 2 percent when the member reaches age 55.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

Duty disability retirement benefits at age 55 are determined in the same manner as retirement benefits with service credit from date of disability to age 55. Before age 55, members receive 50 percent of FAC. For fire members, if the disabled retiree had 10 or more years of active service and dies before age 55, the surviving spouse's pension equals 60 percent of the disability pension at the time of death. If there is no surviving spouse, the survivor disability pension shall be paid to the disability retiree's surviving minor children, if any, and continue to each surviving child until he or she becomes 18 years of age or until his/her marriage or death before becoming 18 years old.

Duty death in service survivor's pension prior to 20 years of service is payable upon the expiration of workers' compensation to the survivors of a member who died in the line of duty, and is the same amount that was paid by workers' compensation. Duty death in service survivor's pension after 20 years of service is payable upon the expiration of workers' compensation to the survivors of a member who died in the line of duty and is paid as Option I. Nonduty death in service survivor's pension is payable to a surviving spouse, if any, upon the death of a member with 10 or more years of service and is paid as an accrued straight-life pension actuarially reduced in accordance with an Option I election.

Death after retirement survivor's pension is payable to a surviving spouse, if any, upon the death of a retired member who was receiving a straight-life pension, which was effective July 1, 1975 or later. The annual benefit for the spouse's pension equals 60 percent of the straight-life pension the deceased retiree was receiving, or Option I or Option II as elected.

A plan member who leaves Township service may withdraw his or her contributions plus any accumulated interest.

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 the board of trustees in accordance with the Township Charter, union contracts, and plan provisions. For the year ended March 31, 2016, the Township's average contribution rate was 64.1 percent of annual payroll.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

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, 2016, the Plan has \$4,718,360 accumulated in DROP accounts.

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 pension board's adopted asset allocation policy as of March 31, 2016:

Asset Class	Target Allocation
Domestic equity	50 %
International equity	13
Domestic bonds	22
International bonds	8
Real estate	7

Rate of Return - For the year ended March 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

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

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

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

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.

The balances of the reserve accounts at March 31, 2016 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 69,532,890	\$ 57,841,830
Employee reserve	3,620,872	3,620,872

Net Pension Liability

The components of the net pension liability of the Township at March 31, 2016 were as follows:

Total pension liability	\$ 112,306,985
Plan fiduciary net position	<u>(61,462,702)</u>
Township's net pension liability	<u>\$ 50,844,283</u>

Plan fiduciary net position as a percentage of the total pension liability 54.7 %

The Township has chosen to use March 31, 2016 as its measurement date for the net pension liability. The March 31, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of March 31, 2016. The March 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at March 31, 2015	\$ 111,462,446	\$ 66,613,746	\$ 44,848,700
Service cost	1,245,350	-	1,245,350
Interest	8,059,966	-	8,059,966
Differences between expected and actual experience	(260,869)	-	(260,869)
Changes in assumptions	1,037,913	-	1,037,913
Contributions - Employer	-	3,963,149	(3,963,149)
Contributions - Employee	-	63,710	(63,710)
Net investment income	-	113,222	(113,222)
Benefit payments, including refunds	(9,237,821)	(9,237,821)	-
Administrative expenses	-	(53,304)	53,304
Net changes	844,539	(5,151,044)	5,995,583
Balance at March 31, 2016	<u>\$ 112,306,985</u>	<u>\$ 61,462,702</u>	<u>\$ 50,844,283</u>

Assumption Changes - The March 31, 2016 actuarial report changed to the mortality tables from 2000 projected to 2014 effective March 31, 2015. This reflects a change from the previous report, which used the 1983 mortality tables.

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

For the year ended March 31, 2016, the Township recognized pension expense of \$5,684,029. At March 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 176,718
Changes in assumptions	703,103	-
Net difference between projected and actual earnings on pension plan investments	3,748,320	-
Total	<u>\$ 4,451,423</u>	<u>\$ 176,718</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 11 - Police and Fire Pension Plan (Continued)

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

Years Ending June 30	Amount
2017	\$ 1,187,739
2018	1,187,739
2019	962,146
2020	937,081

Actuarial Assumptions - The total pension liability in the March 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.5 %	
Salary increases	4.5% - 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 RP 2000 projected to 2014 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, 2016

Note 11 - Police and Fire Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of March 31, 2016 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	7.50 %
International equity	8.50
Domestic bonds	2.50
International bonds	3.50
Real estate	4.50

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 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	<u>1 Percent Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1 Percent Increase (8.5%)</u>
Net pension liability of the Township	<u>\$ 61,906,550</u>	<u>\$ 50,844,283</u>	<u>\$ 41,511,492</u>

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 \$615,000 between April 1, 2016 and November 31, 2016, and the remaining amounts owed to the corporation for services rendered during 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, 2016

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, 2016, 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)	\$ 2,418,432
Interest on the prior year's net OPEB obligation	199,117
Less adjustment to the annual required contribution	<u>(298,740)</u>
Annual OPEB cost	2,318,809
Amounts contributed	<u>(2,374,603)</u>
Decrease in net OPEB obligation	(55,794)
OPEB obligation - Beginning of year	<u>4,977,921</u>
OPEB obligation - End of year	<u><u>\$ 4,922,127</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
3/31/16	3/31/14	2,418,432	2,318,809	98.0	102.0	4,922,127

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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, 2016

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, 2016, 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)	\$ 4,223,742
Interest on the prior year's net OPEB obligation	510,516
Less adjustment to the annual required contribution	<u>(765,937)</u>
Annual OPEB cost	3,968,321
Amounts contributed	<u>(3,192,322)</u>
Increase in net OPEB obligation	775,999
OPEB obligation - Beginning of year	<u>12,762,864</u>
OPEB obligation - End of year	<u>\$ 13,538,863</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

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	12,762,864
3/31/16	3/31/14	4,223,742	3,968,319	75.6	80.4	13,538,853

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, 2016

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	\$ 61,890,204	\$ 4,174,521	\$ 2,017,160
Other assets	181,110	-	-
Liabilities	(608,612)	(39,652)	(243)
Net position	<u>\$ 61,462,702</u>	<u>\$ 4,134,869</u>	<u>\$ 2,016,917</u>
Statement of Changes in Net Position			
Investment income	\$ 113,223	\$ 4,113	\$ 2,337
Contributions	4,026,857	3,192,322	2,388,872
Benefit payments	(9,237,821)	(2,976,829)	(2,124,603)
Other deductions	53,303	(11,000)	(11,000)
Net change in net position	<u>\$ (5,151,044)</u>	<u>\$ 208,606</u>	<u>\$ 255,606</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 16 - Fund Balance Constraints

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

	General Fund	Sidewalk Improvement Fund	Nonmajor Funds	Total
Fund Balances				
Nonspendable:				
Prepays	\$ 454,143	\$ -	\$ 28,989	\$ 483,132
Long-term receivable	680,980	-	-	680,980
Restricted:				
Road improvements	-	-	963,762	963,762
Drug law enforcement	240,466	-	346,608	587,074
Debt service	-	-	1,646,899	1,646,899
Storm water improvements	-	-	68,546	68,546
Street lighting	90,577	-	-	90,577
Dial-A-Ride services	-	-	228,952	228,952
Solid waste activities	-	-	1,500,449	1,500,449
911 services	-	-	140,771	140,771
Drain improvements	-	-	890,631	890,631
Future CDBG/NSP expenditures	-	-	555,284	555,284
Police and Fire SAD	309,288	-	205,132	514,420
PEG purposes	124,898	-	-	124,898
Grant programs	12,090	-	-	12,090
Total restricted	777,319	-	6,547,034	7,324,353
Committed:				
Court building improvements	-	-	3,850,074	3,850,074
Parks and recreation	288,992	-	-	288,992
Assigned - Donations	530	-	-	530
Assigned - Capital projects	30,000	1,224,703	911,976	2,166,679
Assigned - Compensated absences	150,000	-	-	150,000
Assigned - MERS contribution	270,000	-	-	270,000
Unassigned	11,219,465	-	(112,285)	11,107,180
Total fund balance	<u>\$ 13,871,429</u>	<u>\$ 1,224,703</u>	<u>\$ 11,225,788</u>	<u>\$ 26,321,920</u>

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 17 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnote for further details. This change does not impact the General Fund or any other governmental fund

The effects of these changes are as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Fund	Protective Inspection	Senior Housing Fund
Net position - March 31, 2015 - As previously reported	\$ 19,560,977	\$ 45,589,500	\$ 40,351,510	\$ 822,064	\$ 1,766,692
Adjustment for general employees pension liability	(12,692,353)	(4,935,916)	(3,878,219)	(705,131)	(352,566)
Adjustment for police and fire pension liability	<u>(44,848,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - March 31, 2015 - As restated	<u>\$ (37,980,076)</u>	<u>\$ 40,653,584</u>	<u>\$ 36,473,291</u>	<u>\$ 116,933</u>	<u>\$ 1,414,126</u>

Note 18 - Upcoming Accounting Pronouncements

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 years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2017 fiscal year.

Charter Township of Redford

Notes to Financial Statements March 31, 2016

Note 18 - Upcoming Accounting Pronouncements (Continued)

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 note 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 Statement No. 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 Statement No. 74 is effective for the year ending March 31, 2018, whereas GASB Statement No. 75 is effective one year later.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement will require governments to disclose in their financial statements information related to tax abatement agreements. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2017 fiscal year.

Note 19 - Subsequent Events

Subsequent to year end, the Township issued \$7,765,000 in capital improvement bonds with interest rates ranging from 2.00 to 3.125 percent. The proceeds of these bonds will be used for capital improvements in the water and sewer system.

Required Supplemental Information

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 18,061,064	\$ 17,830,569	\$ 17,642,513	\$ (188,056)
Licenses and permits	945,286	1,030,970	1,030,949	(21)
Federal grants	28,000	71,637	127,995	56,358
State-shared revenue and grants	5,308,265	5,112,002	5,080,213	(31,789)
Charges for services	1,407,093	1,474,890	1,493,524	18,634
Fines and forfeitures	2,352,468	2,891,638	2,939,925	48,287
Investment income	10,000	10,000	25,893	15,893
Other revenue	1,427,000	1,445,707	1,058,586	(387,121)
Total revenue	29,539,176	29,867,413	29,399,598	(467,815)
Expenditures				
Current:				
General government:				
Legislative	187,352	199,964	192,144	7,820
Executive	145,517	150,448	145,310	5,138
Accounting	560,021	541,204	539,467	1,737
Information systems	415,347	444,933	433,976	10,957
Treasurer	322,177	330,072	326,992	3,080
Assessor	343,500	342,000	339,160	2,840
Clerk	477,662	429,367	426,742	2,625
Elections	121,531	105,585	91,634	13,951
Buildings and grounds	222,500	193,500	146,814	46,686
Attorney	152,000	121,000	106,435	14,565
Civil service	282,575	263,793	260,227	3,566
Police and fire civil service	1,000	2,000	1,313	687
Public service building maintenance	238,000	238,000	221,947	16,053
Insurance and other functions	570,635	1,492,340	1,144,343	347,997
Public education government	193,930	138,591	122,080	16,511
Marquee maintenance	110,415	107,615	106,266	1,349
Total general government	4,344,162	5,100,412	4,604,850	495,562
District Court:				
District Court costs	2,038,450	1,785,879	1,748,018	37,861
Criminal justice	485,500	535,270	600,115	(64,845)
Probation	276,906	290,900	284,728	6,172
Work program	29,896	26,370	24,435	1,935
Total District Court	2,830,752	2,638,419	2,657,296	(18,877)
Public safety:				
Police	11,290,440	10,675,416	10,680,073	(4,657)
Dispatch	712,307	648,210	637,823	10,387
Fire	7,778,746	7,459,343	7,273,808	185,535
School crossing	40,002	39,100	39,058	42
School resource officer	338,255	321,708	323,725	(2,017)
ALS transport collection fee	60,000	67,000	69,707	(2,707)
Total public safety	20,219,750	19,210,777	19,024,194	186,583
Public works:				
Street construction	840,000	858,000	860,129	(2,129)
DPW	183,500	181,110	142,611	38,499
Total public works	1,023,500	1,039,110	1,002,740	36,370

Charter Township of Redford

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures				
Current:				
Health and welfare - Animal control	\$ -	\$ 14,520	\$ 14,539	\$ (19)
Community and economic development:				
Redevelopment	12,118	12,118	12,118	-
Community promotion	8,130	5,000	2,992	2,008
Zoning board of appeals	18,000	11,170	9,426	1,744
Other community and economic development	75,923	84,738	67,393	17,345
Total community and economic development	114,171	113,026	91,929	21,097
Recreation and culture:				
Parks and recreation	597,758	387,891	376,712	11,179
Parks facilities	360,000	314,751	294,315	20,436
Senior citizens	66,726	73,317	70,866	2,451
Cultural	3,763	3,400	3,581	(181)
Total recreation and culture	1,028,247	779,359	745,474	33,885
Total expenditures	29,560,582	28,895,623	28,141,022	754,601
Excess of Revenue (Under) Over Expenditures	(21,406)	971,790	1,258,576	286,786
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	10,725	10,725	-
Transfers in	-	536	409,543	409,007
Transfers out	-	(538,453)	(538,453)	-
Total other financing uses	-	(527,192)	(118,185)	409,007
Net Change in Fund Balance	(21,406)	444,598	1,140,391	695,793
Fund Balance - Beginning of year	11,390,398	11,390,398	11,390,398	-
Fund Balance - End of year	<u>\$ 11,368,992</u>	<u>\$ 11,834,996</u>	<u>\$ 12,530,789</u>	<u>\$ 695,793</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, 2016

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

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

The 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, 2016

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	\$ 31,149,313	\$ 28,980,810	\$ (664,341)
Accrued Employee Benefits Fund	(181,575)	(99,080)	-
Accrued police and fire SAD	-	(163,152)	-
Ordinance enforcement fund	(1,159,133)	(743,862)	(29,157)
Debt payments budgeted as expenditures	-	575,313	575,313
Reimbursed expenses budgeted as reduction of expenses rather than revenue	(409,007)	(409,007)	-
Total	<u>\$ 29,399,598</u>	<u>\$ 28,141,022</u>	<u>\$ (118,185)</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 \$971,853.

Charter Township of Redford

Required Supplemental Information General Employees Retirement System Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years Ended December 31 (Prospectively Built from 2015)

	2015
Total Pension Liability	
Service cost	\$ 536,952
Interest	3,824,685
Changes in benefit terms	10,493
Differences between expected and actual experience	145,971
Changes in assumptions	2,154,773
Benefit payments, including refunds	(3,704,706)
Net Change in Total Pension Liability	2,968,168
Total Pension Liability - Beginning of year	47,918,091
Total Pension Liability - End of year	\$ 50,886,259
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,551,380
Contributions - Member	80,905
Net investment income	(422,384)
Administrative expenses	(63,614)
Benefit payments, including refunds	(3,704,706)
Net Change in Plan Fiduciary Net Position	(2,558,419)
Plan Fiduciary Net Position - Beginning of year	30,080,037
Plan Fiduciary Net Position - End of year	\$ 27,521,618
Township's Net Pension Liability	\$ 23,364,641
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	54.08 %
Covered Employee Payroll	\$ 4,270,547
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	547.1 %

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

	2016	2015
Total Pension Liability		
Service cost	\$ 1,245,350	\$ 1,069,633
Interest	8,059,966	7,463,736
Changes in benefit terms	-	5,036,434
Differences between expected and actual experience	(260,869)	3,930,269
Changes in assumptions	1,037,913	-
Benefit payments, including refunds	(9,237,821)	(10,038,589)
Net Change in Total Pension Liability	844,539	7,461,483
Total Pension Liability - Beginning of year	111,462,446	104,000,963
Total Pension Liability - End of year	\$ 112,306,985	\$ 111,462,446
Plan Fiduciary Net Position		
Contributions - Employer	\$ 3,963,149	\$ 4,560,754
Contributions - Member	63,710	34,652
Net investment income	113,222	3,936,234
Administrative expenses	(53,304)	(53,162)
Benefit payments, including refunds	(9,237,821)	(10,038,589)
Other	-	-
Net Change in Plan Fiduciary Net Position	(5,151,044)	(1,560,111)
Plan Fiduciary Net Position - Beginning of year	66,613,746	67,733,556
Plan Fiduciary Net Position - End of year	\$ 61,462,702	\$ 66,173,445
Township's Net Pension Liability - Ending	\$ 50,844,283	\$ 45,289,001
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	54.73 %	59.37 %
Covered Employee Payroll	\$ 4,010,149	\$ 4,085,614
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	1,267.9 %	1,108.5 %

Charter Township of Redford

Required Supplemental Information General Employees Retirement System Schedule of Contributions Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 1,514,624	\$ 1,258,669	\$ 893,945	\$ 922,879	\$ 962,999	\$ 1,095,542	\$ 1,142,477	\$ 1,187,425	\$ 1,145,312	\$ 1,093,038
Contributions in relation to the actuarially determined contribution	1,714,624	1,258,669	893,945	922,879	962,999	1,095,542	1,142,477	1,187,425	1,145,312	1,093,038
Contribution Excess	\$ (200,000)	\$ -								
Covered Employee Payroll	\$ 4,270,547	\$ 3,912,707	\$ 3,865,436	\$ 3,917,961	\$ 4,268,956	\$ 5,488,420	\$ 5,750,510	\$ 5,894,049	\$ 5,788,814	\$ 5,997,613
Contributions as a Percentage of Covered Employee Payroll	40.1 %	32.2 %	23.1 %	23.6 %	22.6 %	20.0 %	19.9 %	20.1 %	19.8 %	18.2 %

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 15 months prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial-cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset-valuation method	Five-year smoothed market
Inflation	2.5 percent
Salary increases	3.75 percent long-term wage inflation
Investment rate of return	7.75 percent
Retirement age	60
Mortality	50 percent male - 50 percent female blend of the following tables: 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables
Other information	None

Charter Township of Redford

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

	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return - Net of investment expense	0.8 %	7.3 %

Charter Township of Redford

Required Supplemental Information OPEB System Schedule - General Employees Year Ended March 31, 2016

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
3/31/11	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
3/31/16	3/31/14	2,418,432	98.0

* 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, is as 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, 2016

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
3/31/11	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
3/31/16	3/31/14	4,223,742	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, is as 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

Other Supplemental Information

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
Assets							
Cash and investments	\$ 202,454	\$ 9,765	\$ 476,422	\$ 1,889,377	\$ 147,275	\$ 82,976	\$ 68,546
Receivables - Net	45,371	-	-	245,998	-	-	-
Prepaid expenses	5,758	-	-	-	7,386	-	-
Assets held for resale	-	-	-	-	-	163,153	-
Restricted assets	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Total assets	\$ 253,583	\$ 9,765	\$ 476,422	\$ 2,135,375	\$ 154,661	\$ 246,129	\$ 68,546
Liabilities							
Accounts payable	\$ 1,598	\$ -	\$ 129,782	\$ 364,801	\$ 3,051	\$ 625	\$ -
Due to other governmental units	150	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Accrued liabilities and other	6,194	-	32	-	3,453	-	-
Unearned revenue	-	9,765	-	-	-	-	-
Provision for property tax refunds	1,046	-	-	25,180	-	-	-
Total liabilities	8,988	9,765	129,814	389,981	6,504	625	-
Deferred Inflows of Resources -							
Unavailable revenue	9,885	-	-	244,945	-	-	-
Fund Balances							
Nonspendable - Prepays	5,758	-	-	-	7,386	-	-
Restricted:							
Road improvements	-	-	-	-	-	-	-
Drug law enforcement	-	-	346,608	-	-	-	-
Debt service	-	-	-	-	-	-	-
Storm water improvements	-	-	-	-	-	-	68,546
Dial-A-Ride services	228,952	-	-	-	-	-	-
Solid waste activities	-	-	-	1,500,449	-	-	-
911 services	-	-	-	-	140,771	-	-
Drain improvements	-	-	-	-	-	-	-
Grant expenditures	-	-	-	-	-	245,504	-
Public safety capital projects	-	-	-	-	-	-	-
Committed - Court Building improvements	-	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	234,710	-	346,608	1,500,449	148,157	245,504	68,546
Total liabilities, deferred inflows of resources, and fund balances	\$ 253,583	\$ 9,765	\$ 476,422	\$ 2,135,375	\$ 154,661	\$ 246,129	\$ 68,546

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2016**

Special Revenue Funds	Debt Service Funds						Capital Projects Funds	
	Community Development Block Grant	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement
\$ 49,791	\$ -	\$ 351,690	\$ 304,655	\$ 458,846	\$ 528,288	\$ -	\$ 1,042,495	\$ 74,613
409,969	3,815	-	-	-	-	-	-	-
15,845	-	-	-	-	-	-	-	-
309,780	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,128	-	-
171,375	-	-	-	-	-	-	-	-
\$ 956,760	\$ 3,815	\$ 351,690	\$ 304,655	\$ 458,846	\$ 528,288	\$ 1,128	\$ 1,042,495	\$ 74,613
\$ 39,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
110,916	1,523	-	-	-	-	-	-	-
11,640	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
162,076	1,523	-	-	-	-	-	-	-
581,344	-	-	-	-	-	-	-	-
15,845	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	2,292	351,690	304,655	458,846	528,288	1,128	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
309,780	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	205,132	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	837,363	74,613
(112,285)	-	-	-	-	-	-	-	-
213,340	2,292	351,690	304,655	458,846	528,288	1,128	1,042,495	74,613
\$ 956,760	\$ 3,815	\$ 351,690	\$ 304,655	\$ 458,846	\$ 528,288	\$ 1,128	\$ 1,042,495	\$ 74,613

Charter Township of Redford

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2016

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Smith Drain	Court Building Improvement	Road Improvement	Road Paving	
Assets					
Cash and investments	\$ 890,631	\$ 3,823,438	\$ 963,762	\$ -	\$ 11,365,024
Receivables - Net	-	-	271,011	-	976,164
Prepaid expenses	-	-	-	-	28,989
Assets held for resale	-	-	-	-	472,933
Restricted assets	-	-	-	-	1,128
Due from other governmental units	-	26,636	-	-	198,011
Total assets	\$ 890,631	\$ 3,850,074	\$ 1,234,773	\$ -	\$ 13,042,249
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 539,377
Due to other governmental units	-	-	-	-	150
Due to other funds	-	-	-	-	112,439
Accrued liabilities and other	-	-	-	-	21,319
Unearned revenue	-	-	-	-	9,765
Provision for property tax refunds	-	-	-	-	26,226
Total liabilities	-	-	-	-	709,276
Deferred Inflows of Resources -					
Unavailable revenue	-	-	271,011	-	1,107,185
Fund Balances					
Nonspendable - Prepays	-	-	-	-	28,989
Restricted:					
Road improvements	-	-	963,762	-	963,762
Drug law enforcement	-	-	-	-	346,608
Debt service	-	-	-	-	1,646,899
Storm water improvements	-	-	-	-	68,546
Dial-A-Ride services	-	-	-	-	228,952
Solid waste activities	-	-	-	-	1,500,449
911 services	-	-	-	-	140,771
Drain improvements	890,631	-	-	-	890,631
Grant expenditures	-	-	-	-	555,284
Public safety capital projects	-	-	-	-	205,132
Committed - Court Building improvements	-	3,850,074	-	-	3,850,074
Assigned - Capital projects	-	-	-	-	911,976
Unassigned	-	-	-	-	(112,285)
Total fund balances	890,631	3,850,074	963,762	-	11,225,788
Total liabilities, deferred inflows of resources, and fund balances	\$ 890,631	\$ 3,850,074	\$ 1,234,773	\$ -	\$ 13,042,249

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	\$ 83,221	\$ -	\$ -	\$ 1,997,608	\$ -	\$ -	\$ -
Federal grants	-	-	-	740	-	176,222	-
State sources	120,408	-	-	-	7,643	-	-
Charges for services	21,979	-	-	272,776	207,559	-	-
Fines and forfeitures	-	-	286,920	-	-	-	-
Investment income	-	-	615	2,667	310	-	158
Other revenue:							
Special assessments	-	-	-	-	-	-	-
Other miscellaneous income	60,376	-	-	-	-	-	-
Total revenue	285,984	-	287,535	2,273,791	215,512	176,222	158
Expenditures							
Current:							
Public safety	-	-	209,332	-	186,010	-	-
Public works	-	-	-	2,240,295	-	-	-
Health and welfare	250,544	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	181,356	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	250,544	-	209,332	2,240,295	186,010	181,356	-
Excess of Revenue Over (Under) Expenditures	35,440	-	78,203	33,496	29,502	(5,134)	158
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	-	5,025	-	-	-	-
Transfers in	7,539	-	-	-	9,751	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	7,539	-	5,025	-	9,751	-	-
Net Change in Fund Balances	42,979	-	83,228	33,496	39,253	(5,134)	158
Fund Balances - Beginning of year	191,731	-	263,380	1,466,953	108,904	250,638	68,388
Fund Balances - End of year	\$ 234,710	\$ -	\$ 346,608	\$ 1,500,449	\$ 148,157	\$ 245,504	\$ 68,546

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2016

Debt Service Funds						Capital Projects Funds	
Community Development Block Grant	Police Station	Road Paving Debt Service	Public Improvement Debt Service	Section 108 Loan Debt Service	Public Improvement 2009	Building Authority Debt Refinancing	Capital Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,429,918	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	892	731	785	1,254	6	1,332
-	-	-	-	-	-	-	-
-	-	156,026	247,186	192,872	250,195	-	-
1,429,918	-	156,918	247,917	193,657	251,449	6	1,332
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,164,586	-	-	-	-	-	-	-
-	-	-	-	-	-	-	61,325
-	-	242,058	342,521	349,220	501,250	437,213	-
1,164,586	-	242,058	342,521	349,220	501,250	437,213	61,325
265,332	-	(85,140)	(94,604)	(155,563)	(249,801)	(437,207)	(59,993)
-	-	-	-	-	-	-	-
-	-	16,026	24,888	50,000	172,890	437,213	325,000
(50,000)	-	-	-	-	-	-	-
(50,000)	-	16,026	24,888	50,000	172,890	437,213	325,000
215,332	-	(69,114)	(69,716)	(105,563)	(76,911)	6	265,007
(1,992)	2,292	420,804	374,371	564,409	605,199	1,122	777,488
\$ 213,340	\$ 2,292	\$ 351,690	\$ 304,655	\$ 458,846	\$ 528,288	\$ 1,128	\$ 1,042,495

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, 2016

	Capital Projects Funds					Total Nonmajor Governmental Funds
	Police Station	Smith Drain	Court Building Improvement	Road Improvement	Road Paving	
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,080,829
Federal grants	-	-	-	-	-	1,606,880
State sources	-	-	-	20,624	-	148,675
Charges for services	-	-	-	-	-	502,314
Fines and forfeitures	-	-	281,414	-	-	568,334
Investment income	172	2,056	5,800	1,807	-	18,585
Other revenue:						
Special assessments	-	-	-	92,457	-	92,457
Other miscellaneous income	-	-	-	5,005	-	911,660
Total revenue	172	2,056	287,214	119,893	-	5,929,734
Expenditures						
Current:						
Public safety	-	-	-	-	-	395,342
Public works	-	-	-	1,000	-	2,241,295
Health and welfare	-	-	-	-	-	250,544
Community and economic development	-	-	-	-	-	1,345,942
Capital outlay	-	-	9,499	-	-	70,824
Debt service	-	-	-	-	-	1,872,262
Total expenditures	-	-	9,499	1,000	-	6,176,209
Excess of Revenue Over (Under) Expenditures	172	2,056	277,715	118,893	-	(246,475)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	-	5,025
Transfers in	-	-	-	238,453	-	1,281,760
Transfers out	-	-	-	(100,704)	(536)	(151,240)
Total other financing sources (uses)	-	-	-	137,749	(536)	1,135,545
Net Change in Fund Balances	172	2,056	277,715	256,642	(536)	889,070
Fund Balances - Beginning of year	74,441	888,575	3,572,359	707,120	536	10,336,718
Fund Balances - End of year	\$ 74,613	\$ 890,631	\$ 3,850,074	\$ 963,762	\$ -	\$ 11,225,788

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds March 31, 2016

	Golf Course	Protective Inspection	Total
Assets			
Current assets:			
Cash and investments	\$ 732,813	\$ 998,251	\$ 1,731,064
Receivables - Net	-	6,215	6,215
Deposits	7,107	-	7,107
Prepaid expenses and other assets	-	21,012	21,012
Total current assets	739,920	1,025,478	1,765,398
Noncurrent assets - Capital assets	2,273,988	139,760	2,413,748
Total assets	3,013,908	1,165,238	4,179,146
Deferred Outflows of Resources -			
Deferred outflows related to pension	-	166,224	166,224
Liabilities			
Current liabilities:			
Accounts payable	102,204	4,474	106,678
Due to other governmental units	632	-	632
Due to other funds	160,723	-	160,723
Accrued liabilities and other	-	14,291	14,291
Unearned revenue	2,368	-	2,368
Total current liabilities	265,927	18,765	284,692
Noncurrent liabilities:			
Compensated absences	-	39,610	39,610
Net OPEB obligation	-	172,213	172,213
Net pension liability	-	934,585	934,585
Total noncurrent liabilities	-	1,146,408	1,146,408
Total liabilities	265,927	1,165,173	1,431,100
Net Position			
Net investment in capital assets	2,273,988	139,760	2,413,748
Unrestricted	473,993	26,529	500,522
Total net position	\$ 2,747,981	\$ 166,289	\$ 2,914,270

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year Ended March 31, 2016

	Golf Course	Protective Inspection	Total
Operating Revenue			
Charges for services	\$ 1,257,434	\$ -	\$ 1,257,434
Other operating revenue	-	816,990	816,990
Total operating revenue	1,257,434	816,990	2,074,424
Operating Expenses			
Cost of services	1,013,581	778,677	1,792,258
Depreciation and amortization	151,460	19,451	170,911
Total operating expenses	1,165,041	798,128	1,963,169
Operating Income	92,393	18,862	111,255
Nonoperating Revenue			
Investment income	1,354	2,537	3,891
Gain on sale of assets	5,000	-	5,000
Total nonoperating revenue	6,354	2,537	8,891
Income - Before contributions	98,747	21,399	120,146
Transfers in	-	27,957	27,957
Change in Net Position	98,747	49,356	148,103
Net Position - Beginning of year - As restated	2,649,234	116,933	2,766,167
Net Position - End of year	\$ 2,747,981	\$ 166,289	\$ 2,914,270

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended March 31, 2016

	Golf Course	Protective Inspection	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,255,292	\$ 819,431	\$ 2,074,723
Payments to suppliers	(916,330)	(160,761)	(1,077,091)
Payments to employees	-	(553,151)	(553,151)
Internal activity - Receipts from other funds	4,366	-	4,366
Net cash provided by operating activities	343,328	105,519	448,847
Cash Flows from Noncapital Financing Activities -			
Transfers from other funds	-	27,957	27,957
Cash Flows from Capital and Related Financing Activities			
Proceeds from sales of capital assets	5,000	-	5,000
Purchase of capital assets	(37,001)	(130,056)	(167,057)
Net cash used in capital and related financing activities	(32,001)	(130,056)	(162,057)
Cash Flows from Investing Activities - Interest received on investments			
	1,354	2,537	3,891
Net Increase in Cash and Cash Equivalents	312,681	5,957	318,638
Cash and Cash Equivalents - Beginning of year	420,132	992,294	1,412,426
Cash and Cash Equivalents - End of year	\$ 732,813	\$ 998,251	\$ 1,731,064
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 92,393	\$ 18,862	\$ 111,255
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation and amortization	151,460	19,451	170,911
Changes in assets and liabilities:			
Receivables	(2,142)	2,441	299
Inventories	2,600	-	2,600
Prepaid and other assets	-	(1,283)	(1,283)
Accounts payable	94,651	(9,312)	85,339
Due to others	4,366	-	4,366
Accrued and other liabilities	-	75,360	75,360
Net cash provided by operating activities	\$ 343,328	\$ 105,519	\$ 448,847

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2016.

Charter Township of Redford

Other Supplemental Information Combining Statement of Net Position Internal Service Funds March 31, 2016

	Self Insurance	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Assets - Current assets:				
Cash and investments	\$ 1,566,018	\$ 11,654	\$ 9,214	\$ 1,586,886
Receivables - Net	310,252	-	-	310,252
Due from other funds	40,000	-	-	40,000
Deposits	1,526,393	-	-	1,526,393
Total assets	3,442,663	11,654	9,214	3,463,531
Liabilities				
Current liabilities:				
Accounts payable	-	5,607	909	6,516
Due to other funds	40,000	-	-	40,000
Accrued liabilities and other	-	6,047	8,305	14,352
Total current liabilities	40,000	11,654	9,214	60,868
Noncurrent liabilities -				
Estimated insurance and other liabilities	731,066	-	-	731,066
Total liabilities	771,066	11,654	9,214	791,934
Total Net Position	\$ 2,671,597	\$ -	\$ -	\$ 2,671,597

Charter Township of Redford

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year Ended March 31, 2016

	<u>Self Insurance</u>	Vehicle Maintenance <u>Internal Service</u>	Central Maintenance <u>Internal Service</u>	<u>Total</u>
Operating Revenue				
Charges for services	\$ -	\$ 207,804	\$ 241,774	\$ 449,578
Township contributions	1,258,606	-	-	1,258,606
Refunds	582,723	-	-	582,723
	<u>1,841,329</u>	<u>207,804</u>	<u>241,774</u>	<u>2,290,907</u>
Total operating revenue				
Operating Expenses				
Benefit payments, reinsurance charges, and claim administration	911,651	-	-	911,651
General and administrative costs	-	207,804	241,774	449,578
	<u>911,651</u>	<u>207,804</u>	<u>241,774</u>	<u>1,361,229</u>
Total operating expenses				
Operating Income	929,678	-	-	929,678
Nonoperating Revenue -				
Investment income	41,206	-	-	41,206
	<u>41,206</u>	<u>-</u>	<u>-</u>	<u>41,206</u>
Income - Before contributions	970,884	-	-	970,884
Transfers Out	(608,572)	-	-	(608,572)
	<u>(608,572)</u>	<u>-</u>	<u>-</u>	<u>(608,572)</u>
Change in Net Position	362,312	-	-	362,312
Net Position - Beginning of year	2,309,285	-	-	2,309,285
	<u>2,309,285</u>	<u>-</u>	<u>-</u>	<u>2,309,285</u>
Net Position - End of year	<u>\$ 2,671,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,671,597</u>

Charter Township of Redford

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended March 31, 2016

	Internal Service	Vehicle Maintenance Internal Service	Central Maintenance Internal Service	Total
Cash Flows from Operating Activities				
Receipts from interfund services and reimbursements	\$ 1,258,606	\$ 207,804	\$ 241,774	\$ 1,708,184
Payments to suppliers	-	(33,590)	(3,940)	(37,530)
Payments to employees	-	(179,602)	(240,959)	(420,561)
Claims paid	(1,048,659)	-	-	(1,048,659)
Other receipts	354,072	-	-	354,072
Net cash provided by (used in) operating activities	564,019	(5,388)	(3,125)	555,506
Cash Flows from Noncapital Financing Activities - Transfers to other funds				
	(608,572)	-	-	(608,572)
Cash Flows from Investing Activities - Interest received on investments				
	41,206	-	-	41,206
Net Decrease in Cash and Cash Equivalents				
	(3,347)	(5,388)	(3,125)	(11,860)
Cash and Cash Equivalents - Beginning of year				
	1,569,365	17,042	12,339	1,598,746
Cash and Cash Equivalents - End of year				
	<u>\$ 1,566,018</u>	<u>\$ 11,654</u>	<u>\$ 9,214</u>	<u>\$ 1,586,886</u>
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	\$ 929,678	\$ -	\$ -	\$ 929,678
Changes in assets and liabilities:				
Receivables	354,072	-	-	354,072
Accounts payable	-	(5,872)	(3,940)	(9,812)
Estimated claims liability	(719,731)	-	-	(719,731)
Accrued and other liabilities	-	484	815	1,299
Net cash provided by (used in) operating activities	<u>\$ 564,019</u>	<u>\$ (5,388)</u>	<u>\$ (3,125)</u>	<u>\$ 555,506</u>

There were no significant noncash investing, capital, or financing activities during the year ended March 31, 2016

Charter Township of Redford

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds March 31, 2016

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Assets				
Investments:				
Agency securities	\$ 10,586,001	\$ -	\$ -	\$ 10,586,001
Stocks	37,295,827	-	-	37,295,827
Corporate bonds	13,086,708	-	-	13,086,708
Real estate investment trust	921,668	-	-	921,668
Other	-	4,174,521	2,017,160	6,191,681
Accrued interest	181,110	-	-	181,110
Total assets	62,071,314	4,174,521	2,017,160	68,262,995
Liabilities				
Accounts payable	63,817	39,652	243	103,712
Due to broker	544,795	-	-	544,795
Total liabilities	608,612	39,652	243	648,507
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 61,462,702	\$ 4,134,869	\$ 2,016,917	\$ 67,614,488

Charter Township of Redford

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended March 31, 2016

	Pension Trust Fund	Police and Fire OPEB Trust Fund	General Employees' OPEB Trust Fund	Total
Additions				
Investment income:				
Interest and dividends	\$ 2,242,809	\$ 4,113	\$ 2,337	\$ 2,249,259
Net decrease in fair value of investments	(1,735,433)	-	-	(1,735,433)
Investment-related expenses	(394,153)	-	-	(394,153)
Contributions	<u>4,026,857</u>	<u>3,192,322</u>	<u>2,388,872</u>	<u>9,608,051</u>
Total additions	4,140,080	3,196,435	2,391,209	9,727,724
Deductions				
Benefit payments	7,605,038	2,976,829	2,124,603	12,706,470
Refunds and withdrawals	658,606	-	-	658,606
Deferred retirement option plan expenses	974,177	-	-	974,177
Administrative expenses	<u>53,303</u>	<u>11,000</u>	<u>11,000</u>	<u>75,303</u>
Total deductions	<u>9,291,124</u>	<u>2,987,829</u>	<u>2,135,603</u>	<u>14,414,556</u>
Net (Decrease) Increase in Net Position Held in Trust	(5,151,044)	208,606	255,606	(4,686,832)
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>66,613,746</u>	<u>3,926,263</u>	<u>1,761,311</u>	<u>72,301,320</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 61,462,702</u>	<u>\$ 4,134,869</u>	<u>\$ 2,016,917</u>	<u>\$ 67,614,488</u>