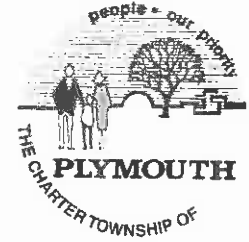


**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES STUDY SESSION**

Tuesday, June 20, 2017
7:00 PM



CALL TO ORDER at _____ P.M.

ROLL CALL: Kurt Heise ____, Mark Clinton ____, Chuck Curmi ____, Jerry Vorva ____
Bob Doroshewitz ____, Jack Dempsey ____, Gary Heitman ____

A. APPROVAL OF AGENDA

Study Session - Tuesday, June 20, 2017

B. PUBLIC COMMENTS AND QUESTIONS

C. PLANTE-MORAN- GOLF COURSE AUDIT

**D. THE RESERVE – CLUSTER HOUSING OPTION – FINAL DEVELOPMENT
PLAN - Arthur Mullen, AICP**

E. PLANTE-MORAN - 2016 TOWNSHIP AUDIT

**F. UPDATE ON FIRE STATION #2 IGA WITH NORTHVILLE TOWNSHIP –
Supervisor Heise**

G. BUDGET DISCUSSIONS (If Needed)

H. PUBLIC COMMENTS AND QUESTIONS

I. ADJOURNMENT

PLEASE TAKE NOTE. The Charter Township of Plymouth will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at all Township Meetings, to individuals with disabilities at the Meetings/Hearings upon two weeks notice to the Charter Township of Plymouth by writing or calling the following: Human Resource Office, 9955 N Haggerty Road, Plymouth, MI 48170. Phone number (734) 354-3202 TDD units: 1-800-649-3777 (Michigan Relay Services)

**THE PUBLIC IS ENCOURAGED AND INVITED TO ATTEND ALL BOARD OF
TRUSTEE MEETINGS!**

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM C
PLANTE-MORAN
GOLF COURSE AUDIT**

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM C
PLANTE-MORAN
GOLF COURSE AUDIT
*Analysis of Hilltop Golf Course***

Charter Township of Plymouth

May 24, 2017

Analysis of Hilltop Golf Course

plante moran

audit • tax • consulting • wealth management

TABLE OF CONTENTS

Attachments 2
Analysis..... 2
 Assembly of Financial Forecast..... 2
 Address Match Analysis..... 2
 1. Compare Hilltop’s vendor addresses to Hilltop’s employee addresses..... 4
 2. Compare Hilltop’s vendor addresses to Hilltop’s employee addresses..... 4
 3. Compare Hilltop’s vendor addresses to the Township’s vendor addresses 5
 Summary of Hilltop’s Vendors Paid 7
 Vendors with Hilltop’s Address as Their Address 9
 Vendors with Missing Information 9
 Other Potential Findings 9
Conclusion 10

ATTACHMENTS

- Attachment 1 – Summary of Payments by Vendor
- Attachment 2 – Summary of Township Paid Expenses
- Attachment 3 – Summary of Billy Casper Paid Expenses
- Attachment 4 – Vendors with Missing Address Information



May 24, 2017

Mr. Kurt Heise
Township Supervisor
Charter Township of Plymouth
9955 N. Haggerty Rd.
Plymouth, MI 48170

Re: Charter Township of Plymouth – Hilltop Golf Course

Dear Supervisor Heise:

As requested, we provided an analysis of Hilltop Golf Course ("Hilltop") for the Charter Township of Plymouth (the "Township"). Our work included assembling financial information and performing data analytics in connection with Hilltop during the fiscal years of 2015 and 2016.

More specifically we performed the following:

- Assembled financial forecasts using information supplied by the Township and Billy Casper Golf ("BC")
- Compared Hilltop's (via BC) vendor addresses to Hilltop's employee addresses
- Compared Hilltop's (via BC) vendor addresses to the Township's employee addresses
- Compared Hilltop's (via BC) vendor addresses to the Township's vendor addresses
- Summarized the payments made by Billy Casper and the Township, related to Hilltop, by vendor

Our report is to provide you with the results of our analysis. It is not intended to express an opinion on Hilltop's, BC's, and/or the Township's internal controls or financial statements in accordance with standards issued by the American Institute of Certified Public Accountants.

ANALYSIS

Assembly of Financial Forecast

The forecasts have been prepared using data provided by BC and the Township and include no assumptions made by Plante Moran (but for inflation and CPI). We have provided these separate from this report; as stated in our engagement letter dated February 17, 2017, we were not to prepare a written report related to this section of our analysis and, therefore, offer no additional commentary. Additionally, this analysis is presented for **internal use only**.

Address Match Analysis

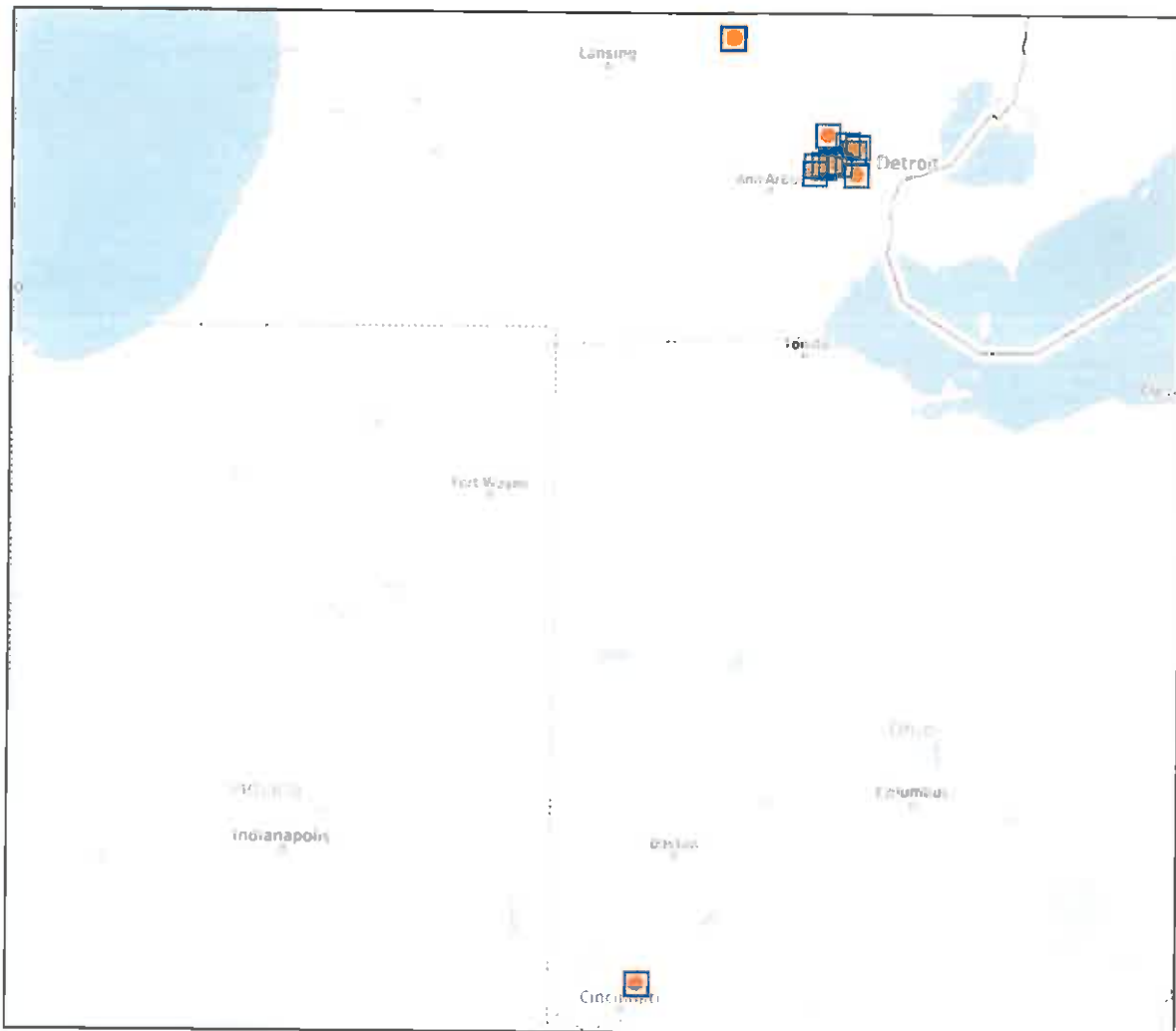
We were requested to perform the following tests:

1. Compare Hilltop's vendor addresses to Hilltop's employee addresses.
2. Compare Hilltop's vendor addresses to the Township's employee addresses.
3. Compare Hilltop's vendor addresses to the Township's vendor addresses.

We utilized a process called "geocoding." Geocoding is the method of identifying the geographical coordinates corresponding to an address. We geocoded the addresses contained in the vendor and employee master files. Once the coordinates were assigned, we plotted them on a map to identify entities sharing a common address (i.e., if they "matched").

Because each of the three (3) tests involved Hilltop's vendor addresses, we utilized the Hilltop vendor master file as our base and matched it to: 1) the Hilltop employee master file; 2) the Township employee master file; and 3) the Township vendor master file, to identify if any of Hilltop's vendor addresses appeared in the other three lists.

The ensuing map displays the matches our testing identified. As shown, most matched addresses are located in the Metro Detroit area, with one match in southern Ohio and one in Central Michigan. These matches are discussed in more detail in the next section of this report.



Type
■ Hilltop Employees, Township Employees, or Township Vendors
■ Hilltop Vendors

Geocoding is utilized since it increases the accuracy of testing, by compensating for potential manipulation of address data and/or inconsistencies within the address data. For example, 123 Front Street will not match 123 Front St. (despite being the same address), if matching solely by address text. However, one of the limitations with geocoding is that only *physical street* addresses will geocode (i.e. P.O. boxes and other lockbox locations will not geocode). To address this limitation, we performed a secondary address match using “fuzzy” matching. Fuzzy matching compares different strings of data and identifies similarities between the text, (i.e. street numbers and names, within the addresses).

Using these two methods, we identified address matches and other anomalies among the data, as described in the *Findings* sub-section of this report.

Findings

1. Compare Hilltop's vendor addresses to Hilltop's employee addresses.

We identified three (3) unique addresses shared by six (6) Hilltop vendors and three (3) employees.

Hilltop Employee Name	Amt Paid in FY 16' (A)	Shared Address	Hilltop Vendor Name	Amt Paid from FY 15' to FY 16'
Kreger, Bryan T.	\$58,518.37	27474 Vargo Street Livonia, MI 48152 USA	Bryan Kreger	\$ 1,740.76
Ingram, Shawn T.	1,887.36	47000 Powell Road Plymouth, MI 48170 USA	Aaron Spokaeski	4,688.06
		47000 Powell Road Plymouth, MI 48170 USA	Z*INACTIVE Bart Edlen	-
		47000 Powell Road Plymouth, MI 48170 USA	Z*INACTIVE Jake Roberts	-
		47000 Powell Road Plymouth, MI 48170 USA	Z*INACTIVE Travis Kane	-
Kosmyna, Kyle	32,327.39	48135 Whitney Ct. Canton, MI 48187 USA	Z*INACTIVE Kyle Kosmyna	35.00

A - Due to limitations in the payroll information provided by BC, we were only able to calculate amounts paid in FY 16'.

Note that the address for employee Shawn Ingram (47000 Powell Road) is Hilltop's address. He matched with four (4) vendors who are also listed with the Hilltop address. These results are discussed in more detail in the *Vendors with Hilltop's Address as Their Address* sub-section of this report.

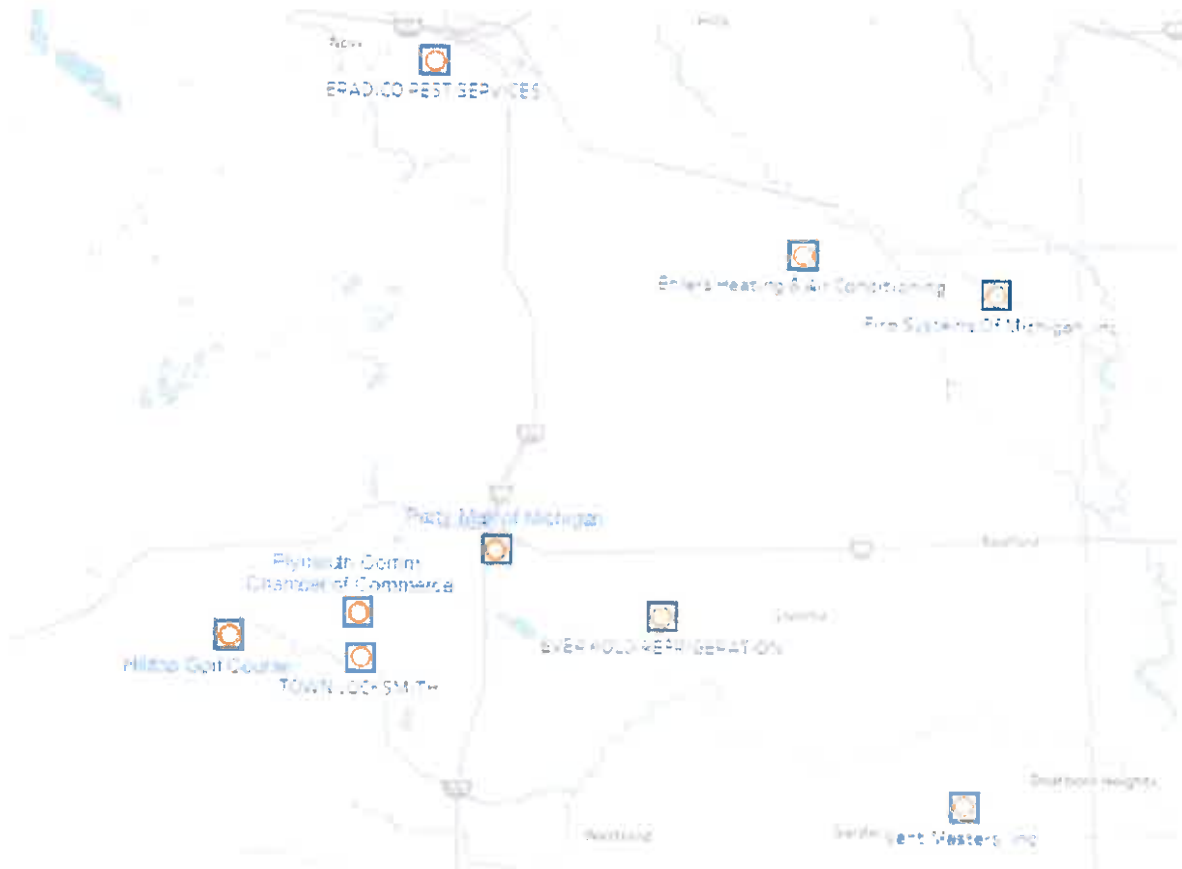
The vendor check register does not contain enough detail to identify the reasons for the vendor payments to these individuals (e.g., employee expense reimbursements, payment for goods/services, etc.).

2. Compare Hilltop's vendor addresses to Hilltop's employee addresses.

Our analysis did not identify any vendors in Hilltop's vendor master file which shared an address with an employee listed in the Township's employee master file.

3. Compare Hilltop's vendor addresses to the Township's vendor addresses

We identified 21 unique addresses shared by Hilltop's vendors (25) and the Township's vendors (26). The shared addresses (and corresponding vendor names) located near the metro-Detroit area are shown on the ensuing map¹:



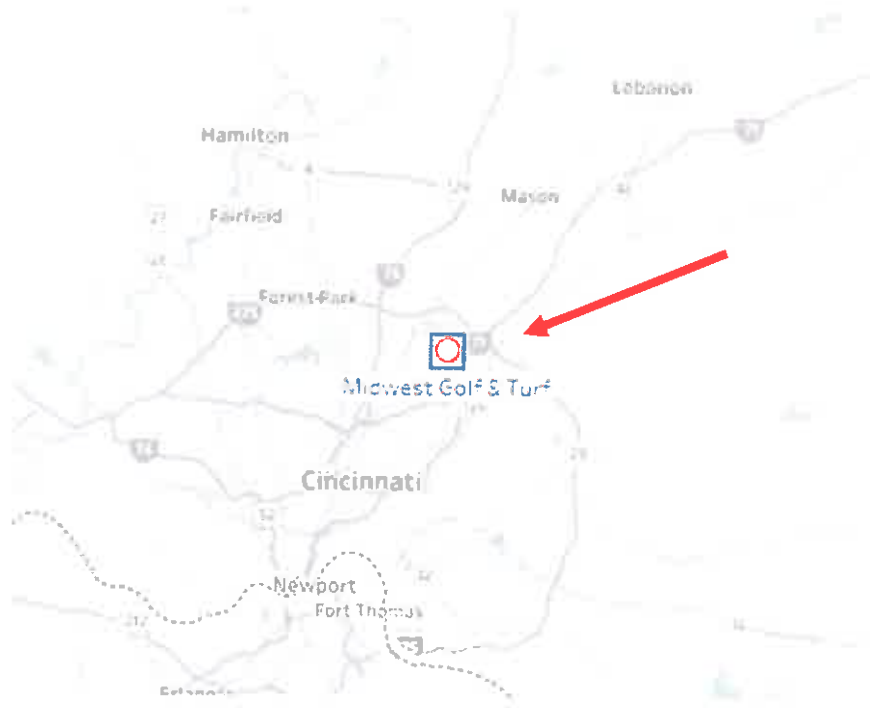
Additionally, we identified a shared address southwest of Flint, MI and one near Cincinnati, OH, as shown on the ensuing maps, respectively.

¹ The orange circle represents the Hilltop vendors and the blue square represents the Township's vendors. A blue square over the orange circle represents a "shared" address within the two files.

Fuse It Piping (near Flint, MI)



Midwest Golf & Turf (Cincinnati, OH)



We have provided a list of these vendors and, amounts paid, in the ensuing table:

Hilltop Vendor Name	Amt Paid During Scope Period	Share d Address	Township Vendor Name	Amt Paid During Scope Period
Aaron Spokasak	4,688.06	47000 Powell Road Plymouth, MI 48170 USA	HILLTOP GOLF COURSE	-
Z'INACTIVE Bart Edlen	-	47000 Powell Road Plymouth, MI 48170 USA	HILLTOP GOLF MANAGEMENT, LLC	-
Z'INACTIVE Jake Roberts	-	47000 Powell Road Plymouth, MI 48170 USA	JAWOR, JOHN	-
Z'INACTIVE Travis Kane	-	47000 Powell Road Plymouth, MI 48170 USA		
Party Max of Michigan	-	39600 Schoolcraft Rd, Plymouth, MI 48170 USA	ALL OCCASIONS & EVENTS	-
	-	39600 Schoolcraft Rd, Plymouth, MI 48170 USA	PERFORMANCE STAGING INC.	-
	-	39600 Schoolcraft Rd, Plymouth, MI 48170 USA	Party Max of Michigan	-
Z'INACTIVE Detroit Media Partnership	-	P.O. Box 773964 Chicago, IL 60677-3009 USA	MICHIGAN.COM	-
Z'INACTIVE Observer and Eccentric	-	P.O. Box 773964 Chicago, IL 60677-3009 USA	OBSERVER & ECCENTRIC NEWSPAPERS	-
Midwest Golf & Turf	4,865.08	10925 Reed Hartman Hwy Suite 114 Cincinnati OH 45242 USA	MIDWEST GOLF & TURF	105.54
Fuse It Piping	443.12	11752 Britton Road Byron, MI 48418 USA	FUSE IT PIPING	-
Ever Kold	1,871.80	11877 Beldon Ct Livonia, MI 48150 USA	EVER KOLD REFRIGERATION	-
Town Locksmith, Inc.	-	1270 South Main Street Plymouth, MI 48170-2216 USA	TOWN LOCKSMITH	1,148.87
Fire Systems Of Michigan, Inc.	1,010.98	28109 Grand River Detroit, MI 48240 USA	FIRE SYSTEMS OF MICHIGAN, INC.	-
Ehlers Heating & Air Conditioning	594.00	30885 Eight Mile Rd Livonia, MI 48152 USA	EHLERS HEATING & AIR CONDITIONING	-
Eradico Services, Inc.	387.54	41169 Vincenu Court Novi, MI 48375-1924 USA	ERADICO PEST SERVICES	-
Vent Masters, Inc.	580.00	6373 Fairwood Dr, Dearborn Heights, MI 48127 USA	VENT MASTERS, INC.	-
Plymouth Community Chamber of Commerce	485.00	850 W. Ann Arbor Trail Plymouth, MI 48170 USA	PLYMOUTH COMM CHAMBER OF COMMERCE	-
Hornung's Golf Products, Inc.	2,548.60	P.O. Box 1078 Fond Du Lac, WI 54636-1078 USA	HORNUNG'S GOLF PRODUCTS, INC.	-
Cascade Subscription Service, Inc.	83.82	P.O. Box 75089 Seattle, WA 98175-0089 USA	CASCADE SUBSCRIPTION SERVICE, INC.	-
John Deere Landscapes, Inc.	734.56	24110 Network Place Chicago, IL 60673-1241 USA	SITEONE LANDSCAPE SUPPLY	108.20
WOW! BUSINESS	10,981.95	PO Box 4350 Carol Stream, IL 60197-4350 USA	WOW! BUSINESS	-
ADP, Inc.	4,202.17	PO BOX 642875 Boston, MA 02284-2875 USA	ADP INC	-
Guardian Alarm	948.43	PO Box 5003 Southfield, MI 48086-5003 USA	GUARDIAN ALARM CO	1,264.43
Z'INACTIVE Dell Marketing L.P.	-	P.O. Box 643561 Pittsburgh, PA 15264-3561 USA	DELL MARKETING LP	-
SiteOne Landscape Supply, LLC	268.83	24110 Network Pl Chicago, IL 60673-1241 USA	SITEONE LANDSCAPE SUPPLY	-
Michigan Tournament Fleet	17,225.57	P.O. Box 306 Walled Lake, MI 48390 USA	MICHIGAN TOURNAMENT FLEET INC.	224.33

The Township may want to research the payments to these vendors to verify that Hilltop was not reimbursed for expenses that were paid directly by the Township (i.e., verify the Township did not pay the same invoice twice).

Summary of Hilltop's Vendors Paid

It is our understanding that Billy Casper incurs daily operating expenses on behalf of Hilltop. BC provided us with the Hilltop check register for fiscal years 2015 and 2016. In addition to Hilltop expenses paid by BC and reimbursed by the Township, select Hilltop expenses are paid directly by the Township. We were provided documentation detailing the expenses paid directly by the



Township and we summarized that information to compile a combined list of Hilltop activity, by vendor. Amounts paid for payroll are not included in this analysis (i.e., only vendors, not employees).

<u>Entity</u>	<u>Check Amount</u>	<u>Invoice Amount</u>
Paid by Billy Casper	\$ 534,912.47	\$ 387,082.92 A
Paid directly by the Township	254,900.01	254,900.01
Total	B \$ 789,812.48	\$ 641,982.93

A - The information provided by BC contained a column for check amounts and a column for invoice amounts.

B - These amounts do not include payroll expenses, totaling ~\$260,000 for FY 2016.

The check register provided by BC details the amounts they paid to the vendors (check amount) and the amounts they were billed for Hilltop expenses (invoice amount). The amount paid by BC (~\$535,000) exceeded the total amount of invoices (~\$387,000) by about \$148,000. It appears, based on follow-up information (invoices) provided by BC, the variances are caused when a check pays multiple invoices, as the system download (i.e., check register) is only capturing information for one of the invoices.

Attachment 1 summarizes the combined (BC and Township) amounts paid, by vendor, in fiscal years 2015 and 2016. **Attachment 2** and **Attachment 3** summarize the amounts paid by BC and the Township, respectively, by vendor. The ten (10) highest paid vendors (combined) in fiscal years 2015 and 2016 are as follows:

<u>Vendor Rank, by</u>	<u>Row Labels</u>	<u>Total Check</u>	<u>Total Invoice</u>
<u>Check Amount</u>		<u>Amount</u>	<u>Amount</u>
1	Billy Casper Golf, LLC	\$ 202,019.38	\$ 99,276.34
2	BCG Self Insurance	89,828.90	85,558.35
3	First Merit Bank, N.A.	75,839.54	75,839.54
4	Harrell's, LLC	67,045.46	67,045.46
5	Sysco Detroit LLC	37,783.98	22,276.16
6	Spencer Oil Company	32,334.99	32,334.99
7	State of Michigan	22,102.57	22,046.80
8	U.S. Bank Operations Center	21,658.19	18,690.05
9	Nike USA, Inc.	21,446.65	17,028.86
10	Michigan Tournament Fleet	17,449.90	14,760.32
		\$ 587,509.56	\$ 454,856.87

Vendors with Hilltop's Address as Their Address

As shown in the address match analysis, we identified four (4) vendors in Hilltop's vendor master file which contained Hilltop's address, 47000 Powell Rd, as their address. Three of the four vendors were marked as "Inactive" and did not receive a payment during our scope period; however, Aaron Spokaeski received approximately \$4,700 during our scope period. These payments should be researched by the Township to ensure their validity.

Vendors with Missing Information

We identified a number of Hilltop and Township vendors in the master file which did not have an address listed or were missing part of their address. We were unable to include these records in our address matching analysis. We also identified a number of Township vendors in the master file which did not have a vendor name. Hilltop and the Township should consider scrubbing their data to ensure that all vendors have names and complete address records within their systems. These untested vendors have been provided in **Attachment 4**.

Other Potential Findings

While not specifically analyzed, we identified that Matthew Edwards, a known relative of Ron Edwards, (the former Treasurer), was paid as an employee at Hilltop. Matthew was paid ~\$11,500 from the time period of January 1, 2014 through the end of fiscal year 2016. **We have not** performed any research to conclude whether or not this pay was supported and/or appropriate, as this is outside of the scope of our engagement.

CONCLUSION

Based on the analysis as described, our data testing identified anomalies, although limited. The Township should discuss these anomalies with BC and conclude whether further research should be pursued. We would be pleased to update these findings, upon request, should additional information become available.

Very truly yours,

Plante & Moran, PLLC

PLANTE & MORAN, PLLC

Charter Township of Plymouth - Hilltop Golf Course
 Total Amount Paid by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
Billy Casper Golf, LLC	\$ 202,019.38
BCG Self Insurance	89,828.90
FIRST MERIT BANK, N.A.	75,839.54
HARRELL'S, LLC	67,045.46
Sysco Detroit LLC	37,783.98
SPENCER OIL COMPANY	32,334.99
State of Michigan	22,102.57
U.S. Bank Operations Center	21,658.19
NIKE USA, Inc.	21,446.65
Michigan Tournament Fleet	17,449.90
DTE ENERGY	15,859.19
SPARTAN DISTRIBUTORS	12,377.50
Wilson Sporting Goods	11,887.56
SRRAB Inc.	11,347.50
WOW! BUSINESS	10,961.95
CHARTER TWSP OF PLYMOUTH	6,364.46
CS - Graphic Design Services	6,096.10
CS - Digital Marketing Services	5,183.30
Midwest Golf & Turf	4,970.62
Aaron Spokaeski	4,688.06
The CIT Group	4,566.69
CONSUMERS ENERGY	4,437.53
Gear For Sports Inc	4,270.04
CS - IT Support Services	4,248.00
ADP, Inc.	4,202.17
RAYHAVEN GROUP, INC.	4,035.00
CIRCLE HEATING AND COOLING	3,500.00
Night Flyer Golf	3,145.16
Prestige Flag	3,133.60
Acushnet Company	2,914.44
Bridgestone Golf, Inc.	2,812.19
PLANTE & MORAN, PLLC	2,710.00
BADER & SONS CO.	2,686.71
B & F AUTO SUPPLY INC	2,595.02
Hornung's Golf Products, Inc.	2,548.60
Gordon Food Service, Inc.	2,470.82
W.J.O'NEIL COMPANY	2,279.53
TORO NSN	2,249.00
Guardian Alarm	2,210.86
Pepsi-Cola	2,150.59
Suttle Straus	1,948.63
Wells Fargo Insurance Services	1,944.35
Customer Service Experts, Inc.	1,886.99

Charter Township of Plymouth - Hilltop Golf Course
 Total Amount Paid by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
Cleveland Golf/Srixon	1,876.52
Golf Scorecards, Inc.	1,811.29
Staples Advantage	1,804.06
RIZZO ENVIRONMENTAL SERVICES	1,783.00
Bryan Kreger	1,740.76
United States Footgolf Association	1,738.00
Sand Sales Company, LLC	1,737.10
Ever Kold	1,671.60
Women on Course	1,635.00
The Michigan Golf Show	1,612.50
Specialty Cigars International, Inc.	1,574.00
Ahead	1,474.40
Golf Supply House USA, Inc	1,190.21
TOWN LOCKSMITH	1,146.87
THE MACOMB GROUP, INC.	1,097.16
Fire Systems Of Michigan, Inc.	1,010.98
Rory Holt	968.74
MICHIGAN CAT	945.00
Eagle One Golf Products	874.65
John Deere Landscapes, Inc.	842.76
World's Largest Golf Outing	812.00
Scotty's Potties	760.00
Dynamic Brands	700.56
Bristol ID Technologies	678.20
CANTON WASTE RECYCLING	675.00
SPALDING DEDECKER ASSOCIATES, INC.	659.50
Ehlers Heating & Air Conditioning	594.00
Lighting X-Change, LLC	584.90
Vent Masters, Inc.	580.00
Customer Lawn Care	550.00
Golf Invite, Inc.	528.00
CT Corporation	505.06
A.S.C., INC	504.55
Office Depot, Inc.	487.61
Plymouth Community Chamber of Comm	465.00
Commercial Recovery	458.98
Fuse It Piping	443.12
Sylvan Glen Golf Mgt., LLC	442.58
FOOTJOY	429.72
Eradico Services, Inc.	387.54
Michigan Recreation and Park Associatio	375.00
Maxx HD Sunglasses	359.96
RDC ELECTRIC LLC	350.00

Charter Township of Plymouth - Hilltop Golf Course

Total Amount Paid by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
TBK Promotions, Inc.	323.24
Herman & Associates	272.16
SiteOne Landscape Supply, LLC	266.83
AccuSafe Restoration, LLC	250.00
MDEQ - STATE OF MICHIGAN	200.00
Niche Marketing Group, Inc.	188.96
The Cawley Company	173.62
John's Sanitation Service Inc.	119.00
Callaway Golf Company	109.24
DEMEMBER ELECTIC CO.	95.00
PC Connection Sales Corp.	92.04
What Counts, Inc.	88.15
Cascade Subscription Service, Inc.	83.82
LAKIN, ROBERT D.	80.00
Discount Paper Products, Inc.	74.05
Sterling National Bank	70.88
J.C. Ehrlich Co Inc	70.00
FGX International Inc	49.89
Stargate Technologies, Inc.	45.00
TalentWise, Inc	38.00
Kyle Kosmyna	35.00
UPS Freight	30.00
Grand Total	\$ 789,812.48

Charter Township of Plymouth - Hilltop Golf Course

Total Amount Paid by BC, by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
Billy Casper Golf, LLC	\$ 202,019.38
BCG Self Insurance	89,828.90
Sysco Detroit LLC	37,783.98
State of Michigan	22,102.57
U.S. Bank Operations Center	21,658.19
NIKE USA, Inc.	21,446.65
Michigan Tournament Fleet	17,225.57
Wilson Sporting Goods	11,887.56
WOW! BUSINESS	10,961.95
CS - Graphic Design Services	6,096.10
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Night Flyer Golf	3,145.16
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Bryan Kreger	1,740.76
United States Footgolf Association	1,738.00
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Women on Course	1,635.00
The Michigan Golf Show	1,612.50
Specialty Cigars International, Inc.	1,574.00
Ahead	1,474.40
Golf Supply House USA, Inc	1,190.21
Fire Systems Of Michigan, Inc.	1,010.98
Rory Holt	968.74
Guardian Alarm	946.43
Eagle One Golf Products	874.65
World's Largest Golf Outing	812.00

Charter Township of Plymouth - Hilltop Golf Course

Total Amount Paid by BC, by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
Scotty's Potties	760.00
John Deere Landscapes, Inc.	734.56
Dynamic Brands	700.56
Bristol ID Technologies	678.20
Ehlers Heating & Air Conditioning	594.00
Lighting X-Change, LLC	584.90
Vent Masters, Inc.	580.00
Customer Lawn Care	550.00
Golf Invite, Inc.	528.00
CT Corporation	505.06
Office Depot, Inc.	487.61
Plymouth Community Chamber of Comm	465.00
Commercial Recovery	458.98
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AccuSafe Restoration, LLC	250.00
Niche Marketing Group, Inc.	188.96
The Cawley Company	173.62
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Callaway Golf Company	109.24
PC Connection Sales Corp.	92.04
What Counts, Inc.	88.15
Cascade Subscription Service, Inc.	83.82
Discount Paper Products, Inc.	74.05
Sterling National Bank	70.88
J.C. Ehrlich Co Inc	70.00
FGX International Inc	49.89
Stargate Technologies, Inc.	45.00
TalentWise, Inc	38.00
Kyle Kosmyna	35.00
UPS Freight	30.00
Grand Total	\$ 534,912.47

Charter Township of Plymouth - Hilltop Golf Course
Total Paid by Township by Vendor, Fiscal Years 2015 and 2016

Vendor Name	Total Check Amount
FIRST MERIT BANK, N.A.	\$ 75,839.54
HARRELL'S, LLC	67,045.46
SPENCER OIL COMPANY	32,334.99
DTE ENERGY	15,859.19
SPARTAN DISTRIBUTORS	12,377.50
SRRAB Inc.	11,347.50
CHARTER TWSP OF PLYMOUTH	6,364.46
CONSUMERS ENERGY	4,437.53
RAYHAVEN GROUP, INC.	4,035.00
CIRCLE HEATING AND COOLING	3,500.00
PLANTE & MORAN, PLLC	2,710.00
BADER & SONS CO.	2,686.71
B & F AUTO SUPPLY INC	2,595.02
W.J.O'NEIL COMPANY	2,279.53
TORO NSN	2,249.00
RIZZO ENVIRONMENTAL SERVICES	1,783.00
Guardian Alarm	1,264.43
TOWN LOCKSMITH	1,146.87
THE MACOMB GROUP, INC.	1,097.16
MICHIGAN CAT	945.00
CANTON WASTE RECYCLING	675.00
SPALDING DEDECKER ASSOCIATES, INC.	659.50
A.S.C., INC	504.55
RDC ELECTRIC LLC	350.00
Michigan Tournament Fleet	224.33
MDEQ - STATE OF MICHIGAN	200.00
John Deere Landscapes, Inc.	108.20
Midwest Golf & Turf	105.54
DEMEMBER ELECTIC CO.	95.00
LAKIN, ROBERT D.	80.00
WAYNE COUNTY HEALTH DEPT	-
Grand Total	\$ 254,900.01

Charter Township of Plymouth - Hilltop Golf Course
Vendors with Missing Address Information

Vendor ID	Vendor Name	Address	Description
Z*TREASURER	Z*INACTIVE Treasurer of Virginia		Hilltop Vendor
Z*EWGA	Z*INACTIVE Executive Women's Golf Associ		Hilltop Vendor
BCG	Billy Casper Golf LLC		Hilltop Vendor
CS-DMS	CS - Digital Marketing Services		Hilltop Vendor
CS-GDS	CS - Graphic Design Services		Hilltop Vendor
CS-ISS	CS - IT Support Services		Hilltop Vendor
INS	BCG Self Insurance		Hilltop Vendor
WLGO	World's Largest Golf Outing		Hilltop Vendor
Z*DOVE	Z*INACTIVE Dove Help Desk		Hilltop Vendor
Z*FIRSTINS	Z*INACTIVE First Insurance Funding		Hilltop Vendor
Z*LARNISH	Z*INACTIVE Larnish Larsen, Inc		Hilltop Vendor
Z*METLIFE	Z*INACTIVE MetLife Small Business Center		Hilltop Vendor
Z*RAPIDS	Z*INACTIVE Rapids		Hilltop Vendor
Z*SILVER	Z*INACTIVE Silverpop Systems, Inc.		Hilltop Vendor
Z*VISION	Z*INACTIVE Vision Service Plan		Hilltop Vendor
130989	**SEE VENDOR 130991	MI STATE POLICE-BFS CASHR MI 48823	Township Vendor
200842	3RD CIRCUIT COURT	1907 COLEMAN A YOUNG MUN. FAMILY DIVISION DETROIT MI 48226-3413	Township Vendor
000007	A		Township Vendor
010117	A & E BUILDING CO INC	852 S NEWBURGH	Township Vendor
010131	A S L A	DEPARTMENT 3900 WASHINGTON D.C. 20073-0039	Township Vendor
010235	ABRAHAM, RICHARD	FIRE	Township Vendor
010370	ADECCO	DEPARTMENT CH10838 PALATINE IL 60055-0838	Township Vendor
010475	ADEXIS	DEPARTMENT #493 COLUMBUS OH 43265	Township Vendor
010940	AIM INTERNATIONAL	DEPT. 1083 DENVER CO 80291-1083	Township Vendor
011220	AKANS, KAREN	ACCTNG	Township Vendor
011232	ALBRECHT, STEVE		Township Vendor
011476	ANDERSON, CARL	DPW	Township Vendor
010165	AW Transmission Eng USA, Inc.		Township Vendor
020095	BACYNSKI, ERIC		Township Vendor
020185	BARTLETT, JAMES ALLEN	DPW	Township Vendor
020223	Bartram, Brad		Township Vendor
020231	BASIC	(R) DO NOT MAIL CHECK	Township Vendor
020565	BEREZAK, JENNIFER	DISPATCH	Township Vendor
020581	BERRY, RON		Township Vendor
021603	BOHLANDER		Township Vendor
021650	BONADEO, KAREN		Township Vendor
021609	BONNER, PORTIA	DPW	Township Vendor
021790	BRANDT, SARAH		Township Vendor
021880	BRASHAW, DAVID		Township Vendor
021953	BROTHERS, JON	POLICE	Township Vendor
021990	BROWNING, BRIAN	POLICE	Township Vendor
021995	BROZOWSKI, AMANDA		Township Vendor
022217	BUKIS, PETER		Township Vendor
030157	CAREY, LARRY	POLICE	Township Vendor
161299	CHARTER TWSP OF PLYMOUTH	WATER/SEWER FUND CREDIT CARD ACCOUNTING	Township Vendor
161298	CHARTER TWSP OF PLYMOUTH	WATER/SEWER DEPT	Township Vendor
161295	CHARTER TWSP OF PLYMOUTH	TWSP REVOLVING FUND 0	Township Vendor
161289	CHARTER TWSP OF PLYMOUTH	TRUST AND AGENCY 0	Township Vendor
161280	CHARTER TWSP OF PLYMOUTH	TAX FUND	Township Vendor
161288	CHARTER TWSP OF PLYMOUTH	SPEC ASSESSMENT CAP PROJ	Township Vendor
161287	CHARTER TWSP OF PLYMOUTH	SOLID WASTE DISPOSAL	Township Vendor
161286	CHARTER TWSP OF PLYMOUTH	POLICE DEPT.	Township Vendor
161283	CHARTER TWSP OF PLYMOUTH	GENERAL FUND	Township Vendor
161282	CHARTER TWSP OF PLYMOUTH	DOWNTOWN DEV AUTHORITY	Township Vendor
161281	CHARTER TWSP OF PLYMOUTH	BUILDING AUTHORITY	Township Vendor
161285	CHARTER TWSP OF PLYMOUTH		Township Vendor
030726	CHESTON, STEVE		Township Vendor
031125	CLOUTIER, STEVEN		Township Vendor
031407	COFFELL, STEVEN		Township Vendor
031439	CONELY, PATRICK		Township Vendor
031453	CONROY, WILLIAM	FIRE DEPT	Township Vendor
031300	COOBATIS, JOANN	HUMAN RESOURCES	Township Vendor
031495	CORBETT, SHAWN	POLICE DEPT	Township Vendor
031520	COURTER, BOB	DPW	Township Vendor
031600	CRACCHIOLLO, CHRISTOPHER	DISPATCH	Township Vendor
031755	CROWE, RONALD	COMMUNICATIONS	Township Vendor
032035	CUMMINS BRIDGEWAY, LLC	DEPARTMENT #774494 4494 SOLUTIONS CENTER CHICAGO IL 60677-4004	Township Vendor
040504	DAN DE WOLF & ASSOCIATES	SEE VENDOR 40503	Township Vendor
040499	DE BIASI, LIA		Township Vendor
040150	DESKINS, ROBERT	POLICE	Township Vendor
040555	DETTORRE, CASSANDRA		Township Vendor
040650	DEVORE, ROBERT	DISPATCH	Township Vendor
040652	DEVOTO, CLAUDIA		Township Vendor
040430	DODSON, SUE	BLDG	Township Vendor
040480	DOUBLEDAY BROS & CO.	SEE VENDOR #40481	Township Vendor
041850	DRAKE, JOHN	POLICE DEPT	Township Vendor
042200	DUKE, CHRISTINA		Township Vendor
051570	E S R I, INC	FILE 54630 LOS ANGELES CA 90074-4630	Township Vendor
050370	ELDRIDGE, DOUGLAS	FIRE DEPT	Township Vendor
051000	ELI JOURNALS	NEW HILL SERVICES DEPT 1380 DENVER CO 80291-1380	Township Vendor
049350	ERLA, INC	DBA EMSAR, INC. 270 DAVIDS DR. WILMINGTON OH 45177	Township Vendor
052800	EXPANETS INC.	DEPT. #1261 DENVER CO 80271-1261	Township Vendor

**Charter Township of Plymouth - Hilltop Golf Course
Vendors with Missing Address Information**

Vendor ID	Vendor Name	Address	Description
060060	FALVO, MICHAEL J	WSU-CRIMINAL JUSTICE DEPT 3291 FACULTY-ADMIN BLDG DETROIT MI 48202	Township Vendor
060805	FELLRATH, PATRICK	DPS	Township Vendor
060820	FELTS, JEFF	POLICE	Township Vendor
060830	FETNER, WILLIAM	POLICE	Township Vendor
060831	FETTER, JEFFREY	POLICE	Township Vendor
061466	FOX, DAVID	FIRE	Township Vendor
061800	FRITZ, MIKE	POLICE	Township Vendor
070040	GHD, Inc.	Dept LA23922 Pasadena CA 91185-3922	Township Vendor
071400	GOIK, DEBORAH		Township Vendor
071455	GORDON FOOD SERVICE, INC.	PAYMENT PROCESSING CENTER DEPT CH 10490 PALATINE IL 60055-0490	Township Vendor
071650	GRAINGER, W.W. INC.	DEPT 232 - 859859977 PALATINE IL 60038-0001	Township Vendor
071945	GROFF, WILLIAM	POLICE DEPT	Township Vendor
071946	GROSS, SCOTT	FIRE DEPT	Township Vendor
080085	HAACK, DAVID	MAINT.	Township Vendor
080095	HAAR, JAMES	FIRE DEPT	Township Vendor
080145	HAMMYE, AMY		Township Vendor
080185	HARVEY, ROSEMARY	FINANCE	Township Vendor
080197	HAYES, JASON	DISPATCH	Township Vendor
080503	HEBERT, CAROL		Township Vendor
125003	Himebaugh, Wendy S.	9267 S. Main St.	Township Vendor
020507	HINCHER, STACEY	DPW	Township Vendor
081300	HOFMANN, FRED		Township Vendor
061200	HOOVER, DEANNA		Township Vendor
081980	HUNT, NICOLE	POLICE	Township Vendor
090202	IBM CORPORATION - 577	DEPT 4725 BO 577 SCF PASADENA CA 91051-4725	Township Vendor
091520	INNES, DONNA M		Township Vendor
091560	INTERNAL REVENUE SERVICE		Township Vendor
100010	JANKS, ROBERT		Township Vendor
101840	JURY, JAMES		Township Vendor
110090	KALAMAZOO COUNTY SHERIFF DEPT.		Township Vendor
000006	Keystone Electric LLC		Township Vendor
111148	Kline, Anne	Police Dept. Records	Township Vendor
111150	KLOC, TED		Township Vendor
111370	KOCH, SUE		Township Vendor
230923	Kohl, Robert		Township Vendor
111485	KONICA MINOLTA BUSINESS SOLUTIONS	USA INC. DEPT. CH 19188 PALATINE IL 60055-9188	Township Vendor
111501	KONRAD, HOLLY	COMM DEVEL	Township Vendor
111472	KOSTEVA, PAMELA		Township Vendor
111650	KRAUSE, PAULETTE		Township Vendor
111675	KREBS, RYAN	PD	Township Vendor
111900	KRUEGER, RANDY	DPW	Township Vendor
111960	KUDRA, DAN		Township Vendor
111970	Kushner, Cindy		Township Vendor
120166	LATAWIEC, KELLY		Township Vendor
120650	LEWIS, MARK		Township Vendor
120928	LINTON, MARCY	PD	Township Vendor
120927	LINTON, SCOTT	POLICE	Township Vendor
121450	LOZIER, MICHELLE		Township Vendor
192120	M		Township Vendor
130103	MACDONELL, CAROL		Township Vendor
130106	MACK, CHRISTOPHER	FIRE DEPT	Township Vendor
130128	MALLARI, JEFF		Township Vendor
130134	MANN, CHARLES	FIRE DEPARTMENT	Township Vendor
130135	MANN, STEVE		Township Vendor
130150	MARCICKI, KEVIN	FIRE DEPT	Township Vendor
130174	MARTIN, CAROL	ASSESSING DEPT.	Township Vendor
130178	MARTIN, TRACY	ASSESSING	Township Vendor
130182	MASSENGILL, MARILYN		Township Vendor
130320	MCDURMON, DONALD	0	Township Vendor
130358	MCPARLAND, JEFF	(POLICE OFFICER)	Township Vendor
130514	MELOW, STEVE	DPW	Township Vendor
037600	MESSING, MARCY		Township Vendor
040508	MICH MUN RISK MGT AUTHORITY ECP	DEPT 234101 MMRMA ECP PO 67000 DETROIT MI 48267-2341	Township Vendor
130928	MICHIGAN CONTRACTOR & BUILDER	""DO NOT USE VENDOR"" ""SEE REED BUSINESS""	Township Vendor
130931	MICHIGAN DEPT OF TREASURY	STATE ASSESSORS' BOARD TREASURY BLDG LANSING MI 48922	Township Vendor
130933	MICHIGAN DEPT OF TREASURY	DEPARTMENT 77003 DETROIT MI 48277-0003	Township Vendor
131012	MICHIGAN, STATE OF	MICH DEPT. ENVIR QUALITY	Township Vendor
130983	MICHIGAN, STATE OF		Township Vendor
999910	MISCELLANEOUS PAYMENTS		Township Vendor
133525	MUTUAL OF OMAHA	5TH FLR-CORP ACCTG-GFCDM MUTUAL OF OMAHA PLAZA OMAHA NE 68175	Township Vendor
140553	NEW HILL SERVICES	DEPT. 1380 DENVER, CO 80291-1380	Township Vendor
141384	NORSCIA, DENISE		Township Vendor
000803	NORSCIA, MATTHEW		Township Vendor
000770	NORSCIA, MATTHEW		Township Vendor
151890	OSBORNE, CHAD	FIRE DEPT	Township Vendor
152100	OVERAITIS, JOSEPH RUSSELL		Township Vendor
160185	PARRILLA, KATHLEEN	COMMUNICATIONS/PD	Township Vendor
131525	PEREZ, CHRISTINE	FIRE	Township Vendor
160570	PERGIN, MELISSA	POLICE	Township Vendor
160892	PIOTROWSKI, TOM		Township Vendor
160969	PITNEY BOWES	LOUISVILLE KY 40285	Township Vendor
161223	PLYMOUTH COMMERCE PARK		Township Vendor

Charter Township of Plymouth - Hilltop Golf Course
Vendors with Missing Address Information

Vendor ID	Vendor Name	Address	Description
161304	PLYMOUTH-CANTON DARE		Township Vendor
161822	PRICE, SHANNON	SUPERVISOR	Township Vendor
161825	PRIMA	DEPARTMENT 0787 MCLEAN VA 22109-0787	Township Vendor
030150	PRIORITY HEALTH	DEPT. CH 10591 PALATINE IL 60055-0591	Township Vendor
161914	Pummill, Bobbie		Township Vendor
161920	PURDON, REGINA M	POLICE	Township Vendor
161940	PYYKKONEN, CAROL	ASSESSING	Township Vendor
180110	RAMSAY, ALAN	FIRE	Township Vendor
180120	RANDALL, JEFFREY		Township Vendor
180300	REAUME, RICHARD	SUPERVISOR	Township Vendor
180790	RHYTHMS NETCONNECTIONS INC	DEPARTMENT CH 10330 PALATINE IL 60055-0330	Township Vendor
180949	RIPP, JASON		Township Vendor
181555	ROZUM, CHARLES		Township Vendor
182055	RUPARD, BRYAN		Township Vendor
190285	SCHAEFER, BRIAN	POLICE DEPT	Township Vendor
190299	SCHOLTEN, JAMES		Township Vendor
190513	SEIPENKO, TODD	POLICE	Township Vendor
190520	SELECTCARE HMO INC	DEPT 771008 DETROIT MI 48277-0008	Township Vendor
190526	SELECTIVE GROUP		Township Vendor
190843	SHOEMAKER, LINDA	(COMM. DEV.)	Township Vendor
190848	SHRUGA, BEV	BLDG	Township Vendor
202200	SIMPL0T PARTNERS. INC	DEPT. CH 10194 PALATINE IL 60055-0194	Township Vendor
191211	SMITH, CHERYL		Township Vendor
191214	SMITH, STEPHANIE	COMMUNICATIONS/PD	Township Vendor
191218	SMITH, TIM	PARK	Township Vendor
191280	SNELL, DONNA	DPW	Township Vendor
191390	SNITZER, JULIA	POLICE DEPT	Township Vendor
191529	SOMERCIK, ELIZABETH		Township Vendor
191530	SOMERCIK, TERESA		Township Vendor
192050	ST MARY HOSPITAL	DEPT 771119 DETROIT MI 48277 1119	Township Vendor
192064	STAFFORD, SHARON		Township Vendor
192063	STANISLAWSKI, TIMOTHY		Township Vendor
192075	STEWART OXYGEN SERVICE	SOS TECHNOLOGIES DEPT # 8858 LOS ANGELES CA 90084-8858	Township Vendor
194500	SYMBOL TECHNOLOGIES, INC.	DEPT. CH 10538 PALATINE IL 60055-0538	Township Vendor
200520	TEFEND, RICK	FIRE	Township Vendor
200874	TIDERINGTON, SCOTT	POLICE DEPT.	Township Vendor
200875	TIDERINGTON, THOMAS		Township Vendor
200930	TIRB, CHRISTOPHER	(FIRE)	Township Vendor
202350	TURLEY, MELANIE	COMMUNICATIONS/PD	Township Vendor
211540	UNITED STATES TREASURY	INTERNAL REVENUE SERVICE CINCINNATI OH 45999-0009	Township Vendor
060550	UNITROL/STINGER SPIKE SYSTEMS	C/O THE BANK OF AMERICA FILE #56617 LOS ANGELES CA 90074-6617	Township Vendor
220870	VIGIL, AURORA	HUMAN RESOURCES	Township Vendor
220930	VIGNOE, SUSAN	SOLID WASTE/DPS	Township Vendor
220880	VILLAGE COVE INVESTMENTS		Township Vendor
220900	VIRTUAL TECHNOLOGY	DEPT 771053 DETROIT MI 48277-1053	Township Vendor
220910	VISEL, SARAH	Solid Waste	Township Vendor
230885	W.W.WILLIAMS	DEPT. L-303 COLUMBUS OH 43260-9303	Township Vendor
040495	WALLACE, ANN M.	SUPERVISOR'S DEPT	Township Vendor
230107	WARREN, WILLIAM	FIRE	Township Vendor
230132	WAYNE CTY ASSOC OF ASSESSING OFFICE	W C A A O	Township Vendor
230710	WENDEL, MARK	FIRE DEPT	Township Vendor
230600	WHITMORE, IRENE	TREASURER	Township Vendor
031454	WORDEN, ANGELA	COMMUNICATIONS/PD	Township Vendor
256000	YUDT, RAY	COMMUNICATIONS	Township Vendor
258000	ZACKS **	**SEE VENDOR 131520** PLYMOUTH HOSPITALITY	Township Vendor
999945			Township Vendor
999946			Township Vendor
232607			Township Vendor
999948			Township Vendor
999949			Township Vendor
999920			Township Vendor
999930			Township Vendor
999940			Township Vendor
00MISC			Township Vendor
230911			Township Vendor
230912			Township Vendor
230926			Township Vendor
999941			Township Vendor
999950			Township Vendor
999951			Township Vendor
051439			Township Vendor
999952			Township Vendor
999953			Township Vendor
999954			Township Vendor
999955			Township Vendor
999962			Township Vendor
999963			Township Vendor
999964			Township Vendor
999965			Township Vendor
999966			Township Vendor
999967			Township Vendor
999968			Township Vendor

Charter Township of Plymouth - Hilltop Golf Course
Vendors with Missing Address Information

<u>Vendor ID</u>	<u>Vendor Name</u>	<u>Address</u>	<u>Description</u>
999969			Township Vendor
999970			Township Vendor
1311011			Township Vendor
1311012			Township Vendor
1311013			Township Vendor
1311014			Township Vendor
1311015			Township Vendor

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM C
PLANTE-MORAN
GOLF COURSE AUDIT
Addendum to
Analysis of Hilltop Golf Course**

Charter Township of Plymouth

June 2, 2017

**ADDENDUM TO:
Analysis of Hilltop Golf Course**





TABLE OF CONTENTS

Attachments	2
Analysis.....	3
SRRAB, Inc. Invoices.....	3
Signature.....	3

ATTACHMENTS

- Attachment 1 – Supporting Documentation Provided by Township for SRAAB, Inc. Payments
- Attachment 2 – Examples of Invoice Formatting Discrepancies



June 2, 2017

Mr. Kurt Heise
Township Supervisor
Charter Township of Plymouth
9955 N. Haggerty Rd.
Plymouth, MI 48170

Re: **ADDENDUM TO: Plymouth - Analysis of Hilltop Golf Course**

Dear Supervisor Heise:

As requested, we performed an analysis of the Hilltop Golf Course ("Hilltop") for the Charter Township of Plymouth (the "Township"). Subsequent to our analysis, we prepared a report, dated May 24, 2017, (referenced herein as "our report") to outline the procedures performed and related findings. Per your request, our scope was expanded (i.e., Phase Two) to research select invoices that were paid by the Township related to Hilltop. This addendum is to document our findings related to your request.

ANALYSIS

SRRAB, Inc. Invoices

During our initial analysis, we provided you with check registers detailing payments made by the Township and by Billy Casper Golf ("BC") in relation to Hilltop. You requested that we obtain information related to the following two (2) payments:

<u>Paid By</u>	<u>Check Date</u>	<u>Check #</u>	<u>Check Amount</u>	<u>Vendor Name</u>	<u>Invoice #</u>	<u>Invoice Amt.</u>
TWP	05/18/16	96964	\$ 6,587.50	SRRAB Inc.	Multiple	\$ 6,587.50
TWP	05/06/16	96821	4,760.00	SRRAB Inc.	2161	4,760.00
			<u>\$ 11,347.50</u>			<u>\$ 11,347.50</u>

:

The Township's Accounting Department provided us with the supporting documentation for the two (2) payments, which is provided as **Attachment 1**. Our analysis of the invoices identified the following anomalies:

1. The statement¹ number on the top of the invoice does not match the statement number at the bottom of the invoice for invoice numbers #2161, #2162, and #2163. This is sometimes a characteristic of a fictitious invoice and/or vendor.
2. There are inconsistencies in format between the invoices. Specifically, the "box" around the invoice's content for invoice numbers #2162, #2163, #2164, #2165, and #2166 encircles the content (i.e., it frames the content). However, the "box" on invoice #2161 goes "through" the content. Examples of each are provided as **Attachment 2**. Inconsistencies in invoice formats are sometimes characteristics of fictitious invoices and/or vendors.
3. It's **possible** the Township may have been double billed for the same services. Additional information would be needed to verify this; however, the following duplication in descriptions were noted:
 - a. Invoice #2161 details 32 hours for "(2 bathrooms) remove all old FRP from walls and cleanup
Invoice ##2162 details 10 hours for "(2 bathrooms) remove all debris off walls and clean up"
 - b. Invoice #2161 details 40 hours for "(2 bathrooms) install new FRP panels"
Invoice #2162 details 30 hours for "(2 bathrooms) install new FRP panels"
 - c. Invoice #2161 details 8 hours for "(2 bathrooms) remove old toilets and partitions"
Invoice #2164 details 8 hours for "(2 bathrooms) remove all toilets/urinals"
 - d. Invoice #2161 details 8 hours for "(2 bathrooms) caulk and clean up"

¹ The terms, *statement* and *invoice* are used interchangeably for the purposes of this addendum

Invoice #2162 details 10 hours for "(2 bathrooms) caulk and clean up"

- e. Invoice #2164 details 16 hours for "(2 bathrooms) install owner supplied toilets/urinals"

Invoice #2165 details 6 hours for "(2 bathrooms) install owner supplied toilets"

- f. Invoice #2164 details 8 hours for "(2 bathrooms) install new sinks/faucets"

Invoice #2165 details 6 hours for "(2 bathrooms) install new sinks/faucets"

SIGNATURE

We reserve the right to update these findings should additional information become available.

Very truly yours,

Plante & Moran, PLLC

PLANTE & MORAN, PLLC

232801

SRRAB Inc.

2161

CLUBHOUSE

Check Date: 05/06/16

Check Number: 96821

05/06/16 4,760.00

\$4,760.00

Four Thousand Seven Hundred Sixty and NO/100 Dollars**

SRRAB Inc.
38901 Plymouth
Livonia, MI 48150

05/06/16

\$4,760.00

SRRAB, INC.

Date 5/3/2016
Statement # 2161

SRRAB INC
38901 Plymouth Rd
Livonia, MI 48150
248-460-3073
sambaki@aol.com

811

Hilltop Golf Course
Charter Township of Plymouth
47000 Powell Rd,
Plymouth, MI 48170
(734) 453 9800

Golf Course Clubhouse Bathroom Renovation (Labor only)

QTY	Description	Unit Price	Amount
32 Hours	(2 Bathrooms) Remove all old FRP from walls and Clean up	\$42.50	\$1360.00
40 Hours	(2 Bathrooms) Install new FRP Panels	\$42.50	\$1700.00
8 Hours	(2 Bathrooms) Remove old toilets and partitions	\$42.50	\$340.00
12 Hours	(2 Bathrooms) Install new Counters	\$42.50	\$510.00
8 Hours	(2 Bathrooms) Caulk and Clean up	\$42.50	\$340.00
12 Hours	Re-install toilet accessories ADA compliant hardware	\$42.50	\$510.00
112	Total Labor Hours at \$42.50		\$4,760.00

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$4,760.00

**PAYMENT
DUE**

Remittance
Statement # 101
Date 
Amount Due **\$4,760.00**
Amount Enclosed

Make all checks payable to SRRAB INC.

Thank you for your business!

232801

Check Date: 05/18/16

SRRAB Inc.

Check Number: 96964

2165	Golf Course Bathroom Renovation (Plumbin	05/16/16	595.00
2163	Park Train Station Renovation Mens & Wom	05/16/16	4,335.00
2166	Train Station Mens & Womens Bathroom Ren	05/16/16	1,360.00
2162	Hilltop Mens and Womens course Bathroom R	05/16/16	4,462.50
2164	Hilltop Clubhouse Mens & Womens Bathroom	05/16/16	1,530.00

\$12,282.50

PRINTING SYSTEMS • TAYLOR, MI • 1-800-95-12345

Charter Township of Plymouth 9955 N. Haggerty Road • Plymouth, Michigan 48170

WARNING: DO NOT CASH UNLESS LOGO APPEARS IN BACKGROUND OF CHECK



CHARTER TOWNSHIP OF PLYMOUTH

9955 N. HAGGERTY ROAD
PLYMOUTH, MICHIGAN 48170



PAY ****Twelve Thousand Two Hundred Eighty-Two and 50/100 Dollars****

TO THE ORDER OF SRRAB Inc.
38901 Plymouth
Livonia, MI 48150

DATE 05/18/16 AMOUNT \$12,282.50

CHARTER TOWNSHIP OF PLYMOUTH
NON-NEGOTIABLE

NANCY CONZE, MAN CLERK

RON EDWARDS, TREASURER

WARNING: DO NOT CASH UNLESS "ORIGINAL DOCUMENT" APPEARS ON BACK OF CHECK

05/17/2016

03:51 PM



PURCHASE ORDER

NUMBER: 16-64523

Charter Township of Plymouth
 9955 N. Haggerty Rd.
 Plymouth, Michigan 48170-4673

PO #: 16-64523
 PO Date: 05/17/2016
 Required Date: 05/16/2016
 Ordered By: mmitchell

Department PRK

Hiltop Mens and Womens course

V E N D O R	232801
	SRRAB Inc.
	38901 Plymouth
	Livonia, MI 48150

Ship To: Charter Township of Plymouth
 Park's Department
 46640 W. Ann Arbor Trail

Plymouth MI 48170-4673

Quantity	Units	Description	Unit Price	Amount
10	Each	Hours to Remove debris from walls 510-100-180.000	42.50	425.00
18	Each	Install new cement board on walls 510-100-180.000	42.50	765.00
30	Each	Install new Marlyte FRP 510-100-180.000	42.50	1,275.00
22	Each	Install new ceramic tile flooring 510-100-180.000	42.50	935.00
10	Each	Cauik and seal vanity and toilet fixture 510-100-180.000	42.50	425.00
15	Each	Remove and install 2 new doors 510-100-180.000	42.50	637.50
			Total:	4,462.50

Authorized By:

 Authorized Signature

 Date

SRRAB, INC.

Date: 5/16/2016
Statement # 2162

SRRAB INC.
38901 Plymouth Rd
Livonia, MI. 48150
248-460-3073
sambaki@aol.com

P.O. # 16-64523

Bill To
Hilltop Golf Course
Charter Township of Plymouth
47000 Powell Rd,
Plymouth, MI 48170
(734) 453-9800

Comments Golf Course Bathroom Renovation (Plumbing)

Qty	Description	Unit Price	Amount
10 Hours	(2 Bathrooms) Remove all debris off walls and Clean up	\$42.50	\$425.00
18 Hours	(2 Bathrooms) Install new cement board	\$42.50	\$765.00
30 Hours	(2 Bathrooms) Install new FRP Panels	\$42.50	\$1275.00
22 Hours	(2 Bathrooms) Install new Ceramic tile Flooring	\$42.50	\$935.00
10 Hours	(2 Bathrooms) Caulk and Clean up	\$42.50	\$425.00
15 Hours	Remove and Install 2 new doors	\$42.50	\$637.50

PAID
MAY 18 2016
96964

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$4,462.50

PAYMENT DUE

Remittance
Statement # 102
Date
Amount Due \$4,462.50
Amount Enclosed

Make all checks payable to SRRAB INC.
Thank you for your business!

05/17/2016
04:31 PM



PURCHASE ORDER

NUMBER: 16-64567

Charter Township of Plymouth
9955 N. Haggerty Rd.
Plymouth, Michigan 48170-4673

PO #: 16-64567
PO Date: 05/17/2016
Required Date: 05/16/2016
Ordered By: mmitchell

Department: PRK
Park Train Station Renovation Mens

V E N D O R	232801
	SRRAB Inc.
	38901 Plymouth
	Livonia, MI 48150

Ship To: Charter Township of Plymouth
Park's Department
46640 W. Ann Arbor Trail

Plymouth MI 48170-4673

Quantity	Units	Description	Unit Price	Amount
12	Each	Remove False Walls and clean up 101-851-971.000	42.50	510.00
16	Each	Install new walls and panels 101-851-971.000	42.50	680.00
20	Each	Patch and paint walls 101-851-971.000	42.50	850.00
22	Each	Install new counter tops 101-851-971.000	42.50	935.00
12	Each	Repair water damaged drywall ceiling 101-851-971.000	42.50	510.00
8	Each	Remove Replace hand dryers 101-851-971.000	42.50	340.00
12	Each	Install Toilet Accessories & ADA Hardwar 101-851-971.000	42.50	510.00
			Total:	4,335.00

Authorized By:

Authorized Signature

Date

SRRAB, INC.

Date: 5/16/2016
Statement # 2163

SRRAB INC.
38901 Plymouth Rd
Livonia, MI. 48150
248-460-3073
sambaki@aol.com

Bill To
Train Station Park
Charter Township of Plymouth
46505-46759 Southview Ln.,
Plymouth, MI 48170
(734) 453-9800

PO# 16-64567

Comments Train Station Bathroom Renovation (Labor only)

QTY	Description	UNIT PRICE	AMOUNT
12 Hours	(2 Bathrooms) Remove walls and Clean up	\$42.50	\$510.00
16 Hours	(2 Bathrooms) Install new walls and panels	\$42.50	\$680.00
20 Hours	(2 Bathrooms) Patch and paint walls	\$42.50	\$850.00
22 Hours	(2 Bathrooms) Install new counter tops	\$42.50	\$935.00
12 Hours	Repair water damaged Drywall Ceiling	\$42.50	\$510.00
8 Hours	Remove and replace Hand Electric Dryers with new wiring	\$42.50	\$340.00
12 Hours	Install Toilet Accessories ADA Compliant Hardware	\$42.50	\$510.00

GL# 101-851-971-000

PERIOD	1-30 DAYS PAID	31-60 DAYS PAID	61-90 DAYS PAID	91-120 DAYS PAID	AMOUNT DUE
					\$4,335.00

PAYMENT DUE

Remittance

Statement # 102

Date

Amount Due \$4,335.00

Amount Enclosed

Make all checks payable to SRRAB INC.
Thank you for your business!

PAID
MAY 18 2016
BY: *96964*

05/17/2016

04:42 PM



PURCHASE ORDER

NUMBER: 16-64568

**Charter Township of Plymouth
9955 N. Haggerty Rd.
Plymouth, Michigan 48170-4673**

PO #: 16-64568
PO Date: 05/17/2016
Required Date: 05/17/2016
Ordered By: mmitchell

Department PRK
Hilltop Clubhouse Mens & Womens

V E N D O R	232801 SRRAB Inc. 38901 Plymouth Livonia, MI 48150
----------------------------------------	-------------------------------------------------------------

Ship To: Charter Township of Plymouth
Park's Department
46640 W. Ann Arbor Trail

Plymouth MI 48170-4673

Quantity	Units	Description	Unit Price	Amount
8	Each	Remove all Toilets and Urinals 510-100-180.000 340.00	42.50	340.00
4	Each	Snake all lines 510-100-180.000 170.00	42.50	170.00
16	Each	Install New Toilets and Urinals 510-100-180.000 680.00	42.50	680.00
8	Each	Install New Sinks and Faucets 510-100-180.000 340.00	42.50	340.00
			Total:	1,530.00

Authorized By:

 Authorized Signature Date

SRRAB, INC.

Date: 5/16/2016
Statement # 2164

SRRAB INC
38901 Plymouth Rd
Livonia, MI. 48150
248-460-3073
sambaki@aol.com

P.O. # 16-64568

Bill To:

Hilkop Golf Course
Charter Township of Plymouth
47000 Powell Rd,
Plymouth, MI 48170
(734) 453-9800

Comments Golf Course ClubHouse Bathroom Renovation (Plumbing)

Qty	Description	Unit Price	Amount
8 Hours	(2 Bathrooms) Remove all Toilets/Urinals	\$42.50	\$340.00
4 Hours	(2 Bathrooms) Snake all lines in bathrooms	\$42.50	\$170.00
16 Hours	(2 Bathrooms) Install owner supplied Toilets/Urinals	\$42.50	\$680.00
8 Hours	(2 Bathrooms) Install new Sinks/Faucets	\$42.50	\$340.00

GL # 510-100-180-000

PAID
MAY 18 2016
BY: 96964

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$1,530.00

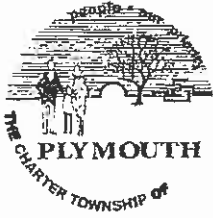
PAYMENT DUE

Remittance
Statement # 2164
Date
Amount Due \$1,530.00
Amount Enclosed

Make all checks payable to SRRAB INC.
Thank you for your business!

05/17/2016

04 52 PM



PURCHASE ORDER

NUMBER: 16-64569

Charter Township of Plymouth
 9955 N. Haggerty Rd.
 Plymouth, Michigan 48170-4673

PO #: 16-64569
 PO Date: 05/17/2016
 Required Date: 05/16/2016
 Ordered By: nmitchell

Department PRK
 Golf Course Bathroom Renovation

V E N D O R	232801
	SRRAB Inc.
	38901 Plymouth
	Livonia, MI 48150

Ship To: Charter Township of Plymouth
 Park's Department
 46640 W. Ann Arbor Trail

Plymouth, MI 48170-4673

Quantity	Units	Description	Unit Price	Amount
6	Each	Install New Toilets 510-100-180.000	42.50	255.00
6	Each	new Sinks and Faucets 510-100-180.000	42.50	255.00
2	Each	Repair broken water line in wall 510-100-180.000	42.50	85.00
			Total:	595.00

Authorized By:

 Authorized Signature

 Date

SRRAB, INC.

Date: 5/16/2016
Statement # 2165

SRRAB INC.
38901 Plymouth Rd
Livonia, MI. 48150
248-460-3073
sambak@aol.com

Bill To: Hilltop Golf Course
Charter Township of Plymouth
47000 Powell Rd,
Plymouth, MI 48170
(734) 453-9800

Comments: Golf Course Bathroom Renovation (Plumbing)

Qty	Description	Unit Price	Amount
6 Hours	(2 Bathrooms) Install owner supplied Toilets	\$42.50	\$255.00
6 Hours	(2 Bathrooms) Install new Sinks/Faucets	\$42.50	\$255.00
2 Hours	Repair water leak in wall	\$42.50	\$85.00

GL# 510-100-180-000

STID
MAY 18 2016
96964

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$595.00

PAYMENT DUE

Remittance

Statement # 2165

Date

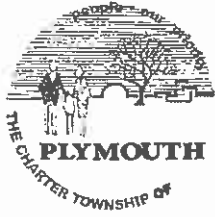
Amount Due \$595.00

Amount Enclosed

Make all checks payable to SRRAB INC.
Thank you for your business!

05/17/2016

04 08 PM



PURCHASE ORDER

NUMBER: 16-64558

**Charter Township of Plymouth
9955 N. Haggerty Rd.
Plymouth, Michigan 48170-4673**

PO #: 16-64558
PO Date: 05/17/2016
Required Date: 05/16/2016
Ordered By: mmitchell

Department: PRK
Train Station Mens & Womens

V	232801
E	SRRAB Inc.
N	38901 Plymouth
D	
O	
R	Livonia, MI 48150

Ship To: Charter Township of Plymouth
Park's Department
46640 W. Ann Arbor Trail

Plymouth MI 48170-4673

Quantity	Units	Description	Unit Price	Amount
8	Each	Replace all water valves 101-851-971.000	42.50	340.00
6	Each	Replace damaged floor flanges 101-851-971.000	42.50	255.00
10	Each	Install 5 Toilets 101-851-971.000	42.50	425.00
8	Each	Install 2 counter tops and 4 sinks 101-851-971.000	42.50	340.00
			Total:	1,360.00

Authorized By:

Authorized Signature

Date

SRRAB, INC.

Date: 5/16/2016
Statement # 2166

SRRAB INC.
38901 Plymouth Rd
Livonia, MI. 48150
248-460-3073
sambaki@aol.com

P.O. # 16-64558

Bill To: Train Station Park
Charter Township of Plymouth
46505-46759 Southview Ln.,
Plymouth, MI 48170
(734) 453-9800

Comments: Train Station Bathroom Renovation (Plumbing)

Qty	Description	Rate	Amount
8 Hours	(2 Bathrooms) Replace all Water Valves	\$42.50	\$340.00
6 Hours	(2 Bathrooms) Replace damaged floor flanges	\$42.50	\$255.00
10 Hours	(2 Bathrooms) Install Owner Supplied Toilets (5)	\$42.50	\$425.00
8 Hours	(2 Bathrooms) Install new counter tops	\$42.50	\$340.00

GL # 101-851-971-000

PAID
MAY 18 2016
BY: 96964

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-120 Days Past Due	121-180 Days Past Due

\$1,360.00

PAYMENT DUE

Remittance	
Statement #	2166
Date	
Amount Due	\$1,360.00
Amount Enclosed	

Make all checks payable to SRRAB INC.
Thank you for your business!

#2162 – “Box Around”

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$4,462.50
PAYMENT DUE					
Remittance					
Statement #				102	
Date					
Amount Due					\$4,462.50
Amount Enclosed					

Make all checks payable to SRRAB INC.
Thank you for your business!

#2161 – “Box Through”

Current	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Over 90 Days Past Due	Amount Due
					\$4,760.00
PAYMENT DUE					
Remittance					
Statement #				101	
Date					
Amount Due					\$4,760.00
Amount Enclosed					

Make all checks payable to SRRAB INC.
Thank you for your business!

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM C
PLANTE-MORAN
GOLF COURSE AUDIT
*Proforma Statement of
Revenue and Expenses***

Charter Township of Plymouth

Golf Fund
Proforma Statement of Revenue and Expenses
Year Ended December 31

	2014	2015	2016	2017	2018	2019	2020
	(Actual)	(Actual)	(Proforma)	(Proforma)	(Proforma)	(Proforma)	(Proforma)
Operating Revenue - Golf course fees and sales	\$ 665,634	\$ 708,626	\$ 723,507	\$ 738,701	\$ 754,214	\$ 770,052	\$ 786,223
Operating Expenses							
Salaries and fringe benefits	290,645	326,741	333,603	340,609	347,762	355,065	362,521
Miscellaneous	93,927	84,591	86,367	88,181	90,033	91,924	93,854
Repairs and maintenance	71,323	67,437	68,853	70,299	71,775	73,282	74,821
Administrative expense	152,489	171,091	174,684	178,352	182,097	185,921	189,825
Depreciation	98,884	98,041	100,100	102,202	104,348	106,539	108,776
Total operating expenses	707,268	747,901	763,607	779,643	796,015	812,731	829,797
Operating Income (Loss)	(41,634)	(39,275)	(40,100)	(40,942)	(41,801)	(42,679)	(43,574)
Nonoperating Revenue (Expense)							
Investment income	2,088	4,628	4,725	4,824	4,925	5,028	5,134
Interest expense	(14,996)	(13,015)	(10,522)	(7,876)	(5,269)	(4,157)	(3,390)
Total nonoperating income (expense)	(12,908)	(8,387)	(5,797)	(3,052)	(344)	871	1,744
Income (Loss)	(54,542)	(47,662)	(45,897)	(43,994)	(42,145)	(41,808)	(41,830)

Note:

For proforma purposes, the amounts are projected to increase at estimated inflation of 2.1% per year (both revenue and expense, excluding interest)

Charter Township of Plymouth

Golf Fund
Proforma Statement of Cash Flows
Year Ended December 31

	2014 (Actual)	2015 (Actual)	2016 (Proforma)	2017 (Proforma)	2018 (Proforma)	2019 (Proforma)	2020 (Proforma)
Income (Loss)	\$ (54,542)	\$ (47,662)	\$ (45,897)	\$ (43,994)	\$ (42,145)	\$ (41,808)	\$ (41,830)
Cash Increase (Decrease)							
Depreciation	98,884	98,041	100,100	102,202	104,348	106,539	108,776
Capital outlay (see note 1)	-	(275)	-	(60,000)	(468,667)	(73,000)	(70,000)
Capital lease (see note 1)	-	-	(65,040)	(104,663)	(91,663)	(91,663)	-
Debt payments (see note 3)	(109,384)	(110,304)	(100,032)	(102,927)	(69,977)	(35,500)	(37,368)
Township due to payment (see note 2)	-	-	-	(100,000)	(100,000)	(100,000)	(100,000)
Miscellaneous	(14,131)	18,058	-	-	-	-	-
Total cash increase (decrease)	(79,173)	(42,142)	(110,869)	(309,382)	(668,104)	(235,432)	(140,422)
Cash - Beginning	461,629	382,456	340,314	229,445	(79,937)	(748,041)	(983,473)
Cash - Ending	382,456	340,314	229,445	(79,937)	(748,041)	(983,473)	(1,123,895)

Note:

1. For proforma purposes, capital outlay and lease payments based on information obtained from golf course management (see attached)
2. Township due to as of 12/31/15 is \$500,000, with payments projected to start in 2017
3. Debt payments are based on amortization schedules as of December 31, 2015

CAPITAL OUTLAY NEEDS

Hilltop Golf Course - 5 Year Capital Needs			2016	2017	2018	2019	2020	2021
Description	Cost	Priority	Total	Total	Total	Total	Total	Total
Computer Hardware	\$ 6,000	3	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ -
Maintenance Equipment Replacement	130,000	2	-	20,000	20,000	30,000	30,000	30,000
Golf Cart Replacement	200,000	1	-	40,000	40,000	40,000	40,000	40,000
Beverage Cart	14,000	4	-	-	14,000	-	-	-
Cart Path (average of 3 options)	391,667	6	-	-	391,667	-	-	-
Total			\$ 741,667	-	60,000	468,667	73,000	70,000
Cart Paths-Option- #1	275,000	5	-	-	275,000	-	-	-
Cart Paths-Option #2	350,000	6	-	-	350,000	-	-	-
Cart Paths-Option #3	550,000	7	-	-	550,000	-	-	-
Average cart path capital outlay			-	-	391,667	-	-	-

Note: List above obtained from golf course management

CAPITAL LEASE NEEDS

Hilltop Golf Course - 5 Year Capital Lease Needs

Item Description	Club Benefit (brief)	Justification	2016 Total	2017 Total	2018 Total	2019 Total	2020 Total
Golf Carts	Need new cart replacement in 2017. Current fleet is 54 carts, have been renting 15 carts every year to help with increase demand. Added 11 carts to new capex	Replacement	\$ 65,040	\$ 65,000	\$ 65,000	\$ 65,000	\$ -
Beverage Cart	Need to replace Bev. Cart to enhance sales and guest experience.	Replacement	-	13,000	-	-	-
Toro Workman HD	Need to pull top dresser and for other project		-	6,400	6,400	6,400	-
Toro ProCore	Greens aerification		-	6,900	6,900	6,900	-
Tufco Top Dresser	To fill aerification holes		-	4,334	4,334	4,334	-
John Deere Utility Tractor	Front-end loader		-	6,962	6,962	6,962	-
Toro Verticutters`	To remove thatch layer from greens		-	2,067	2,067	2,067	-
Total			65,040	104,663	91,663	91,663	-

*Monthly Capital Lease payments were calculate based on a \$1.00 buyout with 60 month terms.

Note: List above obtained from golf course management

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM D
THE RESERVE
CLUSTER HOUSING OPTION
FINAL DEVELOPMENT PLAN**



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD CONSIDERATION

MEETING DATE: June 20, 2017

ITEM: Application 2214-0716 – The Reserve: Cluster Housing Option (CHO) Final Development Plan

PRESENTER: Arthur Mullen, Acting Interim Community Development Director / Planner

OTHER INDIVIDUALS IN ATTENDANCE: Applicant, Walter Menard

BACKGROUND: Application 2214-0716 pertains to Parcel R-78-036-99-0024-000. The entire development property consists of approximately 4.466 net acres and is located north of Ann Arbor Trail, west of Sheldon Road and is zoned R-1-H, Single Family Residential. The applicant has requested final development plan approval to develop seven (7) detached, single-family residences under the Cluster Housing Option.

The residential development is considered a Cluster Housing Option (CHO), which was approved by the Board of Trustees in April 12, 2016. The CHO was found to be an ideal development approach for this site as it would permit the development of the smaller site, allow for the creation of an onsite amenity and is a compatible density of 1.6 dwelling units per acre, which is less than the permitted maximum density of 1.7 dwelling units per acre, under the R-1-H district.

On February 15, 2017, the Planning Commission granted final site plan approval and recommended approval of the above development plan request to the Board of Trustees, contingent on the items identified in the Staff Reports to be addressed administratively; please find the attached Planning Commission minutes, highlighted in yellow, for a full summary.

The Township Attorney is reviewing the draft legal documents. The applicant is working to incorporate the attorney's recommendations and any approval is conditional upon the legal documents addressed to the satisfaction of the Township Attorney.

CONSIDERATION REQUESTED: To consider and discuss the above final development plan approval request.

BUDGET/ACCOUNT NUMBER: N/A

RECOMMENDATION: To consider the above final development plan approval request at a regularly scheduled Board of Trustees meeting.

MODEL RESOLUTION: N/A

ATTACHMENTS: Staff Reports to Planning Commission
Minutes of the February 15, 2017 Planning Commission Meeting



CHARTER TOWNSHIP OF PLYMOUTH

9955 HAGGERTY RD • PLYMOUTH, MICHIGAN 48170-4673
www.plymouthtwp.org

February 9, 2017

Planning Commission
Charter Township of Plymouth
9955 N. Haggerty Road
Plymouth, MI 48170

RE: Project: 2211-0716 | *The Reserve*
Address / Location: North of Ann Arbor Trail, West of Sheldon Road
Applicant / Developer: Menard Premiere Builders, LLC.
Review Type: Cluster Housing - Final Site Plan Review
Review Number: Written Review #2

Dear Commission Members,

The above application is for final site plan approval. In August of 2016, tentative site plan approval for The Reserve was granted, contingent on the following items (see below) being addresses. A review of the outstanding items, along with several additional matters, are presented below for your consideration:

REVIEW COMMENTS

1. VEHICULAR CIRCULATION & ACCESS

The proposed vehicular circulation system features one (1) access point off Ann Arbor Trail, a major thoroughfare, which is under the jurisdiction of Wayne County. A letter from Wayne County indicating their approval for the location and geometrics of the proposed curb cut is required prior to Final Site Plan Approval.

2. PEDESTRIAN CIRCULATION & ACCESS

A concrete sidewalk is proposed along the Ann Arbor Trail frontage and an internal sidewalk is proposed on the west side of the internal street (in front of the proposed dwelling units).

3. LANDSCAPING

- a. **Tree Removal** – Approximately 40 trees will be removed as part of this project, as detailed on Sheet C-7. The Ordinance requires replacement trees at a rate of one (1) inch caliper for each four (4) inches D.B.H. It is strongly recommended that the Planning Commission modify the replacement tree requirement, provided the landscaping requirements below are met.

SUPERVISOR
Kurt L. Heise
(734) 354-3200

CLERK
Jery Vorva
(734) 354-3224

TREASURER
Mark J. Clinton
(734) 354-3214

TRUSTEES
Charles Curmi, Jack Dempsey
Robert Doroshewitz, Gary Heitman

- b. **Residential Screening -**
- i. **West Buffer:** The landscape plan illustrates a staggered row of evergreen trees along the west property line. To achieve the evergreen screen called for in Section 26.11(3), proposed spruces must be planted 10-15 feet on center in two (2) staggered rows, 10 feet apart. This screening, along with the separation dimensions, must be illustrated along the west buffer.
 - ii. **East Buffer:** Similarly, the above evergreen treatment must be provided along the east property line, in the area abutting the Beacon Hollow Condominiums.
- c. **ROW Landscape Buffer –** Section 26.12 requires a landscape buffer, min. 20 feet, along Ann Arbor Trail right-of-way. While the buffer space has been provided, a pergola occupies half of this space and thus, is not entirely landscaped. It is strongly recommended that the pergola is relocated on the site (see below) and the required 20-foot landscape buffer is provided along this stretch of the site.
- d. **Fence Panel with Climbing Vegetation -** 24 Iron or aluminum fence panels with climbing vegetation are proposed along the internal road (evenly spaced). We appreciate the innovation and unique landscaping this development brings. With previous experience working with similar vegetative walls, they tend to have a stronger design impact when clustered together, for instance, in staggered groups of three (3). There is a great opportunity here for the vegetated walls to be clustered together at key points in the development, providing a scenic backdrop for the detention ponds and along the east section and dead-end portion of the internal road. Clustering and relocating the vegetative walls also provides space for the relocation of the pergola (see below).
- e. **Detention Basin Landscaping –** Section 26.16 requires detention basin landscaping. Additional information on the landscaping, especially for the dry basin, must be provided. It is recommended that a mix of native wildflowers and grasses be incorporated into the site. The pond should also feature an aerator which would provide several benefits for the development: negate stagnate water and reduce the likelihood of mosquito concentrations; act as a buffer / transition space between Ann Arbor Trail and the residential units; provide a natural focal point; and enhance the aesthetics of the site.
- f. **Pergola Accessory Structure -** A 680 square foot, decorative pergola is proposed within the 20-foot landscape buffer zone along Ann Arbor Trail. As a site amenity, it is highly unlikely that residents would utilize the pergola as it is adjacent to a major roadway in the Township. It is strongly recommend the pergola be relocated to the north side of the detention pond so that it may be used by residents for gathering spaces and provide shade during a walk. Several developments within the Township feature similar, covered gathering space within the development and they are highly utilized and appreciated by residents as an amenity. The potential to create that same amenity is an opportunity for this site.

Additionally, the Commission should have a broader policy discussion on the location of the pergola and its relation to Ann Arbor Trail. Placing an accessory structure so close to the road establishes a practice that the Township should then be ready to permit in other residential developments. Relocating the pergola to the north side of the detention pond would alleviate

this situation and the structure would still be highly visible from Ann Arbor Trail, framing the development.

Additionally, details on the pergola's materials must be provided on the site plan.

- g. **Residential Gate** - A residential gate is proposed at the only entrance to the site along Ann Arbor Trail. The Planning Commission should have a broader policy discussion regarding subdivision gates in the Township. At a minimum, the residential gate must be approved by Wayne County for stacking space room. Documentation to this effect must be provided on a revised site plan, prior to the issuance of any permits.
 - h. **Maintenance** - A note must be added to the site plan which states: "Landscaping shall be kept in a neat, orderly and healthy growing condition, free from debris and refuse". The site plan must also specify the proposed procedure for snow removal and storage.
 - i. **Tree Species** - In general, the selection of proposed ornamental trees, evergreens and flowering plant materials is very pleasing. For aesthetic purposes, it is recommended the proposed four (4) crimson sentry maples are replaced with additional service berry trees (adding greater design consistency).
4. **ENTRY SIGN.** A site entry feature with signage is proposed along Ann Arbor Trail (specifications provided on Sheet #2 of the Landscape Plan):
- a. **Location** - Dimensions must be provided on the landscape plan to ensure the entry feature meets setback requirements, including: 10 feet from the ROW; 10 feet from the curb line of the internal driveway; and five (5) feet from the proposed sidewalk.
 - b. **Dimensional Specs** - It also appears the site entry feature may be too large for the site: the dimensional standards for ground signs in the R-1-H District applies to the subject entry feature. The maximum sign area is 50 square feet, and the maximum height is four (4) feet (with an additional 30 inches of permitted monument base). The vertical separation between the lowest point of the sign face and the highest point of the sign base shall be no greater than 12 inches. Calculations should be provided to ensure the signage meets these requirements. The width of the proposed entry feature is also extremely wide at over three (3) and a half feet.
 - c. **Materials** - A note with the entry feature states it will be constructed of brick or veneer on CMU block foundation. The proposed material should match the proposed entry gate / columns and must be addressed to the satisfaction of the Commission.
5. **CURBSIDE PICK-UP**
A note must be added to the site plan that curbside trash pickup will be provided, as proposed in the condominium documents.
6. **MAILBOX FACILITIES.**
The location of mailboxes facilities and their appearance (if proposed) must be detailed on the site plan.

7. CLUSTER HOUSING DOCUMENTS

A finalized Cluster Housing Contract, Master Deed and Bylaws, (including Exhibit B) must be submitted for review and are subject to the Township's Attorney approval.

8. ADDITIONAL APPROVALS

Final approval from the Township Engineer, Fire Department, and Township Board of Trustees is necessary, prior to the issuance of any building permits.

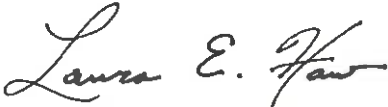
RECOMMENDATIONS

Final Site Plan

Based on the findings above, it is recommended that the Planning Commission grant final site plan approval for The Reserve, contingent on the above underlined items addressed on a revised site plan submitted for administrative review.

If you have any questions, please do not hesitate to contact me. Thank you.

Respectfully submitted,



Laura E. Haw, Senior Planner, McKenna Associates

January 26, 2017

The Planning Commission
Plymouth Charter Township
9955 North Haggerty Road
Plymouth, Michigan 48170

Re: The Reserve – Site Plan Review
N of Ann Arbor Trall, W of Sheldon Road
SDA Review No. PL15-129

Dear Commission Members:

We have reviewed the above-referenced plan set dated January 26, 2017 and received by Spalding DeDecker on July January 23, 2017. The following are our comments regarding the site plans:

Site Location

The site is located north of Ann Arbor Trail, west of Sheldon Road. Ann Arbor Trail is under the jurisdiction of Wayne County.

Final Site Plan Review

Our final site plan review comments are as follows:

A. SITE GRADING

1. A detail of the intersection of Vintage Lane and Ann Arbor Trail has been provided on the plans. The intersection must be further detailed with utility, pavement, material, and grading information.
2. The top of curb elevations from previous plan sets appear to have been lost. The top of curb elevations along the roadway that were on the previous reviews must be shown on the plans.

B. WATER MAIN

1. The detail of the bore beneath Ann Arbor Trail must be called out on the plans, including casing, size, length, etc.

F. PERMITS REQUIRED

The following permits are required and need to be provided to the Township:

1. Soil Erosion and Sedimentation permit from Wayne County Department of Public Services, Land Resource Management Division.
2. Copy of Wayne County Department of Public Services Approval and/or Permit.
3. Right-of-Way Dedication received and recorded with WCDPS.
4. Copy of State (MDEQ) Construction Permit where public water main construction is proposed.
5. Copy of State (MDEQ) Construction Permit where public sanitary sewer construction is proposed.
6. All necessary easements. Easements must be on Plymouth Township Standard Easement document and include a sketch. A current title policy for ownership verification shall be provided with all executed easement submittals to this office.
7. Storm Water Agreement.

RECOMMENDATION

We would not have any concerns with the planning commission granting final site plan approval with the conditions of the noted revisions being made on the engineering plans, and securing all necessary permits. The above comments are not to be construed as approvals and are not necessarily conclusive.

If you have any questions regarding this matter, please contact our office at your convenience.

Sincerely,

SPALDING DEDECKER ASSOCIATES, INC.



David E. Richmond, PE
Project Manager

BA

cc: Patrick Fellrath, Director of Public Utilities, Charter Township of Plymouth (via Email)
Carol Martin, Administrative Assistant, Charter Township of Plymouth (via Email)



PLYMOUTH TOWNSHIP FIRE DEPARTMENT

9955 N. Haggerty Road

(734) 354-3221 • Fax: (734) 354-9672

Plymouth, Michigan 48170-4673

Emergency - Dial 911

TO: PLYMOUTH TOWNSHIP COMMUNITY DEVELOPMENT

FROM: PLYMOUTH TOWNSHIP FIRE DEPARTMENT

DATE: 2/9/2017

RE: APPLICANT: Menard Premier Builders, LLC
Project: The Reserve
Location: North of Ann Arbor Trail, West of Sheldon Road, South of North
Territorial Road and East of Beck Road
Tax I.D. No: R-78-036-99-0024-000

DEAR COMMUNITY DEVELOPMENT:

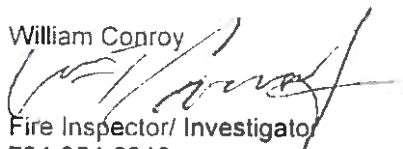
The Plymouth Township Fire Department has completed the review of the **Final Site Plan Approval** of above referenced project in accordance with the fire protection requirements of the International Building Code 2012, and the International Fire Code 2012, N.F.P.A. Standards, and good fire protection engineering.

The Office of Fire Prevention has no objection to this Final Site Plan Approval.

As is often the case, certain aspects of code compliance can involve interpretation and judgmental decisions. It is important that you review these comments and contact us if you have any questions. This review is based upon and limited to information that has been provided.

Note: Fire Hydrant #2 will be moved North to within 400' of hydrant #3

William Conroy


Fire Inspector/ Investigator
734-354-3219

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION -- REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

Meeting called to order 7:00 p.m. by Chairman Cebulski.

MEMBERS PRESENT: Kendra Barberena Dennis Cebulski
Robert Doroshewitz Bill Pratt
Ray Sturdy

MEMBERS EXCUSED: Jim Harb Keith Postell

OTHERS PRESENT: Laura Haw, McKenna Associates
Taylor Reynolds, Spalding DeDecker Associates
Alice Geletzke, Recording Secretary

ITEM NO. 1 – APPROVAL OF AGENDA

1. Regular Meeting – February 15, 2017

Chairman Cebulski noted that P.C. 2223-1116, Modern Method Construction, should be listed as No. 2 under Item No. 3, Public Hearings.

Moved by Commissioner Pratt and supported by Commissioner Sturdy to approve the agenda for the regular meeting of February 15, 2017 as amended. Ayes all.

ITEM NO. 2 – APPROVAL OF MINUTES

1. Regular Meeting – January 18, 2017

Moved by Commissioner Pratt and supported by Commissioner Sturdy to approve the minutes of the regular meeting of January 18, 2017 as presented. Ayes all.

ITEM NO. 3 – PUBLIC HEARINGS

1. **P.C. No: 2229-0117**

Applicant/Developer: Beck 15075, LLC
Contact Name: Nazir Jawich
Project Name: Beck Hotel Development
Location: South of 5 Mile Road, West of Beck Road, North of
Clipper Street and East of Ridge Road
Section No.: 20
Tax I.D. No.: R-78-0005-99-0009-709; R-78-0005-99-0009-710
Zoning: IND, Industrial
Action Requested: Planned Unit Development (PUD) Option Review

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION -- REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

Laura Haw of McKenna Associates reviewed her report dated February 9, 2017 which recommended approval of the PUD option to the Board of Trustees, subject to conditions to be met during site plan review. Taylor Reynolds reviewed the report of David Richmond, of Spalding DeDecker which also recommended approval of the proposed PUD option. The Fire Department report was also received.

Leo Gonzales of CRS Commercial Real Estate Services addressed the Board and answered questions regarding proposed redevelopment of the existing Ruby Tuesday's restaurant and the construction of two buildings, an extended-stay business hotel and drive-thru restaurant.

Chairman Cebulski opened the public hearing at 7:22 p.m. There being no public comment, the hearing was closed at 7:23 p.m.

During Commission deliberations, Commissioner Sturdy distributed a written set of comments on the February 9, 2017 Planning Report citing relevant facts with proposed findings and conclusions recommending denial of the PUD Option. His Commentary pointed out that construction of a proposed extended stay hotel on this industrial zoned property was not in conformity with the Township Master Plan and had been reviewed and denied by the Commission on three prior occasions. It stated that the proposal was not in conformity with either the spirit or the intent of the PUD Option. The Commentary presented information demonstrating that there were no trees or other natural assets located on the property worthy of preservation and that the proposed use, height, bulk and character of the proposed development would not be in harmony with buildings and uses already present on adjacent properties. The Commentary indicated that the single ingress and egress proposed for the development from one of the Township's busiest roadways was severely limited and would create a hazardous traffic situation both for hotel and restaurant patrons entering or leaving the property and Beck Road traffic in general. The Commentary also noted that the industrial use immediately adjacent to the west property line of the hotel site consisted of processes involved with the utilization and compression of natural gas and liquefied petroleum fuels for automotive products. It stated that permitting development of a high density residential use right next to an industrial operation involving volatile and hazardous substances would not be prudent and that the Commission had a responsibility to avoid the creation of situations that had the potential to seriously endanger public health and safety.

The Commentary also pointed out that while hotels and motels were not identified as either principal or specially permitted uses in the Industrial District provisions of the Zoning Ordinance, Section 23.10 in the PUD Section of the Ordinance provided that hotels and motels may be permitted in an Industrial District if, and only if, both the Planning Commission and the Township Board expressly determine that the proposed uses meet the criteria established in the Purpose and Statement of Principles Section of the PUD provisions of the Ordinance.

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION – REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

After further discussion by the Commission and with Mr. Gonzales and Mr. Jawich, it was moved by Commissioner Sturdy and seconded by Commissioner Barberena that the Planning Commission make an express determination that the proposed project and uses do not meet the criteria established in the purpose and statement of principles sections of Article 23 of the Township Zoning Ordinance for development under the Planned Unit Development Option, and further recommend denial of the proposed Planning Unit Development (PUD) Option to the Board of Trustees as requested in Application 2229-0117, Beck Business Hotel Development.

AYES: Sturdy, Barberena, Cebulski

NAYS: Doroshewitz, Pratt

Motion carried.

2. P.C. No: 2223-1116

Applicant/Developer: Modern Method Construction

Contact Name: Kevin O'Keefe

Project Name: Joy & Canton Center Road

Location: North of Joy Road, West of Sheldon Road, South of Ann Arbor Road and East of Canton Center Road

Section No.: 34

Tax I.D. No.: R-78-058-99-0004-000

Zoning: OS, Office Service District

Action Requested: Approval of Rezoning from OS, Office Services to R-1-S, Single Family Residential

Ms. Haw reviewed her report dated February 9 which recommended approval of the rezoning to the Board of Trustees.

Applicant Kevin O'Keefe addressed the Commission and answered questions.

Chairman Cebulski opened the public hearing at 8:22 p.m. There being no public comment, the hearing was closed at 8:23 p.m.

Moved by Commissioner Pratt and supported by Commissioner Sturdy to recommend to the Board of Trustees the rezoning from OS, Office Services, to R-1-S, Single Family Residential, as requested by Modern Method Construction in Application 2223-1116 for the property located north of Joy Road, west of Sheldon Road, south of Ann Arbor Road and east of Canton Center Road. Ayes all.

ITEM NO. 4 – TOWNSHIP CAPITAL IMPROVEMENT PROJECTS

N/A

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION -- REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

ITEM NO. - OLD BUSINESS

1. P.C. No: 2230-0117

Applicant/Developer: Gonzalez Enterprises
Contact Name: Leo Gonzalez
Project Name: La Casa/Tuscany Reserve
Location: South of Ann Arbor Trail, East of McClumpha and West of Sheldon Road
Section No.: 28
Tax I.D. No.: R-78-036-99-0008-000; R-78-036-99-0011-000; R-78-036-99-0012-000
Zoning: R-1-S, Single Family Residential
Action Requested: Site Plan Approval - CHO

Ms. Haw reviewed her report dated February 9, 2017 which recommended tentative site plan approval. Taylor Reynolds reviewed the report of Dave Richmond of Spalding DeDecker which also recommended tentative site plan approval. The Fire Department report was received.

Leo Gonzales addressed the Commission, presented home designs, and answered questions.

Moved by Commissioner Pratt and supported by Commissioner Barberena to grant tentative site plan approval as requested in Application 2230-0117, by Gonzalez Enterprises for LaCasa/Tuscany Reserve, subject to conditions in the planning and engineering reports. Ayes all.

3. P.C. No: 2214-0716

Applicant/Developer: Menard Premiere Builders, LLC
Contact Name: Uldi Vitin, Vitins Engineering
Project Name: The Reserve
Location: North of Ann Arbor Trail, West of Sheldon Road, South of North Territorial Road and East of Beck Road
Section No.: 28
Tax I.D. No.: R-78-036-99-0024-000
Zoning: R-1-H, Single Family Residential
Action Requested: Final Site Plan Approval

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION -- REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

Ms. Haw and Ms. Reynolds reviewed their respective reports, which recommended final site plan approval, and the Fire Department report was received.

Mr. Vitin and Mr. Menard addressed the Commission, presented the site plan layout, and answered questions.

Moved by Commissioner Pratt and supported by Commissioner Doroshewitz to grant final site plan approval as requested in Application 2214-0716, Menard Premier Builders for The Reserve, subject to the planning and engineering reports and subject to clarification as to whether sidewalks must be provided or whether payment in lieu thereof might be possible, depending on research of the minutes of the Board of Trustees meeting by the planner. Ayes all.

ITEM NO. 6 – NEW BUSINESS

1. Master Plan Amendment

Ms. Haw discussed with Commissioners the possible amendment of the Master Plan, to be discussed further at a Work Session on March 8.

ITEM NO. 7 – OTHER PLANNING COMMISSION BUSINESS

1. 2017 Work Plan

The Commission agreed to add this item to the upcoming Work Session agenda.

The Commission also discussed with Ms. Haw a possible upcoming request for a recreational use such as paintball on the Burroughs site.

ITEM NO. 8 – COMMUNICATIONS AND/OR INFORMATION

N/A

ITEM NO. 9 – BOARD OF TRUSTEES ACTION

N/A

MOTION TO ADJOURN

**CHARTER TOWNSHIP OF PLYMOUTH
PLANNING COMMISSION -- REGULAR MEETING
WEDNESDAY, FEBRUARY 15, 2017 • 7:00 PM
MINUTES**

Moved by Commissioner Doroshewitz and supported by Commissioner Pratt to adjourn the meeting at 10:20 p.m. Ayes all.

Respectfully submitted,



**Kendra Barberena, Secretary
Charter Township of Plymouth
Planning Commission**

The Charter Township of Plymouth will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon two weeks notice to the Charter Township of Plymouth. Individuals with disabilities requiring auxiliary aids or services should contact the Charter Township of Plymouth by writing or calling the Supervisor's Office, Charter Township of Plymouth, 9955 N. Haggerty Road, Plymouth, MI 48170, (734) 354-3201, TDD users: 1-800-649-3777 (Michigan Relay Service).

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM E
PLANTE-MORAN
2016 FINANCIAL AUDIT
DRAFT FINANCIAL REPORT WITH
SUPPLEMENTAL INFORMATION**

Charter Township of Plymouth Wayne County, Michigan

Financial Report with Supplemental Information December 31, 2016

OPEN ITEMS:

- 1. Signed representation letter**
- 2. Subsequent events testing (in process)**
- 3. Processing/proofreading/formatting of the financial statements**

Charter Township of Plymouth

Contents

Report Letter	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position (Deficit)	11
Statement of Activities	12-13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	14
Reconciliation of the Balance Sheet to the Statement of Net Position	15
Statement of Revenue, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Proprietary Funds:	
Statement of Net Position	18
Statement of Revenue, Expenses, and Changes in Net Position	19
Statement of Cash Flows	20
Fiduciary Funds - Statement of Assets and Liabilities	21
Component Units:	
Statement of Net Position	22
Statement of Activities	23
Notes to Financial Statements	24-50
Required Supplemental Information	51
Budgetary Comparison Schedule - General Fund	52
Note to Required Supplemental Information	53
OPEB System Schedule	54
Schedule of Changes in the Township Net Pension Liability and Related Ratios	57
Schedule of Township Contributions	58

Charter Township of Plymouth

Contents (Continued)

Other Supplemental Information	57
Nonmajor Governmental Funds:	
Combining Balance Sheet	58-59
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	60-61
Downtown Development Authority:	
Balance Sheet/Statement of Net Position	62
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities	63
Brownfield Redevelopment Authority:	
Statement of Net Position	64
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities	65
Fiduciary Funds:	
Combining Statement of Assets and Liabilities	66

Independent Auditor's Report

To the Board of Trustees
Charter Township of Plymouth

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth (the "Township"), as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Charter Township of Plymouth's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Charter Township of Plymouth

Opinions

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

Other Matters

Required Supplemental Information

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

Other Information

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

To the Board of Trustees
Charter Township of Plymouth

The other supplemental information, as identified in the table of contents, 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, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

June 19, 2017

Draft

Charter Township of Plymouth

Management's Discussion and Analysis

As management of the Charter Township of Plymouth (the "Township"), we offer readers of the Charter Township of Plymouth's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Plymouth for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the Township's financial statements following the management's discussion and analysis (MD&A). All amounts, unless otherwise indicated, are expressed in dollars.

The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. The discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Township's financial activity, (3) identify changes in the Township's financial position, (4) identify any material deviations from the approved budget, and (5) identify individual fund issues or concerns.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2016:

- At the end of the 2016 fiscal year, the assets of the Charter Township of Plymouth exceeded its liabilities by \$54.1 million. Net investment in capital assets accounts for more than \$40 million or approximately 75 percent of the total. The majority of the remaining net position of approximately \$13 million is unrestricted, meaning that it is available to be used to meet the Township's ongoing obligations to its citizens and creditors.
- The Township maintained its financial rating of AA with Standard & Poor's.
- The Township's actual General Fund expenditures were approximately \$329,000 less than the amended budget.
- Water and Sewer Fund increase in net position for 2016 was approximately \$2.3 million.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Using this Annual Report

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

The fund financial statements present a short-term view; they tell 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.

Governmental Activities

Many of the Township's basic services provided to the community are included here. They are fire/paramedic service, police/dispatch service, parks, building, community development, and general administration. Most of the funding is provided by property taxes, state-shared revenue, charges for service, and agreements.

The following tables show, in a condensed format, the current year's net position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	2014	2015	2016	Change
Assets				
Current assets	\$ 18,110,000	\$ 16,875,000	\$ 16,808,000	\$ (67,000)
Capital assets	17,314,000	18,423,000	17,872,000	(551,000)
Total assets	35,424,000	35,298,000	34,680,000	(618,000)
Deferred Inflows	629,000	959,000	3,519,000	2,560,000
Liabilities				
Current liabilities	5,715,000	5,845,000	6,280,000	435,000
Long-term liabilities	22,630,000	23,083,000	26,553,000	3,470,000
Total liabilities	28,345,000	28,928,000	32,833,000	3,905,000
Deferred Inflows	6,840,000	6,991,000	6,838,000	(153,000)
Net Position				
Net investment in capital assets	10,891,000	11,691,000	11,615,000	(76,000)
Restricted	175,000	1,000	442,000	441,000
Unrestricted	(10,198,000)	(11,354,000)	(13,529,000)	(2,175,000)
Total net position	\$ 868,000	\$ 338,000	\$ (1,472,000)	\$ (1,810,000)

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

	Governmental Activities				
	2014	2015	2016	Change from Prior Year	
				in Dollars	Percent
Revenue					
Program revenue:					
Charges for services	\$ 2,041,000	\$ 2,372,000	\$ 2,522,000	\$ 150,000	6%
Operating grants	636,000	794,000	732,000	(62,000)	-8%
General revenue:					
Property taxes	6,770,000	6,884,000	6,991,000	107,000	2%
State-shared revenue	2,145,000	2,141,000	2,216,000	75,000	4%
Investment earnings	38,000	31,000	56,000	25,000	81%
Cable franchise agreement	635,000	730,000	759,000	29,000	4%
Other miscellaneous	158,000	-	39,000	39,000	100%
Gain on sale of assets and other	1,508,000	-	-	-	100%
Total revenue	13,931,000	12,952,000	13,315,000	363,000	3%
Program Expenses					
General government	2,449,000	2,132,000	2,564,000	432,000	20%
Public safety	8,906,000	9,652,000	10,457,000	805,000	8%
Building inspections	433,000	485,000	493,000	8,000	2%
Public works	257,000	144,000	53,000	(91,000)	-63%
Community services	169,000	44,000	91,000	47,000	107%
Planning and zoning	215,000	203,000	209,000	6,000	3%
Parks	545,000	629,000	1,092,000	463,000	74%
Interest on long-term debt	214,000	193,000	166,000	(27,000)	-14%
Total expenses	13,188,000	13,482,000	15,125,000	1,643,000	12%
Change in Net Position	\$ 743,000	\$ (530,000)	\$ (1,810,000)	\$ (1,280,000)	242%

The Township's total governmental revenue was \$13.3 million, which is an increase from 2015 of \$363,000. This was caused by various factors, including charges for services, property taxes, and state shared revenue.

Expenses increased during the year by 12 percent, or \$1.6 million. The change was primarily caused by general government, public safety, and parks expenses.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund, Solid Waste Disposal Fund, Golf Fund, Special Assessment Fund, and the Senior Transportation Fund. The Township provides water to residents from the Great Lakes Water Authority water system. We provide sewage treatment through the Western Townships Utilities Authority, which collects sewage, equalizes it, and sends it to both the Great Lakes Water Authority sewage treatment plant and the Ypsilanti Community Utilities Authority sewage treatment plant.

The Solid Waste Disposal Fund was created to account for revenue and expenses for trash collection and recycling programs requiring separate accounting and financing.

The Golf Fund was created to account for revenue and expenses for golf course operations. The course is operated by a management company, Billy Casper Golf, which is responsible for day-to-day operations.

The Special Assessment Fund was created to account for revenue and expenses for certain special assessments (road paving and sidewalk repairs) requiring separate accounting and financing.

The Senior Transportation Fund provides for senior transportation within the Plymouth community.

The following tables show the current year's net position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	2014	2015	2016	Change	Change
Assets					
Current assets	\$ 8,039,000	\$ 9,353,000	\$ 8,055,000	\$ (1,298,000)	-14%
Investment in joint venture	15,349,000	17,000,000	18,967,000	1,967,000	12%
Capital assets	33,244,000	32,445,000	31,719,000	(726,000)	-2%
Other noncurrent assets	-	-	2,363,000	2,363,000	100%
Total assets	56,632,000	58,798,000	61,104,000	2,306,000	4%
Liabilities					
Current liabilities	1,192,000	1,961,000	2,294,000	333,000	17%
Long-term liabilities	3,588,000	3,387,000	3,207,000	(180,000)	-5%
Total liabilities	4,780,000	5,348,000	5,501,000	153,000	3%
Net Position					
Net investment					
in capital assets	30,802,000	29,698,000	29,174,000	(524,000)	-2%
Unrestricted	21,050,000	23,752,000	26,429,000	2,677,000	11%
Total net position	\$ 51,852,000	\$ 53,450,000	\$ 55,603,000	\$ 2,153,000	4%

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The net position of the Township's business-type activities total \$55.6 million. This is an increase over 2015 of \$2.2 million. The increase is attributable to water and sewer operations.

	Business-type Activities			Change from Prior Year	
	2014	2015	2016	in Dollars	Percent
Program Revenue					
Charges for services:					
Water and sewer	\$ 12,139,000	\$ 13,095,000	\$ 13,835,000	\$ 740,000	6%
Rubbish	1,374,000	1,370,000	1,141,000	(229,000)	-17%
Golf	666,000	709,000	544,000	(165,000)	-23%
Special assessments	1,423,000	-	2,347,000	2,347,000	100%
Senior transportation	-	20,000	179,000	159,000	795%
Capital contributions -					
Water and sewer	754,000	1,363,000	1,662,000	299,000	22%
General revenue:					
Interest income	86,000	194,000	146,000	(48,000)	-25%
Total revenue	16,442,000	16,751,000	19,854,000	3,103,000	19%
Program Expenses					
Water and sewer	12,524,000	12,863,000	13,315,000	452,000	4%
Rubbish	1,325,000	1,413,000	1,488,000	75,000	5%
Golf	722,000	761,000	773,000	12,000	2%
Special assessments	1,460,000	101,000	1,996,000	1,895,000	1876%
Senior transportation	-	15,000	129,000	114,000	100%
Total program expenses	16,031,000	15,153,000	17,701,000	2,548,000	17%
Change in Net Position	\$ 411,000	\$ 1,598,000	\$ 2,153,000	\$ 555,000	35%

In 2016, business-type activities revenue totaled \$19.9 million, an increase from 2015 of over \$3 million. The increase is primarily due to the new special assessments as well as water and sewer revenue.

Expenses for business-type activities totaled \$17.7 million, an increase from 2015 of approximately \$2.5 million (primarily due to special assessments and water and sewer costs).

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's Funds

Our analysis of the Township's major funds follows 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 specific property tax millages. The Township's major funds for 2016 include the General Fund, the Water and Sewer Fund, the Solid Waste Disposal Fund, Special Assessment Fund and the Golf Fund.

Governmental Funds

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant budget changes during the year were in public safety costs. Township departments overall stayed below the final amended budget by approximately \$329,000, resulting in total expenditures of \$13.5 million. This was an increase of \$0.9 million compared to 2015. The most significant increases were in general government and public safety expenditures due to various factors, including insurance and other miscellaneous items.

Business-type Funds

Water and Sewer Fund

The Water and Sewer Fund experienced a \$2.3 million increase in net position. The increase is due to various factors, including water and sewer sales, sewage disposal charges, and benefit fee increases, as well as an overall reduction in various expenses.

Capital Asset and Debt Administration

Capital Assets

As of year end, the Township had \$49.6 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This represents a decrease from 2015 of approximately \$1.3 million as a result of depreciation expense. Roads within the Township are accounted for and maintained by the County of Wayne (therefore are not included in the capital assets totaling \$49.6 million). A summary of capital assets is presented in Note 5 of the notes to the financial statements.

Debt Outstanding

At the end of the current fiscal year, the Charter Township of Plymouth had total bonded debt outstanding of approximately \$8.8 million. This is a decrease of \$0.7 million compared to 2015.

A summary of long-term debt is presented in Note 7 of the notes to financial statements.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Economic Factors

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens. For business-type activities (including water and sewer, solid waste disposal, and special assessments) and certain governmental activities (permitting, development), the user pays a related fee or charge associated with the service. During 2016, the Township continued seeing positive change. Home sale prices continued to rise, state-shared revenue continued to increase, building permits continued to increase, and unemployment in Plymouth Township remains low. Even with the economic outlook improving, the Township board continues to look for improvements in services while reducing legacy costs that the Township will be able to sustain into the future.

Contacting the Township's Management

The Charter Township of Plymouth's financial statements are designed to provide our citizens, elected officials, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Township Clerk, Charter Township of Plymouth, 9955 N. Haggerty Road, Plymouth, MI 48170.

Charter Township of Plymouth

Statement of Net Position (Deficit) December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 6,807,206	\$ 5,319,988	\$ 12,127,194	\$ 1,869,087
Receivables:				
Property taxes receivable	3,389,792	238,415	3,628,207	307,360
Receivables from sales to customers on account	-	2,827,620	2,827,620	-
Other receivables	-	42,695	42,695	-
Due from other governmental units	4,284,563	892,313	5,176,876	-
Special assessments receivable	-	3,146,651	3,146,651	-
Due from component units (Note 6)	8,286	-	8,286	-
Due from primary government (Note 6)	-	-	-	8,874
Internal balances	2,189,067	(2,189,067)	-	-
Inventory	-	27,407	27,407	-
Prepaid expenses	129,184	112,181	241,365	-
Investment in WTUA (Note 1)	-	18,967,049	18,967,049	-
Capital assets (Note 5):				
Assets not subject to depreciation	3,817,870	1,639,999	5,457,869	-
Assets subject to depreciation	14,053,936	30,079,104	44,133,040	-
Total assets	34,679,904	61,104,355	95,784,259	2,185,321
Deferred Outflows of Resources (Note 10)	3,518,876	-	3,518,876	-
Liabilities				
Accounts payable	457,814	1,869,847	2,327,661	12,259
Due to other governmental units	583,051	2,801	585,852	-
Due to component units (Note 6)	8,874	-	8,874	-
Due to primary government (Note 6)	-	-	-	8,286
Accrued liabilities and other	444,029	87,683	531,712	-
Unearned revenue	3,598,176	-	3,598,176	-
Noncurrent liabilities:				
Due within one year (Note 7)	1,188,062	334,046	1,522,108	-
Due in more than one year:				
Compensated absences - Net of current portion (Note 7)	700,005	93,951	793,956	-
Net OPEB obligation (Note 12)	10,283,677	841,349	11,125,026	-
Net pension liability (Note 10)	9,944,051	-	9,944,051	-
Long-term debt (Note 7)	5,624,587	2,271,928	7,896,515	-
Total liabilities	32,832,326	5,501,605	38,333,931	20,545
Deferred Inflows of Resources - Property taxes levied for the following year (Note 4)	6,838,398	-	6,838,398	306,410
Net Position (Deficit)				
Net investment in capital assets	11,614,532	29,174,004	40,788,536	-
Restricted (Note 14)	442,494	-	442,494	-
Unrestricted	(13,528,970)	26,428,746	12,899,776	1,858,366
Total net position (deficit)	\$ (1,471,944)	\$ 55,602,750	\$ 54,130,806	\$ 1,858,366

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

Charter Township of Plymouth

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,563,962	\$ 159,809	\$ 10,185	\$ -
Public safety:				
Police	5,247,694	207,075	184,104	-
Fire	3,405,102	469,552	346,864	-
Building inspections	492,968	1,106,433	-	-
Dispatching	1,804,154	476,091	-	-
Public works	53,287	-	30,944	-
Community services	91,252	-	142,573	-
Planning and zoning	208,776	103,511	-	-
Parks	1,092,347	-	17,000	-
Interest on long-term debt	165,761	-	-	-
Total governmental activities	15,125,303	2,522,471	731,670	-
Business-type activities:				
Water and sewer	13,314,528	13,835,308	-	1,661,699
Rubbish disposal	1,487,884	1,140,555	-	-
Golf course	723,066	543,894	-	-
Special assessment projects	1,996,194	2,347,267	-	-
Senior Transportation	129,345	178,740	-	-
Total business-type activities	17,701,017	18,045,764	-	1,661,699
Total primary government	\$ 32,826,320	\$ 20,568,235	\$ 731,670	\$ 1,661,699
Component units:				
Downtown Development Authority	\$ 167,462	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	11,605	-	-	-
Total component units	\$ 179,067	\$ -	\$ -	\$ -

General revenue:
 Property taxes
 State-shared revenue
 Interest and rents
 Cable franchise fees
 Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities
Year Ended December 31, 2016

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,393,968)	\$ -	\$ (2,393,968)	\$ -
(4,856,515)	-	(4,856,515)	-
(2,588,686)	-	(2,588,686)	-
613,465	-	613,465	-
(1,328,063)	-	(1,328,063)	-
(22,343)	-	(22,343)	-
51,321	-	51,321	-
(105,265)	-	(105,265)	-
(1,075,347)	-	(1,075,347)	-
(165,761)	-	(165,761)	-
(11,871,162)	-	(11,871,162)	-
-	2,182,479	2,182,479	-
-	(347,329)	(347,329)	-
-	(229,172)	(229,172)	-
-	351,073	351,073	-
-	49,395	49,395	-
-	2,006,446	2,006,446	-
(11,871,162)	2,006,446	(9,864,716)	-
-	-	-	(167,462)
-	-	-	(11,605)
-	-	-	(179,067)
6,990,871	-	6,990,871	416,311
2,216,473	-	2,216,473	-
56,438	145,923	202,361	3,319
758,800	-	758,800	-
38,649	-	38,649	49
10,061,231	145,923	10,207,154	419,679
(1,809,931)	2,152,369	342,438	240,612
337,987	53,450,381	53,788,368	1,617,754
\$ (1,471,944)	\$ 55,602,750	\$ 54,130,806	\$ 1,858,366

Charter Township of Plymouth

Governmental Funds Balance Sheet December 31, 2016

	General Fund	Nonmajor Funds	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 6,283,875	\$ 523,331	\$ 6,807,206
Receivables:			
2016 property taxes	3,389,792	-	3,389,792
Due from other governmental units	4,284,554	9	4,284,563
Due from component units (Note 6)	8,286	-	8,286
Due from other funds (Note 6)	1,565,491	287,761	1,853,252
Advances to other funds (Note 6)	1,891,514	-	1,891,514
Prepaid expenses	129,184	-	129,184
Total assets	<u>\$ 17,552,696</u>	<u>\$ 811,101</u>	<u>\$ 18,363,797</u>
Liabilities			
Accounts payable	\$ 364,800	\$ 93,014	\$ 457,814
Due to other governmental units	572,762	10,289	583,051
Due to component units (Note 6)	8,874	-	8,874
Due to other funds (Note 6)	1,537,270	18,429	1,555,699
Accrued liabilities and other	413,248	-	413,248
Unearned revenue	3,598,176	-	3,598,176
Total liabilities	6,495,130	121,732	6,616,862
Deferred Inflows of Resources (Note 4)	7,146,804	-	7,146,804
Fund Balances			
Nonspendable:			
Prepays	129,184	-	129,184
Long-term advances	1,891,514	-	1,891,514
Restricted (Note 14)	171,008	271,486	442,494
Assigned - Capital improvements	-	417,883	417,883
Unassigned	1,719,056	-	1,719,056
Total fund balances	3,910,762	689,369	4,600,131
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,552,696</u>	<u>\$ 811,101</u>	<u>\$ 18,363,797</u>

Charter Township of Plymouth

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

Fund Balance Reported in Governmental Funds	\$ 4,600,131
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	17,871,806
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	308,406
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(6,257,274)
Accrued interest is not due and payable in the current period and is not reported in the funds	(241)
Net OPEB obligation is not reported as a fund liability	(10,283,677)
Net pension liability is not reported as a fund liability	(9,944,051)
Certain changes in the 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	3,518,876
Accrued longevity pay for employees is not reported as a fund liability until it is due and payable	(5,540)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,255,380)
Accrued insurance claims are not reported as a fund liability until the payment is due and payable	(25,000)
Net Position of Governmental Activities	<u>\$ (1,471,944)</u>

Charter Township of Plymouth

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2016

	General Fund	Nonmajor Funds	Total
Revenue			
Property taxes	\$ 6,990,871	\$ -	\$ 6,990,871
Licenses and permits	1,208,844	-	1,208,844
Federal grants	806,830	-	806,830
State-shared revenue and grants	2,216,473	215,048	2,431,521
Charges for services:			
Intragovernmental service charge	785,498	-	785,498
City of Plymouth	672,558	-	672,558
District court fines	126,984	-	126,984
Interest and rents	50,672	5,766	56,438
Other revenue:			
Cable franchise fees	758,800	-	758,800
Other charges for services	89,226	-	89,226
Other miscellaneous income	466,678	-	466,678
Total revenue	<u>14,173,434</u>	<u>220,814</u>	<u>14,394,248</u>
Expenditures			
Current:			
General government	3,556,749	-	3,556,749
Public safety	8,746,011	-	8,746,011
Building inspections	478,278	-	478,278
Community social services	91,252	-	91,252
Planning and zoning	129,515	-	129,515
Parks	544,265	-	544,265
Capital outlay	-	204,653	204,653
Debt service	-	640,228	640,228
Total expenditures	<u>13,546,070</u>	<u>844,881</u>	<u>14,390,951</u>
Excess of Revenue Over (Under) Expenditures	627,364	(624,067)	3,297
Other Financing Sources (Uses)			
Transfers in (Note 6)	-	843,448	843,448
Transfers out (Note 6)	(843,448)	-	(843,448)
Net Change in Fund Balances	(216,084)	219,381	3,297
Fund Balances - Beginning of year	<u>4,126,846</u>	<u>469,988</u>	<u>4,596,834</u>
Fund Balances - End of year	<u>\$ 3,910,762</u>	<u>\$ 689,369</u>	<u>\$ 4,600,131</u>

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

Charter Township of Plymouth

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2016

Net Change in Fund Balances - Total Governmental Funds **\$ 3,297**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	526,607
Depreciation expense	(1,062,741)
Net book value of assets disposed of	(15,189)

Revenue reported in the statement of activities does not provide current financial resources and is not reported as revenue in the governmental funds (GASB Statement No. 33)	(293,378)
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Repayment of bond principal and premium is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	474,425
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Accrued interest, recorded in the statement of activities, decreased in the current year	44
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Increase in net OPEB obligation expenses reported in the statement of activities does not require the use of current resources and therefore is not reported in the fund statements until they come due for payment	(636,790)
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Increase in net pension liability and deferred outflows reported in the statement of activities does not require the use of current resources and therefore is not reported in the fund statements until they come due for payment	(764,690)
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Accrued longevity pay and employee compensated absences are recorded when earned in the statement of activities and these amounts defeased in the current year	(41,516)
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Change in Net Position of Governmental Activities **\$ (1,809,931)**

Charter Township of Plymouth

Proprietary Funds Statement of Net Position December 31, 2016

	Enterprise Funds					Total
	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessments Fund	Nonmajor Enterprise - Senior Transportation	
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,672,073	\$ -	\$ 550,823	\$ 89,923	\$ 7,169	\$ 5,319,988
Receivables:						
Property taxes receivable	238,415	-	-	-	-	238,415
Special assessments receivable - Due within one year	-	-	-	783,646	-	783,646
Receivables from sales to customers on account	2,608,392	219,228	-	-	-	2,827,620
Other receivables Due from other governmental units	15,654	-	8,771	-	18,270	42,695
Due from other funds (Note 6)	68,660	-	-	753,622	70,031	892,313
Inventory	1,297,231	1,250,563	-	-	-	2,547,794
Prepaid expenses	-	-	27,400	-	-	27,400
	83,913	3,962	24,000	-	216	112,181
Total current assets	8,984,338	1,473,753	611,091	1,627,191	95,686	12,792,059
Noncurrent assets:						
Advances to other funds	1,613,160	-	-	-	-	1,613,160
Special assessment receivables - Net of current portion	-	-	-	2,363,005	-	2,363,005
Investment in WTUA	18,967,049	-	-	-	-	18,967,049
Capital assets (Note 5):						
Assets not subject to depreciation	912,923	-	727,076	-	-	1,639,999
Assets subject to depreciation	29,712,254	3,261	321,686	-	41,903	30,079,104
Total noncurrent assets	51,205,386	3,261	1,048,762	2,363,005	41,903	54,662,317
Total assets	60,189,724	1,477,014	1,659,853	3,990,196	137,589	67,454,376
Liabilities						
Current liabilities:						
Accounts payable	1,391,718	105,748	3,810	360,238	8,333	1,869,847
Due to other governmental units	2,801	-	-	-	-	2,801
Due to other funds (Note 6)	1,250,563	1,107,073	417,587	-	70,124	2,845,347
Accrued liabilities and other	45,300	2,181	35,086	-	5,116	87,683
Compensated absences - Due within one year (Note 7)	60,875	-	-	-	-	60,875
Current portion of long-term debt (Note 7)	171,206	-	101,965	-	-	273,171
Total current liabilities	2,922,463	1,215,002	558,448	360,238	83,573	5,139,724
Noncurrent liabilities:						
Advances from other funds (Note 6)	-	-	540,000	2,964,674	-	3,504,674
Compensated absences - Net of current portion (Note 7)	93,951	-	-	-	-	93,951
Net OPEB obligation (Note 12)	772,507	68,842	-	-	-	841,349
Long-term debt (Note 7)	1,975,857	-	296,071	-	-	2,271,928
Total noncurrent liabilities	2,842,315	68,842	836,071	2,964,674	-	6,711,902
Total liabilities	5,764,778	1,283,844	1,394,519	3,324,912	83,573	11,851,626
Net Position						
Net investment in capital assets	28,478,114	3,261	650,726	-	41,903	29,174,004
Unrestricted	25,946,832	189,909	(385,392)	665,284	12,113	26,428,746
Total net position	\$ 54,424,946	\$ 193,170	\$ 265,334	\$ 665,284	\$ 54,016	\$ 55,602,750

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

Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessments Fund	Nonmajor Enterprise - Senior Transportation Fund	Total
Operating Revenue						
Sale of water	\$ 4,761,100	\$ -	\$ -	\$ -	\$ -	\$ 4,761,100
Sewage disposal charges	7,409,647	-	-	-	-	7,409,647
Meter charges	1,422,099	-	-	-	-	1,422,099
Solid waste charges	-	1,140,555	-	-	-	1,140,555
Special assessment charges	-	-	-	1,597,267	-	1,597,267
Installation fees	12,670	-	-	-	-	12,670
Golf course fees and sales	-	-	543,894	-	-	543,894
Other miscellaneous revenue	150,269	-	-	-	128,994	279,263
Local contributions	-	-	-	750,000	49,746	799,746
Charges to other funds	79,523	-	-	-	-	79,523
Total operating revenue	13,835,308	1,140,555	543,894	2,347,267	178,740	18,045,764
Operating Expenses						
Cost of water	4,211,421	-	-	-	-	4,211,421
Cost of sewage treatment	3,742,300	-	-	-	-	3,742,300
Solid waste disposal	-	1,420,548	-	-	-	1,420,548
Salaries and fringe benefits	1,322,085	56,202	349,895	-	88,428	1,786,550
Special assessment project costs	-	-	-	1,934,149	-	1,934,149
Intragovernmental service charges	718,206	-	-	-	-	718,206
Miscellaneous	319,264	6,107	87,345	-	30,734	443,450
Change in investment in WTUA	1,356,680	-	-	-	-	1,356,680
Professional service	16,082	3,570	-	-	-	19,652
Repair and maintenance	189,546	-	78,978	-	-	268,524
Administrative expense	64,215	-	154,400	-	-	218,615
Depreciation	1,284,555	1,457	105,531	-	10,183	1,401,726
Total operating expenses	13,524,354	1,487,884	746,089	1,934,149	129,345	17,521,821
Operating Income (Loss)	310,954	(347,329)	(202,195)	413,118	49,395	523,943
Nonoperating Revenue (Expenses)						
Investment income	88,863	-	591	56,459	10	145,923
Interest expense	(90,174)	-	(26,977)	(62,045)	-	(179,196)
Total nonoperating (expenses) revenue	(1,311)	-	(26,386)	(5,586)	10	(33,273)
Income (Loss) - Before contributions	609,643	(347,329)	(228,581)	407,532	49,405	490,670
Capital Contributions - Benefit fees	1,661,699	-	-	-	-	1,661,699
Change In Net Position	2,271,342	(347,329)	(228,581)	407,532	49,405	2,152,369
Net Position - Beginning of year	52,153,604	540,499	493,915	257,752	4,611	53,450,381
Net Position - End of year	\$ 54,424,946	\$ 193,170	\$ 265,334	\$ 665,284	\$ 54,016	\$ 55,602,750

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

Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Nonmajor Enterprise - Senior Transportation	Total
Cash Flows from Operating Activities						
Receipts from customers	\$ 13,849,941	\$ 1,140,577	\$ 543,894	\$ 1,750,965	\$ 172,371	\$ 17,457,748
Payments to suppliers	(12,273,972)	(1,576,558)	(382,143)	(1,011,003)	(22,617)	(15,266,293)
Payments to employees	(1,075,158)	(65,375)	(287,844)	(665,144)	345	(2,093,176)
Internal activity - Receipts (payments) to other funds	(87,683)	(32,519)	407,240	-	-	349,641
Claims paid	(272,424)	-	-	-	(62,603)	(356,081)
Other receipts (payments)	(67,799)	-	10,986	(845)	(70,031)	(127,689)
Net cash provided by (used in) operating activities	72,905	(533,875)	292,133	73,973	59,014	(35,850)
Cash Flows from Noncapital Financing Activities - Advances from other funds	(62,045)	-	40,000	313,559	-	1,391,514
Cash Flows from Capital and Related Financing Activities						
Special assessment outflows	-	-	-	(1,463,480)	-	(1,463,480)
Benefit fees	1,460,189	-	-	-	-	1,460,189
Purchase of capital assets	(394,834)	-	(27,244)	-	(52,086)	(474,164)
Principal and interest paid on capital debt	(224,228)	-	(94,971)	(62,045)	-	(381,244)
Net cash provided by (used in) capital and related financing activities	841,127	-	(122,215)	(1,525,525)	(52,086)	(858,699)
Cash Flows from Investing Activities - Interest received on investments	88,863	-	591	56,459	10	145,923
Net Increase (Decrease) in Cash and Cash Equivalents	949,850	(533,875)	210,509	18,466	6,938	642,888
Cash and Cash Equivalents - Beginning of year	3,731,223	533,875	340,314	71,457	231	4,677,100
Cash and Cash Equivalents - End of year	\$ 4,672,073	\$ -	\$ 550,823	\$ 89,923	\$ 7,169	\$ 5,319,988
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 516,954	\$ (47,329)	\$ (202,195)	\$ 413,118	\$ 49,395	\$ 523,943
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	1,284,555	1,457	105,531	-	10,183	1,401,726
Changes in assets and liabilities:						
Receivables	26,357	22	10,986	(597,147)	(76,400)	(636,182)
Due from others	(1,306,798)	-	2,687	-	-	(1,304,111)
Inventories	-	-	(5,191)	-	-	(5,191)
Change in investment in WTUA	(1,967,138)	-	-	-	-	(1,967,138)
Prepaid and other assets	9,253	(2,644)	(19,771)	33,986	(216)	20,608
Accounts payable	279,473	(143,689)	(29,349)	224,016	8,333	338,784
Due to other funds	1,139,592	(32,519)	404,553	-	62,603	1,574,229
Accrued and other liabilities	(3,343)	(9,173)	24,882	-	5,116	17,482
Net cash provided by (used in) operating activities	\$ 72,905	\$ (533,875)	\$ 292,133	\$ 73,973	\$ 59,014	\$ (35,850)

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

Charter Township of Plymouth

Fiduciary Funds Statement of Assets and Liabilities December 31, 2016

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,258,265
Receivables	<u>1,416,203</u>
Total assets	<u>\$ 6,674,468</u>
Liabilities	
Due to other governmental units	\$ 6,092,221
Refundable deposits and bonds	<u>582,247</u>
Total liabilities	<u>\$ 6,674,468</u>

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Charter Township of Plymouth

Component Units Statement of Net Position December 31, 2016

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 286,634	\$ 1,582,453	\$ 1,869,087
Receivables - Property taxes	296,792	10,568	307,360
Due from primary government (Note 6)	-	8,874	8,874
Total assets	583,426	1,601,895	2,185,321
Liabilities			
Accounts payable	12,259	-	12,259
Due to primary government (Note 6)	8,286	-	8,286
Total liabilities	20,545	-	20,545
Deferred Inflows of Resources -			
Property taxes levied for the following year	286,792	9,618	306,410
Net Position - Unrestricted	\$ 266,089	\$ 1,592,277	\$ 1,858,366

Charter Township of Plymouth

Component Units Statement of Activities Year Ended December 31, 2016

	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority - Public works	\$ 167,462	\$ (167,462)	\$ -	\$ (167,462)
Brownfield Redevelopment Authority	11,605	-	(11,605)	(11,605)
Total component units	\$ 179,067	(167,462)	(11,605)	(179,067)
General revenue:				
Property taxes		398,038	18,273	416,311
Interest and rents		132	3,187	3,319
Other miscellaneous income		49	-	49
Total general revenue		398,219	21,460	419,679
Change in Net Position		230,757	9,855	240,612
Net Position - Beginning of year		35,332	1,582,422	1,617,754
Net Position - End of year		\$ 266,089	\$ 1,592,277	\$ 1,858,366

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Plymouth (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Plymouth:

Reporting Entity

The Charter Township of Plymouth 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).

Discretely Presented Component Units - The Downtown Development Authority was created to correct and prevent deterioration in the downtown district, to eliminate blighting influences and Brownfield impacts, and to promote the overall image of the downtown district. The Township board of trustees appoints the Downtown Development Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Downtown Development Authority does not publish a separately issued financial statement. The Downtown Development Authority can be contacted at its administrative offices as follows:

Downtown Development Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

The Brownfield Redevelopment Authority was created to finance environmental cleanup within the boundaries of the Township. The Township board of trustees appoints the Brownfield Redevelopment Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Brownfield Redevelopment Authority does not publish a separately issued financial statement. The Brownfield Redevelopment Authority can be contacted at its administrative offices as follows:

Brownfield Redevelopment Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

Joint Venture - The Township is a member of the Western Townships Utilities Authority, which provides sewage disposal services to the townships of Canton, Northville, and Plymouth. The participating communities provide annual funding for its operations through payment of monthly sewer use invoices and semiannual debt payments. During the current year, the Township paid the Western Townships Utilities Authority approximately \$3,324,000 for its operations, \$3,275,000 for its debt and \$49,000 for capital project costs. The Western Townships Utilities Authority has currently been funded with \$279,000 of working capital and is current in its debt payments. The investment in the Western Townships Utilities Authority is reported in the financial statements net of the Township's portion of assets and debt. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for the Western Townships Utilities Authority can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

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 Plymouth

Notes to Financial Statements December 31, 2016

Note 1 - 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.

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 General Fund as a "major" governmental fund. This 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.

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 provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Solid Waste Disposal Fund is used to account for the results of operations for providing solid waste services (trash pickup and household hazardous waste disposal) to citizens of the Township. The revenue is generated through a user charge to citizens requesting solid waste services.
- The Golf Fund is used to account for the results of operations of the Township-owned Hilltop Golf Course.
- The Special Assessment Fund is used to account for the results of operations of the special assessments captured by the Township.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Fiduciary Funds include the collection of taxes on behalf of the county, school district, and other taxing entities, as well as building bonds and developer deposits that are to be returned upon successful completion of the development or building projects. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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.

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.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note I - Summary of Significant Accounting Policies (Continued)

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, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow."

Proprietary funds and fiduciary funds 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.

Specific Balances and Transactions

Bank Deposits 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.

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.

Capital Assets - Capital assets, which include property, plant, and equipment, 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 \$1,000 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.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Capital assets have been depreciated using the straight-line method for real property and the 150 percent declining balance for personal property through the fiscal year ended December 31, 2011. Effective for the fiscal year ended December 31, 2012, the Township going forward is using the straight-line method for both real and personal property depreciation over the following useful lives:

Capital Asset Class	Lives
Water and sewer transportation lines	50 years
Buildings and improvements	30 to 40 years
Meters and supplies	15 years
Furnishings, vehicles, and equipment	2 to 15 years
Road improvements	40 years
Sidewalks	25 years

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. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/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 deferred outflows of resources result from three transactions: the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, difference between projected and actual experience, and changes in assumption related to economic and demographic factors.

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position/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. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. Accordingly, it is reported only in the governmental funds balance sheet. The governmental funds and government-wide statements report unavailable revenue from property taxes and other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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 of trustees 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 of trustees has by resolution authorized the treasurer to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 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 December 31, 2016, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2015 taxable valuation of the Township totaled \$1,809,000,000 (a portion of which is abated and a portion of which is captured by the DDA and BRDA), on which taxes levied consisted of .8173 mills for operating purposes and 3.1827 mills for police and fire services. This resulted in \$1,436,000 for operating purposes and \$5,555,000 for police and fire services. These amounts are recognized in the respective General Fund financial statements as tax revenue (net of adjustments for delinquent amounts and prior year tax tribunal changes).

Pension - The Township offers pension benefits to retirees. The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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 underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All 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. Typically, the General Fund or the Water and Sewer Fund, based on whichever an employee is assigned (and to which the employee's salary and wages are charged), will also be the fund to liquidate any compensated absences.

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.

Note 2 - Stewardship, Compliance, and Accountability

Fund Deficits - The Township's governmental activities have a deficit in unrestricted net position and total net position at the government-wide level, but a positive unreserved fund balance at the fund level. This net position deficit is caused primarily by the net OPEB obligation and net pension liability in the governmental activities.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at January 1, 2016		\$	(235,246)
Current year permit revenue			1,105,333
Related expenses:			
Direct costs	\$	478,278	
Estimated indirect costs		220,801	699,079
Cumulative surplus at December 31, 2016		\$	<u>171,008</u>

Note 3 - Deposits and Investments

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 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 Township has designated four 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 Township's deposits and investment policies are in accordance with statutory authority.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 3 - 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 \$15,607,040 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. The component units had a bank balance of \$1,875,109. The federal depository insurance coverage pertains to all of the deposits of the Township; hence, the specific coverage pertaining to the component units, if any, is not determinable.

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 Township had no investments in commercial paper.

Interest Rate Risk - The Township owns no investment securities with fixed maturity dates. The Township's investment policy has no restrictions on maturity lengths (other than that found in state law, described above).

Note 4 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Property taxes levied for the next fiscal year	\$ 6,838,398	\$ 6,838,398
Revenue received beyond 60 days:		
Block grant	93,582	-
35th District Court	100,000	-
City of Plymouth dispatch	69,419	-
Wayne County	45,405	-
	<u>7,146,804</u>	<u>6,838,398</u>
Total deferred inflows	\$ 7,146,804	\$ 6,838,398

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 5 - Capital Assets

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

Governmental Activities	Balance January 1, 2016	Transfers	Additions	Disposals and adjustments	Balance December 31, 2016
Capital assets not being depreciated:					
Land	\$ 3,629,239	\$ -	\$ 101,939	\$ -	\$ 3,731,178
Construction in progress	732,988	(732,988)	86,692	-	86,692
Subtotal	4,362,227	(732,988)	188,631	-	3,817,870
Capital assets being depreciated:					
Buildings and improvements	15,408,633	732,988	196,179	-	16,337,800
Sidewalks	1,205,525	-	-	-	1,205,525
Road improvements	815,902	-	-	-	815,902
Furnishings, vehicles, and equipment	8,555,951	-	141,797	(15,189)	8,682,559
Subtotal	25,986,011	732,988	337,976	(15,189)	27,041,786
Accumulated depreciation:					
Buildings and improvements	4,883,815	-	466,257	-	5,350,072
Sidewalks	528,994	-	55,208	-	584,202
Road improvements	142,780	-	-	-	142,780
Furnishings, vehicles, and equipment	6,369,520	-	541,276	-	6,910,796
Subtotal	11,925,109	-	1,062,741	-	12,987,850
Net capital assets being depreciated	14,060,902	732,988	(724,765)	(15,189)	14,053,936
Net capital assets	\$ 18,423,129	\$ -	\$ (536,134)	\$ (15,189)	\$ 17,871,806
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ -	\$ 1,636,134	\$ -	\$ -	\$ 1,636,134
Construction in progress	-	3,865	-	-	3,865
Subtotal	-	1,639,999	-	-	1,639,999
Capital assets being depreciated:					
Water and sewer transportation lines	-	53,650,745	338,618	-	53,989,363
Buildings and improvements	-	4,815,482	18,530	-	4,834,012
Meters and supplies	-	2,090,736	-	-	2,090,736
Equipment and other	-	2,935,730	318,526	-	3,254,256
Subtotal	-	63,492,693	675,674	-	64,168,367
Accumulated depreciation:					
Water and sewer transportation lines	-	27,486,012	1,013,889	-	28,499,901
Buildings and improvements	-	2,330,534	135,760	-	2,466,294
Meters and supplies	-	1,259,751	-	-	1,259,751
Equipment and other	-	1,611,240	252,077	-	1,863,317
Subtotal	-	32,687,537	1,401,726	-	34,089,263
Net capital assets being depreciated	-	30,805,156	(726,052)	-	30,079,104
Net capital assets	\$ -	\$ 32,445,155	\$ (726,052)	\$ -	\$ 31,719,103

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 5 - Capital Assets (Continued)

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

Governmental activities:

General government	\$	92,002
Police		137,659
Fire		121,637
Dispatching		81,343
Building inspections		15,282
Planning and zoning		2,798
Public works		60,587
Parks		551,433

Total governmental activities \$ 1,062,741

Business-type activities:

Water and sewer	\$	1,284,555
Solid waste disposal		1,457
Golf		105,531
Senior transportation		10,183

Total business-type activities \$ 1,401,726

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 6 - 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	Solid Waste Disposal Fund	\$ 1,107,073
	Golf Fund	394,968
	Nonmajor Funds	63,450
	Total General Fund	1,565,491
Nonmajor Funds	General Fund	274,462
	Golf Fund	13,299
	Total Nonmajor Funds	287,761
Water and Sewer Fund	General Fund	1,262,808
	Golf Fund	9,320
	Nonmajor Funds	25,103
	Total Water and Sewer Fund	1,297,231
Solid Waste Disposal Fund	Water and Sewer Fund	1,250,563
	Total	<u>\$ 4,401,046</u>

Receivable Fund	Payable Fund	Amount
Advances to Other Funds		
General Fund	Golf Fund	\$ 540,000
	Special Assessment Fund	1,351,514
	Total General Fund	<u>\$ 1,891,514</u>
Water and Sewer Fund	Special Assessment Fund	<u>\$ 1,613,160</u>

Receivable Fund	Payable Fund	Amount
Due to/from Primary Government and Component Units		
General Fund	Downtown Development Authority	\$ 8,286
Brownfield Redevelopment Authority	General Fund	\$ 8,874

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

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

The transfer from the General Fund to the Improvement Revolving Fund represents the annual amount set aside to fund debt payments.

Advances - The long-term advance from the General Fund to the Golf Fund is to cover operations and debt payments. Repayment of the loan will begin in 2018 with an interest rate of 4 percent being charged to the Golf Fund. The long-term advance from the General Fund and the Water and Sewer Fund to the Special Assessment Fund is to cover the cost of special assessment projects and will be repaid with an interest rate of 4 percent.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds and installment purchase agreements are direct obligations and pledge the full faith and credit of the Township.

Description	Amount
Governmental Activities	
General obligations:	
2006 general obligation bond originally issued for \$995,000, used to construct the underpass at Sheldon Road, bearing interest from 4% to 4.4%, with principal maturity ranges from \$50,000 to \$100,000, maturing in 2026	\$ 700,000
2009 limited tax general obligation capital improvement bonds originally issued for \$350,000, used to pay the costs of acquiring, constructing, and equipping a new parks and recreation building, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$14,000 to \$28,000, maturing in 2030, shown net of bond discount and issue costs	287,000
2011 installment purchase agreement originally issued for \$606,150, used to pay the costs of acquiring the property at Five Mile Road, bearing interest at 3.10%, with principal maturity ranges from approximately \$52,000 to \$68,000, maturing in 2021	311,277
2012 general obligation limited tax refunding bonds, used to advance refund \$4,400,000 of outstanding 2004 general obligation bonds, bearing interest at 2.0% to 4.0%, with principal maturity ranges from \$375,000 to \$435,000, maturing in 2025	4,004,603
2013 general obligation limited tax capital improvement bonds, used for various Township park improvements, bearing interest at 2.16%, with principal maturity ranges from approximately \$106,000 to \$134,000, maturing in 2024	954,394
Total governmental activities	<u>\$ 6,257,274</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Long-term Debt (Continued)

Description	Amount
Business-type Activities:	
General obligations:	
2009 limited tax general obligation capital improvement bonds originally issued for \$2,150,000, used to pay the costs of acquiring, constructing, and installing water supply and sewage disposal system capital improvements, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$86,000 to \$172,000, maturing in 2030, shown net of bond discount and issue costs	\$ 1,763,000
2011 installment purchase agreement originally issued for \$321,221, used to pay the costs of acquiring a Vactor sewer cleaning machine, bearing interest at 2.65%, with principal maturity ranges from approximately \$13,000 to \$49,000, maturing in 2018	61,801
2011 installment purchase agreement originally issued for \$452,417, used to pay the costs of acquiring golf carts and golf course lawn maintenance equipment, bearing interest at 2.85%, with principal maturity ranges from approximately \$35,000 to \$69,000, maturing in 2018	104,693
2013 general obligation limited tax bonds, used for various water and sewer system improvements, bearing interest at 2.16%, with principal maturity ranges from approximately \$35,000 to \$45,000, maturing in 2024	322,264
2013 general obligation limited tax capital improvement bonds, used for various golf course improvements, bearing interest at 2.16%, with principal maturity ranges from approximately \$33,000 to \$41,000, maturing in 2024	293,341
Total business-type activities	\$ 2,545,099

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligations	\$ 6,476,577	\$ -	\$ 448,913	\$ 6,027,664	\$ 607,175
Unamortized bond premium	255,122	-	25,512	229,610	25,512
Total bonds payable	6,731,699	-	474,425	6,257,274	632,687
Compensated absences	1,215,003	587,239	546,862	1,255,380	555,375
Total governmental activities	\$ 7,946,702	\$ 587,239	\$ 1,021,287	\$ 7,512,654	\$ 1,188,062
Business-type Activities					
General obligations	\$ 2,746,709	\$ -	\$ 201,610	\$ 2,545,099	\$ 273,171
Compensated absences	178,584	48,537	72,295	154,826	60,875
Total business-type activities	\$ 2,925,293	\$ 48,537	\$ 273,905	\$ 2,699,925	\$ 334,046

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Long-term Debt (Continued)

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal*	Interest	Total	Principal	Interest	Total
2017	\$ 607,175	\$ 188,718	\$ 795,893	\$ 273,171	\$ 97,793	\$ 370,964
2018	602,151	174,517	776,668	204,521	89,827	294,348
2019	652,189	158,842	811,031	158,539	84,078	242,617
2020	657,290	139,352	796,642	160,500	78,642	239,142
2021	654,813	119,438	774,251	207,421	72,195	279,616
2022-2026	2,749,046	255,417	3,004,463	895,947	247,876	1,143,823
2027-2031	105,000	11,025	116,025	645,000	67,725	712,725
Total	<u>\$ 6,027,664</u>	<u>\$ 1,047,309</u>	<u>\$ 7,074,973</u>	<u>\$ 2,545,099</u>	<u>\$ 738,136</u>	<u>\$ 3,283,235</u>

* Excludes the \$229,610 of unamortized premiums.

Note 8 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and employee medical benefit claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to general liability claims.

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. Premiums are paid annually to the Authority and are used to pay claims up to the retention limits; the ultimate liability for those claims remains with the Township.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 8 - Risk Management (Continued)

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, and reports them in the statement of net position (included in accrued liabilities and other). Changes in the estimated liability for the past two fiscal years were as follows:

	2016	2015
Unpaid claims - Beginning of year	\$ 25,000	\$ 69,500
Incurred claims (including claims incurred but not reported and adjustments of prior years' estimates)	7,922	70,324
Claim payments and expenses paid	(7,922)	(114,824)
Unpaid claims - End of year	\$ 25,000	\$ 25,000

Note 9 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time general office and DPW employees through a defined contribution plan (police and fire personnel are provided a defined benefit plan, as discussed in the following note) administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by the Township board resolution, the Township contributes 15 percent of employees' base earnings and certain employees contribute 5 percent of base earnings, with an additional 5 percent allowed.

The current year contribution was calculated based on covered payroll of \$2,427,576, resulting in an employer contribution of \$324,851 and employee contributions of \$100,182.

Note 10 - Defined Benefit Pension Plan

Plan Description - The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS), which covers all police and fire union employees plus certain command officers. MERS 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 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 at 1134 Municipal Way, Lansing, Michigan 48917.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit Pension Plan (Continued)

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.

The MERS plan covers all police and fire union employees plus certain command officers.

Retirement benefits for POAM and COAM employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service 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. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire union employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service 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. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for dispatch employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service 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. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit Pension Plan (Continued)

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

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

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>52</u>
Total employees covered by MERS	<u>83</u>

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 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 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 December 31, 2016, the average active employee contribution rate was 8.7 percent of annual pay and the Township's average contribution rate was 16.8 percent of annual payroll.

Net Pension Liability

The net pension liability reported at December 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 Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit 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 December 31, 2014	\$ 25,674,350	\$ 19,055,148	\$ 6,619,202
Service cost	559,291	-	559,291
Interest	2,086,180	-	2,086,180
Differences between expected and actual experience	254,164	-	254,164
Changes in assumptions	1,128,222	-	1,128,222
Contributions - Employer	-	685,285	(685,285)
Contributions - Employee	-	343,691	(343,691)
Net investment income	-	(284,305)	284,305
Benefit payments, including refunds	(1,333,920)	(1,333,920)	-
Administrative expenses	-	(41,663)	41,663
Net changes	2,693,937	(630,912)	3,324,849
Balance at December 31, 2015	\$ 28,368,287	\$ 18,424,236	\$ 9,944,051

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

For the year ended December 31, 2016, the Township recognized pension expense of \$1,452,622. At December 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	\$ 211,803	\$ -
Changes in assumptions	940,185	-
Net difference between projected and actual earnings on pension plan investments	1,678,017	-
Employer contributions to the plan subsequent to the measurement date	688,871	-
Total	\$ 3,518,876	\$ -

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit 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:

<u>Years Ending December 31</u>	<u>Amount</u>
2017	\$ 666,933
2018	666,933
2019	666,933
2020	598,809
2021	230,397

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	2.50 %	
Salary increases	3.75 %	The pay increase assumption used in the actuarial valuation projects annual pay increases of 3.75% in the long-term, including inflation
Investment rate of return	7.75	Gross of pension plan investment expense, including inflation

Mortality rates were based on a 50 percent male and 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

For disabled retirees, the mortality rates were based on the 50 percent male - 50 percent female blend of the RP-2014 Disabled Retiree Mortality Tables.

Discount Rate - The discount rate used to measure the total pension liability was 8.00 percent. 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.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit Pension Plan (Continued)

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:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	58 %	5.00 %
Global fixed income	20 %	2.20 %
Real assets	12 %	4.20 %
Diversifying strategies	10 %	6.50 %

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 8.00 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 (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the Township	\$ 13,156,887	\$ 9,944,051	\$ (2,893,301)

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 10 - Defined Benefit Pension Plan (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 - Defined Contribution Retiree Health Care

The Township provides a health savings account to all of its full-time employees hired after certain dates (which vary by employee group). For eligible employees hired after those dates, the Township provides a defined benefit retiree healthcare plan, as discussed in the following note. This is a defined contribution plan administered by the Township. The benefits are provided under collective bargaining agreements. The Township is required to contribute \$75 per pay period for each participating employee; the participants are not required to contribute. Plan members are fully vested after 10 years.

During the year ended December 31, 2016, the Township made contributions of \$17,700 to the plan.

Note 12 - Defined Benefit Retiree Health Care

Plan Description - The Township provides retiree healthcare benefits to eligible employees hired prior to certain dates (which vary from 2009 to 2012, dependent on employee group), and their beneficiaries. This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Funding Policy - The collective bargaining agreements do not require a contribution from employees. 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).

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 12 - Defined Benefit Retiree Health Care (Continued)

Funding Progress - For the year beginning January 1, 2016, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 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 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,417,670
Interest on the prior year's net OPEB obligation	415,807
Less adjustment to the annual required contribution	<u>(699,690)</u>
Annual OPEB cost	1,133,787
Amounts contributed - Payments of current premiums	<u>(454,382)</u>
Increase in net OPEB obligation	679,405
OPEB obligation - Beginning of year	<u>10,445,621</u>
OPEB obligation - End of year	<u>\$ 11,125,026</u>

The schedule of employer contributions and the net OPEB obligation for the fiscal years ended December 31 is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/14	12/31/14	\$ 1,102,267	57.0 %	\$ 9,876,393
12/31/15	12/31/14	1,134,802	49.8	10,455,621
12/31/16	12/31/14	1,133,787	40.1	11,125,026

The funding progress of the plan as of the most recent valuation date 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
12/31/12	\$ -	\$ 21,475,601	\$ 21,475,601	- %	\$ 6,838,000	314.1 %
12/31/13	-	20,942,686	20,942,686	-	6,062,927	345.4
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

The decline in AAL is attributable primarily to two factors: integration of retiree healthcare benefits with Medicare after age 65, and general premium reductions.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 12 - Defined Benefit Retiree Health Care (Continued)

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 December 31, 2014 actuarial valuation, the level dollar actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on Township (employer) assets, and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after three years. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2014 was 24 years.

Note 13 - Commitments - Brownfield Redevelopment Authority

Brownfield redevelopment costs of approximately \$89,000 have been incurred by property owners in the Brownfield district. These costs will be paid through future property tax collections. The Township is not responsible for costs incurred in excess of property taxes captured.

Note 14 - Restricted Net Position and Fund Balance

Net position of the governmental activities and the fund balance in the General Fund have been restricted for the following purposes:

Drug enforcement	\$ 271,486
Construction code activity	171,008
	<hr/>
Total restricted net position/fund balance	\$ 442,494

Charter Township of Plymouth

Notes to Financial Statements December 31, 2016

Note 15 - Tax Abatements

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

For the fiscal year ended December 31, 2016 the Township abated \$1,477,983 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses Brownfield Redevelopment Agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the Brownfield's tax revenue is reduced. For the fiscal year ended December 31, 2016, the Authority abated \$20,258 of taxes under this program. There are no provisions to recapture taxes.

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

Note 16 - Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Township to recognize on the face of the financial statements its net OPEB liability. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2018.

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of governments and improves guidance for accounting and financial reporting related to how these activities should be reported. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's 2020 fiscal year.

Required Supplemental Information

Draft

Charter Township of Plymouth

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

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,250,000	\$ 7,000,000	\$ 6,990,871	\$ (9,129)
Licenses and permits	757,000	907,000	1,208,844	301,844
Federal grants	450,000	650,000	806,830	156,830
State-shared revenue and grants	2,188,000	2,188,000	2,216,473	28,473
Charges for services:				
Intragovernmental service charge	725,000	725,000	785,498	60,498
City of Plymouth	375,000	375,000	672,558	297,558
District court fines	200,000	200,000	126,984	(73,016)
Interest and rents	22,500	22,500	50,672	28,172
Other revenue:				
Cable franchise fees	750,000	775,000	758,800	(16,200)
Other charges for services	185,000	185,000	89,226	(95,774)
Other miscellaneous income	925,000	1,255,000	466,678	(788,322)
Total revenue	13,827,500	14,282,500	14,173,434	(109,066)
Expenditures - Current				
General government	3,427,747	3,459,906	3,556,749	(96,843)
Public safety	8,594,829	8,820,465	8,746,011	74,454
Public works	434,808	489,371	478,278	11,093
Grants	95,000	295,000	91,252	203,748
Community Development	173,782	173,782	129,515	44,267
Parks	569,688	636,863	544,265	92,598
Total expenditures	13,295,854	13,875,387	13,546,070	329,317
Excess of Revenue Over Expenditures	531,646	407,113	627,364	220,251
Other Financing Uses -				
Transfers out	(523,951)	(523,951)	(843,448)	(319,497)
Net Change in Fund Balance	7,695	(116,838)	(216,084)	(99,246)
Fund Balance - Beginning of year	4,126,846	4,126,846	4,126,846	-
Fund Balance - End of year	<u>\$ 4,134,541</u>	<u>\$ 4,010,008</u>	<u>\$ 3,910,762</u>	<u>\$ (99,246)</u>

Charter Township of Plymouth

Note to Required Supplemental Information Year Ended December 31, 2016

Note - Budgetary Information

The Township adopts a formal budget for the General Fund and all special revenue funds. The budget is prepared in accordance with generally accepted accounting principles. By August 1 of each year, all department heads submit spending requests to the Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Township board for review. Public hearings are held, and a final budget is adopted no later than December 31. The Township board must approve any budget amendments.

Appropriations are adopted by the Township board on an activity basis for the General Fund, as reported on the General Fund budgetary comparison schedule. Appropriations for all other budgeted funds are adopted at the fund level. Michigan law requires expenditures to be within budget at this level. The general government activity had budget overrun in the current year. General government expenditures were primarily over budget due to the increase in Michigan Municipal Risk Management Authority expenditures from the prior year. Transfers out were over budget in the current year as the debt service transfer was budgeted at the 2015 debt service amount rather than the 2016 debt service amount. Additionally, the Township did not amend the budget for the board approved transfer to the drug forfeiture fund.

During the current year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. The amount of encumbrances outstanding at December 31, 2016 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

Charter Township of Plymouth

Required Supplemental Information OPEB System Schedule Year Ended December 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
12/31/12	\$ -	\$ 21,475,601	\$ 21,475,601	- %	\$ 6,838,000	314.1 %
12/31/13	-	20,942,686	20,942,686	-	6,062,927	345.4
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

Draft

Charter Township of Plymouth

Required Supplemental Information Schedule of Changes in the Township Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2016	2015
Total Pension Liability		
Service cost	\$ 559,291	\$ 549,735
Interest	2,086,180	1,981,341
Changes in benefit terms	-	-
Differences between expected and actual experience	254,164	-
Changes in assumptions	1,128,222	-
Benefit payments, including refunds	(1,333,920)	(1,196,222)
Net Change in Total Pension Liability	2,693,937	1,334,854
Total Pension Liability - Beginning of year	25,674,350	24,339,496
Total Pension Liability - End of year	\$ 28,368,287	\$ 25,674,350
Plan Fiduciary Net Position		
Contributions - Employer	\$ 685,285	\$ 629,153
Contributions - Member	343,691	300,261
Net investment income	(284,305)	1,149,359
Administrative expenses	(41,663)	(42,269)
Benefit payments, including refunds	(1,333,920)	(1,196,222)
Other	-	-
Net Change in Plan Fiduciary Net Position	(630,912)	840,282
Plan Fiduciary Net Position - Beginning of year	19,055,148	18,214,866
Plan Fiduciary Net Position - End of year	\$ 18,424,236	\$ 19,055,148
Township's Net Pension Liability - Ending	\$ 9,944,051	\$ 6,619,202
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	64.95 %	74.22 %
Covered Employee Payroll	\$ 3,950,911	\$ 3,887,319
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	251.7 %	170.3 %

Charter Township of Plymouth

Required Supplemental Information Schedule of Township Contributions Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 685,285	\$ 629,153	\$ 583,883	\$ 489,480	\$ 554,612	\$ 577,569	\$ 663,468	\$ 637,764	\$ 648,681	\$ 603,341
Contributions in relation to the actuarially determined contribution	685,285	629,153	583,883	489,480	554,612	577,569	663,468	637,764	648,681	603,341
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,950,911	\$ 3,887,319	\$ 3,814,924	\$ 3,778,240	\$ 4,142,819	\$ 4,757,684	\$ 4,781,800	\$ 4,447,702	\$ 4,336,838	\$ 4,177,570
Contributions as a Percentage of Covered Employee Payroll	17.3 %	16.2 %	15.3 %	13.0 %	13.4 %	12.1 %	13.9 %	14.3 %	15.0 %	14.4 %

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, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll open
Remaining amortization period	25 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increases	3.75 percent
Investment rate of return	7.75 percent - Gross of administrative expenses
Retirement age	Varies depending on plan adoption
Mortality	50 percent female/50 percent male RP-2014 Mortality Table
Other information	None

Other Supplemental Information

Draft

Charter Township of Plymouth

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

	Special Revenue Funds		
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	Total
Assets			
Cash and cash equivalents	\$ 82,293	\$ 190,091	\$ 272,384
Receivables	9	-	9
Due from other funds	3,301	-	3,301
Total assets	\$ 85,603	\$ 190,091	\$ 275,694
Liabilities			
Accounts payable	\$ -	\$ 4,208	\$ 4,208
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Total liabilities	-	4,208	4,208
Fund Balances			
Restricted	85,603	185,883	271,486
Assigned- capital improvements	-	-	-
Total liabilities and fund balances	\$ 85,603	\$ 190,091	\$ 275,694

Charter Township of Plymouth

Capital Projects Funds	Total Nonmajor Governmental Funds
Improvement Revolving Fund	Funds
\$ 250,947	\$ 523,331
-	9
284,460	287,761
\$ 535,407	\$ 811,101
\$ 88,806	\$ 93,014
10,289	10,289
18,429	18,429
117,524	121,732
-	271,486
417,883	417,883
\$ 535,407	\$ 811,101

Draft

Charter Township of Plymouth

	Special Revenue Funds		
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	Total
Revenue			
State-shared revenue and grants	\$ -	\$ 184,104	\$ 184,104
Interest and rents	2,187	550	2,737
Total revenue	2,187	184,654	186,841
Expenditures			
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	-	-	-
Excess of Revenue Over (Under)			
Expenditures	2,187	184,654	186,841
Other Financing Sources (Uses) - Transfers in	83,398	-	83,398
Net Change in Fund Balances	85,585	184,654	270,239
Fund Balances - Beginning of year	18	1,229	1,247
Fund Balances - End of year	\$ 85,603	\$ 185,883	\$ 271,486

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

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Improvement Revolving Fund</u>	
\$ 30,944	\$ 215,048
3,029	5,766
<u>33,973</u>	<u>220,814</u>
204,653	204,653
<u>640,228</u>	<u>640,228</u>
<u>844,881</u>	<u>844,881</u>
(810,908)	(624,067)
<u>760,050</u>	<u>843,448</u>
(50,858)	219,381
<u>468,741</u>	<u>469,988</u>
<u>\$ 417,883</u>	<u>\$ 689,369</u>

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Balance Sheet/Statement of Net Position December 31, 2016

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 286,634	\$ -	\$ 286,634
Receivables - Property taxes	296,792	-	296,792
Total assets	\$ 583,426	\$ -	\$ 583,426
Liabilities			
Accounts payable	\$ 12,359	\$ -	\$ 12,259
Due to primary government	8,286	-	8,286
Total liabilities	20,545	-	20,545
Deferred Inflows of Resources -			
Property taxes levied for the following year	296,792	-	296,792
Equity			
Fund balance - Unassigned	266,089	(266,089)	-
Net position - Unrestricted	-	266,089	266,089
Total liabilities, deferred inflows of resources, and equity	\$ 583,426	\$ -	\$ 583,426

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2016

	Modified Accrual	Full Accrual Adjustments	Total
Revenue			
Property taxes	\$ 398,038	\$ -	\$ 398,038
Interest and rents	132	-	132
Other revenue	49	-	49
Total revenue	398,219	-	398,219
Expenditures - Current			
Other contract services	149,183	-	149,183
Capital outlay	18,279	-	18,279
Total expenditures	167,462	-	167,462
Change in Fund Balance/Net Position	230,757	-	230,757
Fund Balance/Net Position - Beginning of year	35,332	-	35,332
Fund Balance/Net Position - End of year	\$ 266,089	\$ -	\$ 266,089

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Net Position December 31, 2016

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 1,582,453	\$ -	\$ 1,582,453
Receivables - Property taxes	10,568	-	10,568
Due from primary government	8,874	-	8,874
Total assets	<u>\$ 1,601,895</u>	<u>\$ -</u>	<u>\$ 1,601,895</u>
Deferred Inflows of Resources - Property taxes levied for the following year			
	9,618	-	9,618
Equity			
Fund balance - Unassigned	1,592,277	(1,592,277)	-
Net position - Unrestricted	-	1,592,277	1,592,277
Total liabilities, deferred inflows of resources, and equity	<u>\$ 1,601,895</u>	<u>\$ -</u>	<u>\$ 1,601,895</u>

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2016

	Modified Accrual	Full Accrual Adjustments	Total
Revenue - General revenue			
Property taxes	\$ 18,273	\$ -	\$ 18,273
Interest earnings	3,187	-	3,187
Total revenue	21,460	-	21,460
Expenditures - Current - Environmental remediation	11,605	-	11,605
Change in Fund Balance/Net Position	9,855	-	9,855
Fund Balance/Net Position - Beginning of year	1,582,422	-	1,582,422
Fund Balance/Net Position - End of year	\$ 1,592,277	\$ -	\$ 1,592,277

Charter Township of Plymouth

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

	Agency Funds			Total Agency Funds
	General Agency	Tax Collection Fund	Police Bond	
Assets				
Cash and cash equivalents	\$ -	\$ 5,256,803	\$ 1,462	\$ 5,258,265
Receivables	600,887	815,316	-	1,416,203
Total assets	\$ 600,887	\$ 6,072,119	\$ 1,462	\$ 6,674,468
Liabilities				
Due to other governmental units	\$ 20,102	\$ 6,072,119	\$ -	\$ 6,092,221
Refundable deposits - Bonds	580,785	-	1,462	582,247
Total liabilities	\$ 600,887	\$ 6,072,119	\$ 1,462	\$ 6,674,468

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM E
PLANTE-MORAN
2016 FINANCIAL AUDIT
DRAFT INFORMATIONAL REPORT
WITH INTERNAL CONTROL MATTERS,
REQUIRED COMMUNICATIONS
OTHER RECOMMENDATIONS
LEGISLATIVE AND INFORMATIONAL
ITEMS
SUPPLEMENTAL INFORMATION**

June 19, 2017

To the Members of the Township Board
Charter Township of Plymouth

We have audited the financial statements of Charter Township of Plymouth (the "Township") as of and for the year ended December 31, 2016 and have issued our report thereon dated June 19, 2017. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I – Internal Control Related Matters Identified in an Audit

Section II – Required Communications with Those Charged With Governance

Section III - Other Recommendations and Related Information

Section IV – Legislative and Informational Items

Section I includes any deficiencies we observed in the Township's accounting principles or internal control that we believe are significant. Current auditing standards require us to formally communicate annually matters we note about Township's accounting policies and internal control.

Section II includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Members of the Township Board.

Section III presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Township in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section IV contains updated legislative and informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the Township's staff for the cooperation and courtesy extended to us during our audit. This was a collaborative effort between many Township staff, and their assistance and professionalism are invaluable.

This report is intended solely for the use of the Members of the Board of Trustees and the Management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Martin J. Olejnik, CPA

DRAFT

Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the Township as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and a deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

We consider the following deficiency in the Township's internal control to be a material weakness:

During the year ended December 31, 2016, it was noted that the Township did not reconcile timely and accurately the bank statements with the general ledger. The Township should implement a process whereby all unreconciled amounts are identified timely (including held checks). Furthermore, the reconciliation process should involve at a minimum two individuals (preparer and reviewer), with signatures and dating documented by both.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Township's internal control to be a significant deficiency:

The Township has amounts recorded in the Trust and Agency Tax Collection Fund that have not been reconciled. We recommend that the Township review the individual accounts and investigate whether these amounts are due to third parties or belong to the Township.

Section II - Required Communications with Those Charged With Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 13, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting (and letter which was distributed by Mr. Jerry Vorva) about planning matters on February 13, 2017.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016.

We noted no transactions entered into by Township during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Section II - Required Communications with Those Charged With Governance (Continued)

The most sensitive estimates affecting the financial statements were related to the estimated pension and OPEB liabilities. Management's estimate of the pension and OPEB liabilities is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the valuations in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the organization, and business plans and strategies that may affect the risks of material misstatement with management each year prior to retention as Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Following is a summary of significant issues that were discussed or were the subject of correspondence with management prior to or during our audit:

During the audit, it was discovered that the Township did not follow the bidding and related approval procedures associated with a Trust and Agency payment to a vendor as related to the Fireworks and 4th of July events. Since technically the Trust and Agency Fund holds amounts that do not belong to the Township, we recommend the Township evaluate its procedures and adjust accordingly (for example account for the amounts collected and spent on those events within the General Fund or in a separate Special Revenue Fund, where the amounts would be budgeted and all Township controls followed).

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2017.

**Section II - Required Communications with Those Charged With Governance
(Continued)**

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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Section III - Other Recommendations and Related Information

During our audit, we noted areas where we believe there are opportunities for the Township to further strengthen internal control or to increase operating efficiencies. Although these items are not required, they are presented for your consideration below in order to improve the overall internal controls and related items at the Township:

Cash and Wire Transfers

It was noted during the analysis of the wire transfer policies that the initiator of a wire transfer request also approves the transfers. Additionally, it was noted that the establishment of vendors to whom the wire transfers are made only requires one individual's approval. Although the bank does review the transfers for unusual activity and a separate individual reviews bank statements, we suggest that the Township enact stricter controls around the wire transfers, including requiring separate individuals to initiate and approve the transfers, as well as having two individuals required for adding new vendors.

Performance Bonds and Deposits

The Township has numerous performance bonds and miscellaneous deposits related to construction projects that have been outstanding for numerous years. Although the Township does have a subsidiary ledger detailing out the amounts, some of the balances have been outstanding for quite some time. With the issuance of GASB Statement No. 84, we believe the Township will no longer be allowed to report these balances in a fiduciary fund. The balances will need to be transferred to the Township's General Fund, either as liabilities (if they are still owed back), or as equity if amounts are forfeited. The effective date for this change will be July 1, 2019. Prior to that date, we recommend that the Township review the individual accounts and investigate whether these amounts are still due to the payors, or not.

Water and Sewer Fund

The Township's incurred an overall water loss in excess of the "normal" Township levels during the year ended December 31, 2016. We encourage the Township to evaluate the losses on a regular basis.

The meter inventory account balance has remained consistent for a few years. We recommend that the Township perform an inventory analysis/physical observation.

The Township has experienced significant decrease in the cash balances in the Water and Sewer Fund over the previous few years. We recommend that the Township perform an in depth 5 year projection in order to calculate what rates should be charged to its users. The analysis should include the various needs of the fund, including projected repair and capital outlay needs.

Allocation of Administrative Fees

During the audit, we noted that it has been some time since the Township performed an analysis of the allocation of cost between departments (for example, the administrative costs charged to the other funds by the General Fund). Although the amounts appear reasonable, we encourage the Township to update the analysis and that they be re-evaluated regularly (at least every two to three years).

**Section III - Other Recommendations and Related Information
(Continued)**

Capitalization Policy

The Township should formalize its capitalization policy as related to capital assets (presently the Township capitalized all items over \$1,000, however a written policy does not seem to be in place).

Advances

The Township presently has various long term advances between various funds (as disclosed in the notes to the financial statements). These advances have been outstanding for a number of years, with no payments being made. We encourage the Township to evaluate the cash flow projections for each fund and develop a payment schedule.

DRAFT

Section IV - Legislative and Informational Items

Financial Outlook

The Township has completed a few years of a modest financial recovery, following the 2008-2012 economic downturn. A review of your major revenue sources shows that:

- In many cases, property tax values are starting to inch up. Looking forward, we expect taxable values to continue to experience small or moderate increases. In monitoring this revenue source, we need to keep in mind that the future taxable value increases will be limited to the lesser of 5% or inflation.
- State shared revenue was starting to show some modest increases but then sales tax revenue for the State's fiscal year ending September 30, 2016 is coming in lower than expected which will impact the Constitutional revenue sharing.

During the economic downturn the Township resized its operations to fit the new lower revenue structure. The revenue improvements noted above will help the Township, however the long term fiscal sustainability will be dependent on the ability to hold cost increases (driven significantly by the cost of pension, retiree health care and current employee health care) within the limits of expected revenue increases, which are predicted to be at or below the rate of inflation.

Legacy Costs

Legacy costs and the challenge of funding them continues to be a topic of discussion. GASB pronouncements of late have placed even more focus on the net long-term liability arising from these benefit promises. The pension system is approximately 65% funded as of December 31, 2016. To the extent that you have been able to make some gains in terms of your funded status, some changes to assumptions may result in the funding level decreasing which may result in higher contributions going forward. For example, many plans recently updated their mortality tables that now show that people are living longer. Some plans have decreased the expected rate of return in light of market conditions.

New Other Post-Employment Benefits Standards (Retiree Healthcare Obligations)

In June 2015, the GASB issued a new standard addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB, which refers to retiree healthcare). 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 statement more extensive footnote disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Township will recognize on the face of the financial statements its net OPEB liability. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. GASB 75 is effective for fiscal years beginning after June 15, 2017 (the Township's calendar year 2018).

Revenue Sharing

The FY 2017 Governor's budget recommendation includes \$1.3 billion for revenue sharing broken down as follows:

Description	FY 2016 Budget	FY 2016 forecasted actual	Final 2017 budget
Constitutionally required payments	\$783.8 M	\$745.9 M	\$757.9 M
CVTRS	243.0 M	243.0 M	243.0 M
CVTRS- One-time payments	5.8 M	5.8 M	5.8 M
County revenue sharing	171.8 M	171.8 M	174.2 M
County incentive program	42.9 M	42.9 M	43.0 M
Fiscally Distressed Community Grants	5.0 M	5.0 M	5.0 M
Total	\$1,252.4 M	\$1,214.4 M	\$1,228.9M

As noted above, actual sales tax revenue, which serves as the base for the Constitutionally required payments, came in lower than expected. As a result, Constitutional revenue sharing is \$38 million lower than budgeted. The new budget for 2017 anticipates a slight increase of 1.6%. The FY 17 budget also includes the "City, Village, and Township Revenue Sharing." ("CVTRS") appropriation which was established in FY 15 and that number remains flat at \$243 million. Each community's overall increase will vary as each has a different mix of constitutional and CVTRS.

In order to receive the CVTRS payments in FY 17, qualified local units will once again need to comply with the same best practices as they did last year:

- A citizen's guide to local finances with disclosure of unfunded liabilities
- Performance dashboard
- Debt service report
- Two-year budget projection

The "one-time" additional CVTRS payments that existed in the 2015 and 2016 budgets were not in the Governor's 2017 budget. However, the payments were reinstated in the final 2017 budget.

Personal Property Tax

In August 2014, Michigan voters put the last piece of personal property tax reform in place. As a result, personal property taxes will be reduced in two respects:

1. Small Taxpayer Exemption Loss (STEL) - Small taxpayers with total personal property within a taxing unit valued at less than \$80,000 are able to sign an affidavit exempting this personal property from taxation. This exemption began with the 2014 tax billings.

2. Beginning with 2016 tax filings, an affidavit can be filed to exempt eligible property used in a manufacturing process that is purchased either prior to 2006 or after December 31, 2012.

For 2014 and 2015, all communities were qualified to be reimbursed for losses related to debt millages and lost TIF capture arising from the STEL. Only cities were reimbursed for the balance of the Small Taxpayer Exemption Loss. However, for 2016, the legislation is generally intended to fully reimburse all local units of government for revenue losses that result from all exempt personal property.

The changes include creation of a new Local Community Stabilization Authority (LCSA) that will receive money from two sources:

- Use tax: the legislation includes specific amounts of the use tax that will be diverted from the State's General Fund to the new LCSA; and
- Essential Services Assessment: Manufacturers will pay a "local community essential services assessment" to the LCSA based on the value of their exempt manufacturing property. The rate is set at 2.4 mills for a property's first five years; then 1.25 mills for the next five; then 0.9 mills thereafter.

Please keep in mind that if these two sources do not generate sufficient revenue for 100% of the losses, there could be a potential for something less than full reimbursement.

Local Community Stabilization Authority Revenue

As noted above, eligible communities began receiving reimbursement's for certain lost personal property taxes. The State agency making those reimbursements is the Local Community Stabilization Authority (LCSA). These reimbursements should NOT be reported on the financial statements with property taxes; instead, they should be included with other intergovernmental revenue from the state (state shared revenue, grants, and other). The State has created a new account number for the revenue, 573, and titled it "Local Community Stabilization Share Appropriation". As always, communities should follow the State's guidance related to the Uniform Chart of Accounts.

The State Department of Treasury will compute the reimbursements and are scheduled to make the payments by October 20 of each year although this year's payment likely will not be issued until November 20. The State will compare the total current year Taxable Value of Commercial and Industrial Personal Property to the value as of 2013 (the year before PPT reform).

New Rules Governing Management of Federal Programs

As previously communicated, the Office of Management and Budget (OMB) has issued significant reforms to the compliance requirements that must be followed by non-federal entities receiving federal funding. All entities receiving federal dollars will need to understand the changes made as a result of these reforms and may be required to make changes to internal procedures, processes, and controls.

These reforms impact three key areas of federal grants management:

1. **Audit Requirements** - For fiscal years beginning on or after January 1, 2015, the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major programs required to be tested for some clients.
2. **Cost Principles** - Effective for all federal awards received on or after December 26, 2014, the grant reforms related to cost principles go into effect. Not only were certain changes made to allowable costs under this new guidance, but there were significant changes in the area of time and effort reporting and indirect costs.
3. **Administrative Requirements** - Also effective for all federal awards received on or after December 26, 2014, non-federal entities receiving federal funding must adhere to new rules related to administering federal awards. Most notably, these requirements may impact the Township's procurement systems, including maintaining written conflict of interest policies and disclosures.

These revisions are clearly the most significant change to occur to federal grants management in recent history. Entities receiving federal funding will need to carefully digest these changes. Plante Moran has been on the cutting edge of these reforms, offering our clients free webinars, implementation checklists and other tools to aid in implementation. The implementation date has passed and the Township will need to ensure that the implementation of the new regulations has occurred and if not, they need to work quickly to put the new requirements into practice. Plante Moran has many experts in this area and welcome any questions or needs you may have in this area.

Public Act 530 of 2016 – additional legacy cost reporting

On December 31, 2016, the Governor signed Public Act 530 of 2016 which amends Public Act 314 of 1965, also known as Public Employee Retirement System Investment Act (PERSIA). This act is effective March 29, 2017.

Under the existing Act, communities were required to publish a Summary Annual Report setting forth key information related to pension and retiree healthcare plans. The amendment requires that this Summary Annual Report also be submitted to the Michigan Department of Treasury within 30 days of publication.

In addition, for any system (either pension or retiree healthcare) that is not funded at a level of at least 60%, the community must now post a report to their website indicating steps that are being undertaken to address the liability. In addition, this report must be submitted to the Department of Treasury within a reasonable timeframe.

The legislation calls for the Department of Treasury to accumulate all of the reports and publish a summary of funding levels throughout the State.

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM F
UPDATE ON FIRE STATION #2
INTERGOVERNMENTAL AGREEMENT
WITH NORTHVILLE TOWNSHIP**

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
JUNE 20, 2017**

**ITEM G
BUDGET DISCUSSIONS**