

Park Township
Ottawa County, Michigan
Annual Financial Report
Year Ended March 31, 2013



Park Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended March 31, 2013

TABLE OF CONTENTS

	Page
Independent Auditor’s Report	I
Management’s Discussion and Analysis	III
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Governmental Funds Financial Statements	
Balance Sheet	3
Statement of Revenue, Expenditures and Changes in Fund Balances	4
Reconciliation of the Statement of Revenue, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	5
Proprietary Funds Financial Statements	
Statement of Net Position	6
Statement of Revenue, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Fiduciary Fund Financial Statements	
Statement of Fiduciary Assets and Liabilities	9
Notes to Financial Statements	10

**Park Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended March 31, 2013**

TABLE OF CONTENTS - Concluded

	Page
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund.....	22
Budgetary Comparison Schedule – Police Fund	24
Budgetary Comparison Schedule – Park/Recreation Fund.....	25
Budgetary Comparison Schedule – Bike Path Fund.....	26
Budgetary Comparison Schedule – Library Fund	27
Schedule of Funding Progress – Retiree Health Benefits Plan.....	28
Other Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds.....	29
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	30



INDEPENDENT AUDITOR'S REPORT

July 2, 2013

Township Board
Park Township, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park Township, Michigan, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Township'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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 principles 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 obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park Township, Michigan, as of March 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis and budgetary comparison information and schedule of funding progress on pages III through VIII and 22 through 28 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 who 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 supplementary 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 to provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park Township, Michigan's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Kiekover, Scholma & Shumaker, PC

Management's Discussion and Analysis

As management of Park Township, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2013. We encourage readers to consider the information presented here in conjunction with the Township's financial statements that follow this section.

Financial Highlights

- The assets of Park Township exceeded its liabilities at the close of the most recent fiscal year by \$26,421,618 (*net position*). Of this amount, \$7,573,752 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$437,794. Net investment in capital assets decreased by \$259,538, while restricted net position increased by \$5,758 and unrestricted net position increased by \$691,574.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,777,300, an increase of \$429,911 in comparison with the prior year. Approximately 50% of this total amount, \$4,895,092 is *available for spending* at the Township's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,895,092 or 212.2% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Park Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, accrued interest payable and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and recreation and culture. The business-type activities of the Township include water supply operations.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains nine (9) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Police, Park/Recreation, Bike Path, Library, Sewer Distribution, and Township Improvement Funds. Each of these funds is considered to be a major fund. The Township has two (2) nonmajor funds. These include two special revenue funds, the Street Lighting Fund and the West Michigan Airport Authority Fund. Data from the other two governmental funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report

The Township adopts an annual appropriated budget for its General, Police, Park/Recreation, Bike Path, and Library Funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary funds. The Township maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its water supply operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Fund, which is considered to be a major fund of the Township.

The basic proprietary fund financial statements can be found on pages 6-8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds. The Township accounts for one type of fiduciary funds – agency funds.

One agency fund is maintained to account for tax collections and payments.

The basic fiduciary fund financial statements can be found on page 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-21 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* presenting budgetary comparison schedules for the Township's General Fund and major special revenue funds (Police Fund, Park/Recreation Fund, Bike Path Fund, and Library Fund) and information concerning Park Township's progress in funding its obligation to provide other post employment benefits to its employees. Required supplementary information can be found on pages 22-28 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. These combining statements can be found on pages 29-30 of this report.

Government-wide Financial Analysis

Net position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Park Township, assets exceeded liabilities by \$26,421,618 at the close of the most recent fiscal year.

The largest portion of the Township's net position (57.6%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position (13.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,573,752) may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following table shows, in a condensed format, the net position of Park Township as of March 31, 2013 and 2012.

Park Township's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 10,444,227	\$ 10,245,140	\$ 1,295,470	\$ 1,149,138	\$ 11,739,697	\$ 11,394,278
Capital assets	9,923,585	9,932,022	5,297,679	5,548,780	15,221,264	15,480,802
Total assets	<u>20,367,812</u>	<u>20,177,162</u>	<u>6,593,149</u>	<u>6,697,918</u>	<u>26,960,961</u>	<u>26,875,080</u>
Long-term debt outstanding	41,146	37,227	-	-	41,146	37,227
Other liabilities	384,979	584,140	113,218	269,889	498,197	854,029
Total liabilities	<u>426,125</u>	<u>621,367</u>	<u>113,218</u>	<u>269,889</u>	<u>539,343</u>	<u>891,256</u>
Net position:						
Invested in capital assets, net of related debt	9,923,585	9,932,022	5,297,679	5,548,780	15,221,264	15,480,802
Restricted	3,626,602	3,620,844	-	-	3,626,602	3,620,844
Unrestricted	6,391,500	6,002,929	1,182,252	879,249	7,573,752	6,882,178
	<u>\$ 19,941,687</u>	<u>\$ 19,555,795</u>	<u>\$ 6,479,931</u>	<u>\$ 6,428,029</u>	<u>\$ 26,421,618</u>	<u>\$ 25,983,824</u>

Change in Net position – Park Township’s net position increased by \$437,794 during the current fiscal year. This increase is caused by a \$385,892 increase in net position of governmental activities and a \$51,902 increase in net position of business-type activities.

Park Township's Changes in Net Assets

	Governmental	Governmental	Business-Type	Business-Type	Total	
	Activities	Activities	Activities	Activities	2013	2012
	2013	2012	2013	2012		
Program revenues						
Charges for services	\$ 552,941	\$ 542,725	\$ 1,453,760	\$ 1,192,661	\$ 2,006,701	\$ 1,735,386
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	68,000	57,060	50,470	198,900	118,470	255,960
General revenues						
Property taxes	3,432,696	2,215,513	-	-	3,432,696	2,215,513
State shared revenues	1,308,175	1,292,672	-	-	1,308,175	1,292,672
Interest	60,473	64,462	15,812	13,266	76,285	77,728
Other	65,665	51,860	-	-	65,665	51,860
Total revenues	5,487,950	4,224,292	1,520,042	1,404,827	7,007,992	5,629,119
Program expenses						
General government	2,355,019	1,278,102	-	-	2,355,019	1,278,102
Public safety	1,365,710	1,314,783	-	-	1,365,710	1,314,783
Public works	780,119	567,064	-	-	780,119	567,064
Community and economic development	87,382	153,270	-	-	87,382	153,270
Recreation and culture	584,828	597,608	-	-	584,828	597,608
Water supply	-	-	1,397,140	1,162,203	1,397,140	1,162,203
Total expenses	5,173,058	3,910,827	1,397,140	1,162,203	6,570,198	5,073,030
Change before transfers	314,892	313,465	122,902	242,624	437,794	556,089
Transfers in (out)	71,000	71,000	(71,000)	(71,000)	-	-
Change in Net Position	\$ 385,892	\$ 384,465	\$ 51,902	\$ 171,624	\$ 437,794	\$ 556,089

Governmental activities. Governmental activities increased the Township’s net position by \$385,892, accounting for 88.1% of the total growth in the net position of the Township. Total revenues increased by \$1,263,658 compared to the prior year (primarily due to reporting of the library millage in fiscal 2013 but not in fiscal 2012) and total expenses increased by \$1,262,231 compared to the prior year (primarily due to reporting of the library millage expense in fiscal 2013 but not in fiscal 2012).

Business-type activities. Business-type activities increased Park Township’s net position by \$51,902. Operating revenues increased by \$115,215 due mostly to an increase in water sales. Operating expenses increased by \$234,937 from the prior year primarily due to an increase in water purchased.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,777,300, an increase of \$429,911 from the prior year. Approximately 50% of this fund balance amount (\$4,895,092) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. A portion of fund balance is *restricted* to indicate that it is constrained for the specific purposes of street lighting (\$31,065) police services (\$1,011,530), parks/recreation (\$348,078), bike paths (\$1,260,790), and sewers (\$975,139). Additionally, a portion of fund balance has been assigned to be used for township improvements (\$821,507 for general township improvements, \$250,000 for fire equipment purchases, and \$135,950 for cemetery care).

Summary results for the Township's seven major governmental funds and nonmajor funds in the aggregate for the year ended March 31, 2013 are as follows:

	General Fund	Police Fund	Park/ Recreation Fund	Bike Path Fund	Library Fund	Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Total revenues	\$ 2,475,490	\$ 616,553	\$ 593,927	\$ 371,160	\$ 1,122,871	\$ 96,333	\$ 5,355	\$ 228,844	\$ 5,510,533
Total expenditures	(2,307,290)	(571,136)	(457,338)	(455,423)	(1,122,871)	(15,118)	-	(222,446)	(5,151,622)
Transfers in	248,000	-	-	-	-	-	185,950	24,667	458,617
Transfers out	(210,617)	(18,000)	(66,000)	(53,000)	-	(40,000)	-	-	(387,617)
Net change in fund balance	<u>\$ 205,583</u>	<u>\$ 27,417</u>	<u>\$ 70,589</u>	<u>\$ (137,263)</u>	<u>\$ -</u>	<u>\$ 41,215</u>	<u>\$ 191,305</u>	<u>\$ 31,065</u>	<u>\$ 429,911</u>
Fund balance 3-31-13									
Nonspendable	\$ 45,551	\$ -	\$ 2,382	\$ 216	\$ -	\$ -	\$ -	\$ -	\$ 48,149
Restricted	-	1,011,530	348,078	1,260,790	-	975,139	-	31,065	3,626,602
Assigned	-	-	-	-	-	-	1,207,457	-	1,207,457
Unassigned	4,895,092	-	-	-	-	-	-	-	4,895,092
	<u>\$ 4,940,643</u>	<u>\$ 1,011,530</u>	<u>\$ 350,460</u>	<u>\$ 1,261,006</u>	<u>\$ -</u>	<u>\$ 975,139</u>	<u>\$ 1,207,457</u>	<u>\$ 31,065</u>	<u>\$ 9,777,300</u>
Fund balance as a % of expenditures and transfers out									
	<u>196.2%</u>	<u>171.7%</u>	<u>67.0%</u>	<u>248.0%</u>	<u>0.0%</u>	<u>1769.2%</u>	<u>N/A</u>	<u>14.0%</u>	

The General Fund is the chief operating fund of the Township. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance (\$4,895,092) represents 194.4% of total General Fund expenditures and transfers out (\$2,517,907).

The Police Fund has a restricted fund balance of \$1,011,530, an increase of \$27,417 during the year. Total revenues increased by \$10,236 or 1.7% compared to the prior year. Police Fund expenditures decreased by \$1,254 or 0.2% compared to the prior year.

Total Park/Recreation Fund revenues increased by \$19,731 or 3.4% compared to the prior year. Park/Recreation Fund expenditures increased by \$39,422 or 9.4% compared to the prior year.

Total Bike Path Fund revenues decreased by \$3,474 or 0.9% compared to the prior year. Bike Path Fund expenditures decreased by \$110,777 or 19.6% compared to the prior year.

The Library Fund is new for fiscal 2013. Dedicated tax revenue and the related expenditure for library services are reported in this fund.

Sewer Distribution Fund revenues decreased by \$19,379 or 16.7% compared to the prior year. Sewer Distribution Fund expenditures decreased by \$42,098 or 73.6% compared to the prior year.

Township Improvement Fund revenues increased by \$2,075 or 63.3% compared to the prior year.

Proprietary funds. The Township’s proprietary funds provide the same type of information found in the government-wide financial statements (business-type activities), but in more detail. The Township’s proprietary funds are comprised of the Water Fund.

Unrestricted net position of the Water Fund was \$1,182,252 at March 31, 2013. Operating revenues for the Water Fund increased in fiscal year 2012-13 by \$261,099 from \$1,192,661 to \$1,453,760. Operating expenses, including depreciation, increased in fiscal year 2012-13 by \$234,937 from \$1,162,203 to \$1,397,140.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year resulting in an overall decrease in budgeted expenditures of \$164,010. Township operational departments stayed below budget overall, resulting in total expenditures \$163,672 below the final budget.

Capital Assets and Debt Administration

Capital assets. The Township’s investment in capital assets for its governmental and business-type activities as of March 31, 2013, amounted to \$15,221,264 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, the water system, and streets, sidewalks and bike paths. The total decrease in the Township’s investment in capital assets for the current fiscal year was \$8,437 (0.08%) for governmental activities. The Township’s investment in capital assets for the current fiscal year decreased by \$251,101 (4.5%) for business-type activities.

Major capital asset events during the current fiscal year included the following:

- \$394,394 expended for bike path repairs
- \$102,500 expended for drains
- \$26,657 expended for computer equipment
- \$31,855 expended for maintenance equipment

Additional information on the Township’s capital assets can be found in note 4 on pages 17-18 of this report.

Park Township's Capital Assets (net of depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 2,669,675	\$ 2,669,675	\$ -	\$ -	\$ 2,669,675	\$ 2,669,675
Construction in progress	-	-	-	-	-	-
Buildings	1,791,872	1,856,668	-	-	1,791,872	1,856,668
Improvements other than bulidings	1,100,390	1,245,004	-	-	1,100,390	1,245,004
Machinery and equipment	1,274,989	1,369,930	-	-	1,274,989	1,369,930
Infrastructure	3,086,659	2,790,745	-	-	3,086,659	2,790,745
Water system	-	-	5,297,679	5,548,780	5,297,679	5,548,780
Total	\$ 9,923,585	\$ 9,932,022	\$ 5,297,679	\$ 5,548,780	\$ 15,221,264	\$ 15,480,802

Long-term debt. At the end of the current fiscal year, the Township had no long-term debt obligations.

Economic Factors and Next Year's Budgets and Rates

The State of Michigan's economy continues to dominate the financial picture for most townships including Park Township. Revenue sharing, small increases in taxable values, and an uncertain economy will provide significant uncertainty in projecting revenues.

The Township's budget for 2013-14 calls for no change in the overall property tax rate for Township services. Because of small increases in the taxable value of property in the Township, property tax revenues for 2013-14 are anticipated to be slightly higher than 2012-13. The budget also reflects anticipated increases in state shared revenues, street light assessments, licenses and permit fees, and a decrease in interest earnings.

Overall, the Township has adopted a General Fund budget that calls for a slight decrease in total revenues and a slight decrease in total expenditures as compared to 2012-2013 actual amounts.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township.

Basic Financial Statements

Park Township, Michigan
STATEMENT OF NET POSITION
March 31, 2013

	Governmental Activities	Business Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 9,676,940	\$ 922,234	\$ 10,599,174
Receivables:			
Accounts	13,667	167,140	180,807
Interest	7,888	-	7,888
Special assessments	255,077	268,114	523,191
Due from other governments	377,552	2,390	379,942
Due from other funds	64,954	(64,954)	-
Prepaid items	48,149	546	48,695
Capital assets not being depreciated	2,669,675	10,667	2,680,342
Capital assets (net of accumulated depreciation)	<u>7,253,910</u>	<u>5,287,012</u>	<u>12,540,922</u>
Total Assets	<u>20,367,812</u>	<u>6,593,149</u>	<u>26,960,961</u>
LIABILITIES			
Accounts payable	107,464	285	107,749
Accrued expenses	7,772	-	7,772
Deposits	58,820	-	58,820
Compensated absences payable	78,182	-	78,182
Due to other funds	-	-	-
Due to other governments	114,998	112,933	227,931
Deferred revenue	17,743	-	17,743
Noncurrent liabilities:			
Net other post employment benefit obligation	<u>41,146</u>	<u>-</u>	<u>41,146</u>
Total Liabilities	<u>426,125</u>	<u>113,218</u>	<u>539,343</u>
NET POSITION			
Net investment in capital assets	9,923,585	5,297,679	15,221,264
Restricted for:			
Street lighting	31,065	-	31,065
Police services	1,011,530	-	1,011,530
Parks/recreation	348,078	-	348,078
Bike paths	1,260,790	-	1,260,790
Sewers	975,139	-	975,139
Unrestricted	<u>6,391,500</u>	<u>1,182,252</u>	<u>7,573,752</u>
Total Net Position	<u>\$ 19,941,687</u>	<u>\$ 6,479,931</u>	<u>\$ 26,421,618</u>

Park Township, Michigan
STATEMENT OF ACTIVITIES
Year Ended March 31, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
Function/Programs:							
Primary Government:							
Governmental Activities:							
General government	\$ 2,355,019	\$ 80,072	\$ -	\$ -	\$ (2,274,947)	\$ -	\$ (2,274,947)
Public safety	1,365,710	193,667	-	-	(1,172,043)	-	(1,172,043)
Public works	780,119	140,907	-	68,000	(571,212)	-	(571,212)
Community and economic development	87,382	14,857	-	-	(72,525)	-	(72,525)
Recreation and culture	584,828	123,438	-	-	(461,390)	-	(461,390)
Total Governmental Activities	5,173,058	552,941	-	68,000	(4,552,117)	-	(4,552,117)
Business-type Activities:							
Water	1,397,140	1,453,760	-	50,470	-	107,090	107,090
Total Primary Government	\$ 6,570,198	\$ 2,006,701	\$ -	\$ 118,470	(4,552,117)	107,090	(4,445,027)
General revenues:							
Property taxes					3,432,696	-	3,432,696
State shared revenues					1,308,175	-	1,308,175
Interest					60,473	15,812	76,285
Other					65,665	-	65,665
Transfers					71,000	(71,000)	-
Total General Revenues and Transfers					4,938,009	(55,188)	4,882,821
Change in Net Position					385,892	51,902	437,794
Net Position - Beginning					19,555,795	6,428,029	25,983,824
Net Position - Ending					\$ 19,941,687	\$ 6,479,931	\$ 26,421,618

See Notes to Financial Statements

Park Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2013

	Special Revenue Funds				
	General Fund	Police Fund	Park/ Recreation Fund	Bike Path Fund	Library Fund
ASSETS					
Cash and investments	\$ 4,785,251	\$ 1,112,037	\$ 373,473	\$ 1,263,377	\$ -
Receivables:					
Accounts	12,349	1,318	-	-	-
Interest	4,830	1,767	-	783	-
Special assessments	-	-	-	-	-
Due from other funds	-	-	84	50	-
Due from other governments	216,552	11,406	8,512	6,810	21,657
Prepaid items	<u>45,551</u>	<u>-</u>	<u>2,382</u>	<u>216</u>	<u>-</u>
Total Assets	<u>\$ 5,064,533</u>	<u>\$ 1,126,528</u>	<u>\$ 384,451</u>	<u>\$ 1,271,236</u>	<u>\$ 21,657</u>
LIABILITIES					
Accounts payable	\$ 68,751	\$ -	\$ 10,888	\$ 4,003	\$ 21,657
Accrued expenses	5,305	-	1,840	627	-
Deposits	49,700	-	3,520	5,600	-
Due to other funds	134	-	-	-	-
Due to other governments	-	114,998	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>17,743</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>123,890</u>	<u>114,998</u>	<u>33,991</u>	<u>10,230</u>	<u>21,657</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid items	45,551	-	2,382	216	-
Restricted for:					
Street lighting	-	-	-	-	-
Police services	-	1,011,530	-	-	-
Parks/recreation	-	-	348,078	-	-
Bike paths	-	-	-	1,260,790	-
Sewers	-	-	-	-	-
Assigned for:					
Fire equipment	-	-	-	-	-
Cemetery care	-	-	-	-	-
Township improvement	-	-	-	-	-
Unassigned	<u>4,895,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,940,643</u>	<u>1,011,530</u>	<u>350,460</u>	<u>1,261,006</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,064,533</u>	<u>\$ 1,126,528</u>	<u>\$ 384,451</u>	<u>\$ 1,271,236</u>	<u>\$ 21,657</u>

Amount reported for governmental activities in the statement of net position are different because:

Total governmental funds fund balance	\$ 9,777,300
Capital assets used in governmental activities are not financial resources and are not reported in the funds	9,923,585
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures	105,053
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures	255,077
Compensated absences are included as a liability in governmental activities	(78,182)
Net other post employment benefit obligations are included as a liability in governmental activities	<u>(41,146)</u>
Net Position of Governmental Activities	<u>\$ 19,941,687</u>

See Notes to Financial Statements

Capital Project Funds		Other	
Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 973,117	\$ 1,142,503	\$ 27,182	\$ 9,676,940
-	-	-	13,667
508	-	-	7,888
255,077	-	-	255,077
-	64,954	-	65,088
1,977	-	5,585	272,499
-	-	-	48,149
<u>\$ 1,230,679</u>	<u>\$ 1,207,457</u>	<u>\$ 32,767</u>	<u>\$ 10,339,308</u>
\$ 463	\$ -	\$ 1,702	\$ 107,464
-	-	-	7,772
-	-	-	58,820
-	-	-	134
-	-	-	114,998
-	-	-	17,743
<u>463</u>	<u>-</u>	<u>1,702</u>	<u>306,931</u>
<u>255,077</u>	<u>-</u>	<u>-</u>	<u>255,077</u>
-	-	-	48,149
-	-	31,065	31,065
-	-	-	1,011,530
-	-	-	348,078
-	-	-	1,260,790
975,139	-	-	975,139
-	250,000	-	250,000
-	135,950	-	135,950
-	821,507	-	821,507
-	-	-	4,895,092
<u>975,139</u>	<u>1,207,457</u>	<u>31,065</u>	<u>9,777,300</u>
<u>\$ 1,230,679</u>	<u>\$ 1,207,457</u>	<u>\$ 32,767</u>	<u>\$ 10,339,308</u>

Park Township, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended March 31, 2013

	Special Revenue Funds				
	General Fund	Police Fund	Park/ Recreation Fund	Bike Path Fund	Library Fund
Revenues:					
Taxes	\$ 836,391	\$ 591,405	\$ 441,008	\$ 353,087	\$ 1,122,871
Licenses and permits	207,974	-	-	-	-
State shared revenues	1,293,007	-	-	13,764	-
Charges for services	75,776	-	123,438	-	-
Fines and forfeitures	-	19,789	-	-	-
Interest	28,499	2,999	422	4,309	-
Special assessments	667	-	-	-	-
Other	33,176	2,360	29,059	-	-
Total Revenues	<u>2,475,490</u>	<u>616,553</u>	<u>593,927</u>	<u>371,160</u>	<u>1,122,871</u>
Expenditures:					
Current:					
General government	1,192,924	-	-	-	1,122,871
Public safety	641,643	571,136	-	-	-
Public works	341,030	-	-	455,423	-
Community and economic development	89,860	-	-	-	-
Recreation and culture	-	-	457,338	-	-
Insurance, bonds, and fringes	41,833	-	-	-	-
Total Expenditures	<u>2,307,290</u>	<u>571,136</u>	<u>457,338</u>	<u>455,423</u>	<u>1,122,871</u>
Excess of Revenues Over (Under) Expenditures	<u>168,200</u>	<u>45,417</u>	<u>136,589</u>	<u>(84,263)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in	248,000	-	-	-	-
Transfers out	(210,617)	(18,000)	(66,000)	(53,000)	-
Total Other Financing Sources (Uses)	<u>37,383</u>	<u>(18,000)</u>	<u>(66,000)</u>	<u>(53,000)</u>	<u>-</u>
Net Change in Fund Balances	205,583	27,417	70,589	(137,263)	-
Fund Balances - April 1	<u>4,735,060</u>	<u>984,113</u>	<u>279,871</u>	<u>1,398,269</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 4,940,643</u>	<u>\$ 1,011,530</u>	<u>\$ 350,460</u>	<u>\$ 1,261,006</u>	<u>\$ -</u>

Capital Project Funds		Other	
Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 87,934	\$ 3,432,696
-	-	-	207,974
-	-	-	1,306,771
-	-	-	199,214
-	-	-	19,789
18,886	5,355	3	60,473
76,377	-	140,907	217,951
1,070	-	-	65,665
<u>96,333</u>	<u>5,355</u>	<u>228,844</u>	<u>5,510,533</u>
-	-	-	2,315,795
-	-	-	1,212,779
15,118	-	222,446	1,034,017
-	-	-	89,860
-	-	-	457,338
-	-	-	41,833
<u>15,118</u>	<u>-</u>	<u>222,446</u>	<u>5,151,622</u>
<u>81,215</u>	<u>5,355</u>	<u>6,398</u>	<u>358,911</u>
-	185,950	24,667	458,617
(40,000)	-	-	(387,617)
<u>(40,000)</u>	<u>185,950</u>	<u>24,667</u>	<u>71,000</u>
41,215	191,305	31,065	429,911
<u>933,924</u>	<u>1,016,152</u>	<u>-</u>	<u>9,347,389</u>
<u>\$ 975,139</u>	<u>\$ 1,207,457</u>	<u>\$ 31,065</u>	<u>\$ 9,777,300</u>

Park Township, Michigan
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended March 31, 2013

Net change in fund balances-Total Governmental Funds	\$ 429,911
 Amounts reported for the governmental activities in the statement of activities are different because:	
 Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Current year capital outlays capitalized - general capital assets	555,406
Current year depreciation expense on capitalized assets	(563,843)
 Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources	
State shared revenues	1,404
Special assessment revenues	(9,044)
Cable franchise fees	
Other	(14,943)
Change in compensated absences is recorded when earned in the statement of activities	(9,080)
Change in net post employment benefit obligation	<u>(3,919)</u>
 Change in net position of governmental activities	 <u>\$ 385,892</u>

Park Township, Michigan
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2013

	Enterprise
	Water Fund
ASSETS	
Current Assets:	
Cash	\$ 922,234
Accounts receivable	167,140
Special assessments receivable	268,114
Due from other governments	2,390
Prepaid items	546
Total Current Assets	1,360,424
Capital assets not being depreciated	10,667
Capital assets (net of accumulated depreciation)	5,287,012
Total Assets	6,658,103
 LIABILITIES	
Current Liabilities:	
Accounts payable	285
Due to other funds	64,954
Due to other governments	112,933
Total Liabilities	178,172
 NET POSITION	
Invested in capital assets, net of related debt	5,297,679
Unrestricted	1,182,252
Total Net Position	\$ 6,479,931

Park Township, Michigan
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended March 31, 2013

	Enterprise
	Water Fund
Operating Revenues:	
Water billings	\$ 1,347,010
Water connection charges	54,432
Hydrant rentals	50,000
Miscellaneous	2,318
Total Operating Revenues	1,453,760
Operating Expenses:	
Purchase of water	796,703
Utilities	4,419
Water connections, repairs and maintenance	127,758
Operating fees	184,497
Supplies	774
Professional services	5,920
Depreciation	261,768
Miscellaneous	15,301
Total Operating Expenses	1,397,140
Operating Income	56,620
Nonoperating Revenues	
Interest income	15,812
Income Before Contributions and Transfers	72,432
Capital contributions	50,470
Transfers out	(71,000)
Change in Net Position	51,902
Net Position - April 1	6,428,029
Net Position - March 31	\$ 6,479,931

Park Township, Michigan
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended March 31, 2013

	Enterprise
	Water Fund
Cash Flows From Operating Activities:	
Receipts from customers	\$ 1,451,075
Payments to suppliers	<u>(1,098,078)</u>
Net Cash Provided By Operating Activities	<u>352,997</u>
Cash Flows From Noncapital Financing Activities	
Transfers to other funds	<u>(71,000)</u>
Cash Flows From Capital and Related Financing Activities	
Capital contributions	65,088
Acquisition of capital assets	(10,667)
Interfund borrowing for capital acquisition	<u>(95,560)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(41,139)</u>
Cash Flows From Investing Activities:	
Interest received on investments	<u>15,812</u>
Net Increase in Cash	256,670
Cash - April 1	<u>665,564</u>
Cash - March 31	<u>\$ 922,234</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating income	\$ 56,620
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	261,768
Change in assets and liabilities:	
Receivables	31,312
Prepaid items	(546)
Accounts payable	<u>3,843</u>
Net Cash Provided By Operating Activities	<u>\$ 352,997</u>

Park Township, Michigan
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY AGENCY FUND
March 31, 2013

	<u>Tax Collection Fund</u>
ASSETS	
Cash and investments	<u>\$ 7,499</u>
LIABILITIES	
Due to others	<u>\$ 7,499</u>

Park Township, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Park 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 Park Township:

Reporting Entity

Park Township 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 government (see discussion below for description).

Blended Component Unit. The Township has no blended component units.

Discretely Presented Component Unit. The Township has no discretely presented component units.

Government-Wide and Fund Financial Statements

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 Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the Township is reported separately from certain legally separate component units for which the primary government is financially accountable. (The Township has no such component units.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, state shared revenues, licenses, interest revenue, and charges for services. Other revenue is recorded when received.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Police Fund - The Police Fund accounts for the resources of special taxes levied and other revenues restricted for the provision of police protection services.

Park/Recreation Fund – The Park/Recreation Fund accounts for resources of special tax levies and other revenues restricted for the provision of park and recreation services.

Bike Path Fund – The Bike Path Fund accounts for resources of special tax levies and other revenues restricted for the maintenance and construction of the Township's bike path system.

Library Fund – The Library Fund accounts for the resources of special taxes levied and other revenues restricted for the provision of library services.

Sewer Distribution Fund – The Sewer Distribution Fund accounts for financial resources to be used for the acquisition or construction of major sewer capital facilities which are not financed by the proprietary fund.

Township Improvements Fund – The Township Improvements Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by the proprietary fund.

The Township reports the following major proprietary funds:

Water Fund - The Water Fund accounts for the operation and maintenance of the water distribution system.

Additionally, the government reports the following fund types:

Other Nonmajor Funds

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds - Agency Funds account for assets held by the Township in a purely custodial capacity. Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve the measurement of results of operations. The Township maintains one agency fund to account for tax collections and related payments.

As a general rule, the effect of the inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (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. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water fund also recognizes the portion of connection fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When fund balance resources are available for a specific purpose in more than one classification, it is the township's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

Before March 31, the proposed budget is presented to the Township Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than March 31. Appropriated budgets are amended from time to time throughout the year by supplementary resolutions approved by the Board of Trustees. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. Amount encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered spent once the goods are delivered or the services rendered.

The appropriated budget is prepared by fund, function, and activity. The legal level of control adopted by the governing body is the activity level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

Bank Deposits and Investments

The township pools cash resources of its various funds to facilitate the management of cash. The balances in the pooled cash accounts are available to meet current operating requirements. The following accounts are maintained on a separate basis outside of the combined cash management pool: the Tax Collection Fund.

For purposes of the statement of cash flows, cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired are considered to be cash equivalents.

For purposes of the statement of cash flows, the proprietary funds type considers all transactions within the Township's pooled cash accounts to be cash and cash equivalents.

Investments are recorded at fair value. Interest income earned by the pool is allocated by capturing the average daily balance of each individual fund relative to the average daily balance of all funds participating in the pool.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Allowances for uncollectible amounts are not material.

Inventories and Prepaid Items

Inventories, if material, are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures generally 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, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-50
Land improvements	7-15
Machinery and equipment	5-10
Office furniture and equipment	5-10
Vehicles	5-25
Roads, bike paths and sidewalks	15-25
Water and sewer systems	40

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government currently has no items that qualify for this reporting category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. It is the Township's policy to pay 50% of accumulated sick pay to employees upon termination. The liability for vacation pay and 50% of sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations at year-end.

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs 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.

Fund Equity

In governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – amounts that are not in spendable form (such as prepaids and inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations) or imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts constrained to specific purposes determined by formal action by Township Board ordinance or resolution, and that remains binding unless removed in the same manner.
- Assigned – amounts, neither restricted nor committed, a government intends to use for a specific purpose; intent can be expressed by the Township Board or a body or official to which the Township Board has delegated the authority to assign amounts for specific purposes.
- Unassigned – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the most restrictive first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Property Taxes

Property taxes are levied on each December 1 (lien date and due date) on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge through February 14th. The Township continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. Taxes returned to the county treasurer are subject to penalty and interest. The county's policy has been to pay the Township for all delinquent real property taxes returned. The Township continues to collect delinquent personal property taxes.

The Township's 2012 ad valorem tax is levied and collectible on December 1, 2012, and is recognized as revenue in the year ended March 31, 2013, when the proceeds of this levy are budgeted and made available for the financing of operations.

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 revenues and expenses during the period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated as follows:

Budget Items:	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
General Fund		
General Government		
Attorney	\$ 75,000	\$ 81,471
Public Works		
Drains	113,400	144,025
Transfers Out	185,000	210,617
Park/Recreation Fund		
Recreation and Culture		
Child care	25,850	26,310
Library Fund		
General Government		
Library	-	1,122,871

State Construction Code Act

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. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The Township accounts for the activity of its building inspection department within its general fund. Following is a summary of the cumulative deficit and activity for the year ended March 31, 2013:

Surplus (deficit) - April 1, 2012	\$ (492,259)
Charges for services	\$ 176,833
Building inspection expenditures	<u>(151,747)</u> <u>25,086</u>
Surplus (deficit) - March 31, 2013	<u>\$ (467,173)</u>

3. DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office 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; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature 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 which are legal for direct investment by local units of government in Michigan.

The governing body has designated several banks for the deposit of Township funds. The investment policy adopted by the Township in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	<u>\$ 9,676,940</u>	<u>\$ 922,234</u>	<u>\$ 7,499</u>	<u>\$ 10,606,673</u>

The breakdown between deposits and investments is as follows:

Bank deposits (checking, savings accounts and certificates of deposits)	<u>\$ 10,606,673</u>
---	----------------------

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. At year end the bank balance of the Township's deposits was \$10,752,885 of which \$1,750,000 was covered by federal depository insurance and \$9,002,885 was exposed to custodial credit risk because it was 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 bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

Interest rate risk. Except as limited by state law as listed in the above list of authorized investments the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Township has no investment policy that limits its investment choices beyond those required by state law.

Custodial Credit Risk-Investments. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The Township has not adopted a policy for investment custodial credit risk.

Concentration of Credit Risk. State law does not limit and the Township has not adopted a formal policy on the amount the Township may invest in any one issuer.

4. CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 2,669,675	\$ -	\$ -	\$ 2,669,675
Capital Assets Being Depreciated				
Buildings	2,752,325	-	-	2,752,325
Improvements other than buildings	3,259,990	-	-	3,259,990
Machinery and equipment	2,660,260	58,512	(40,429)	2,678,343
Infrastructure	<u>3,785,091</u>	<u>496,894</u>	<u>-</u>	<u>4,281,985</u>
Subtotal	<u>12,457,666</u>	<u>555,406</u>	<u>(40,429)</u>	<u>12,972,643</u>
Less Accumulated Depreciation for				
Buildings	(895,657)	(64,796)	-	(960,453)
Improvements other than buildings	(2,014,986)	(144,614)	-	(2,159,600)
Machinery and equipment	(1,290,330)	(153,453)	40,429	(1,403,354)
Infrastructure	<u>(994,346)</u>	<u>(200,980)</u>	<u>-</u>	<u>(1,195,326)</u>
Subtotal	<u>(5,195,319)</u>	<u>(563,843)</u>	<u>40,429</u>	<u>(5,718,733)</u>
Net Capital Assets Being Depreciated	<u>7,262,347</u>	<u>(8,437)</u>	<u>-</u>	<u>7,253,910</u>
Governmental Activities Total				
Capital Assets-Net of Depreciation	<u>\$ 9,932,022</u>	<u>\$ (8,437)</u>	<u>\$ -</u>	<u>\$ 9,923,585</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 31,387
Public safety	144,066
Public works	212,607
Recreation and culture	<u>175,783</u>
	<u>\$ 563,843</u>

Business-Type Activities	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ 10,667	\$ -	\$ 10,667
Capital Assets Being Depreciated				
Water system	10,470,724	-	-	10,470,724
Less accumulated depreciation	(4,921,944)	(261,768)	-	(5,183,712)
Subtotal	(4,921,944)	(261,768)	-	(5,183,712)
Net Capital Assets Being Depreciated	5,548,780	(261,768)	-	5,287,012
Business-Type Activities Total				
Capital Assets-Net of Depreciation	\$ 5,548,780	\$ (251,101)	\$ -	\$ 5,297,679

Depreciation expense was charged to business-type activities as follows:

Water \$ 261,768

Construction Commitments-The Township had no significant construction commitments as of March 31, 2013.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At March 31, 2013, interfund balances were as follows:

	Payable Fund		
	General Fund	Water Fund	Total
Receivable Fund			
Park/Recreation Fund	\$ 84	\$ -	\$ 84
Bike Path Fund	50	-	50
Township Improvement Fund	-	64,954	64,954
	<u>\$ 134</u>	<u>\$ 64,954</u>	<u>\$ 65,088</u>

Interfund balances represent short-term borrowing to cover cash flow needs as well as balances payable and receivable for goods received from and provided to other funds.

Interfund transfers reported in the funds statements were as follows:

	Transfers Out						
	General Fund	Police Fund	Park/ Recreation Fund	Bike Path Fund	Sewer Distribution Fund	Water Fund	Total
Transfers In							
General Fund	\$ -	\$ 18,000 (1)	66,000 (1)	\$ 53,000 (1)	\$ 40,000 (1)	\$ 71,000 (1)	\$ 248,000
Street Lighting Fund	24,667 (2)	-	-	-	-	-	24,667
Township Improvement Fund	185,950 (3)	-	-	-	-	-	185,950
	<u>\$ 210,617</u>	<u>\$ 18,000</u>	<u>\$ 66,000</u>	<u>\$ 53,000</u>	<u>\$ 40,000</u>	<u>\$ 71,000</u>	<u>\$ 458,617</u>

The following describes the nature of the significant transfers:

- (1) Transfer to General Fund for administrative charges to other funds
- (2) Transfer of fund balance restricted for street lighting purposes
- (3) Transfer to Township Improvement Fund for cemetery care purposes

6. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance to cover all risks of losses. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

7. PENSION PLAN

The Township sponsors a defined contribution pension plan established by the Township to provide benefits at retirement to eligible employees of the Township meeting age and length of service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Township is required to contribute 13.4% of covered compensation. Contributions to the plan by the Township were \$88,747 for the year ended March 31, 2013. Plan provisions and contribution requirements are established and may be amended by the Township Board.

8. DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All assets of the plan are held in trust for the employees thereby insulating the assets from the Township's general creditors. As a result, the plan assets are not included in these financial statements.

9. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Township administers a single-employer defined benefit healthcare plan (Retiree Health Benefits Plan). The plan provides healthcare insurance premiums for certain eligible retirees and their spouses. Benefits are provided to all full-time elected or non-elected employees who have reached age 65 and have worked at least 10 years for the Township upon their retirement from the Township (this was changed in June 2010 from age 62 and 10 years of service or a combined age and years of service totaling 80 and a minimum age of 55 upon retirement). The plan was established by the Township and can be amended at its discretion. The Retiree Health Benefits Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

Funding Policy

The Township has the authority to establish and amend the obligations of the Township and plan members to contribute to the plan. Actively employed plan members have no obligation to contribute to the plan. The Township has no obligation to make contributions in advance of when insurance premiums are due for payment (financed on a pay-as-you-go basis). For the year ended March 31, 2013 the Township contributed \$552 to the plan for current premiums (which is net of \$441 reimbursed to the township by retirees).

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding, which if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed fifteen years. The first actuarial report of the Retiree Health Benefits Plan was performed effective April 1, 2009 with the requirements of GASB Statement No. 45 being implemented prospectively.

The following table shows the component of the Township's annual OPEB cost for the year ended March 31, 2013, the amount actually contributed to the plan, and the changes in the Township's net OPEB obligation:

Annual required contribution	\$ 6,796
Interest on net OPEB obligation	1,489
Adjustment to annual required contribution	<u>(3,814)</u>
Annual OPEB cost	4,471
Contributions made	<u>(552)</u>
Increase in net OPEB obligation	3,919
Net OPEB obligation - beginning of year	<u>37,227</u>
Net OPEB obligation - end of year	<u><u>\$ 41,146</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended March 31, 2011, 2012, and 2013, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
3/31/2011	\$ 27,166	\$ 4,464	16%	\$ 62,098
3/31/2012	(22,086)	2,785	-13%	37,227
3/31/2013	4,471	552	12%	41,146

Funded Status and Funding Progress

As of March 31, 2012, the most recent actuarial valuation date, the plan was completely unfunded because of the Township's financing on a pay-as-you-go basis. The actuarial accrued liability for benefits was \$37,227 and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$37,227. The covered payroll (annual payroll of the active employees covered by the plan) was \$1,025,633, and the ratio of UAAL to covered payroll was 3.6%.

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 review as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actual accrued liabilities for benefits.

Actuarial Methods and Assumptions

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 the 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.

The annual required contribution was determined as part of an actuarial valuation as of March 31, 2012. In the actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 13 years were utilized. The actuarial assumptions included a 0% return on plan assets as the plan is not funded, a discount rate of 4% and 9% inflation graded to 5% over 4 years.

10. COMMITMENTS

Ottawa County has issued general obligation bonds to provide for the acquisition, construction and financing of improvements to the Wyoming Water Supply System and the City of Holland Waste Water Treatment Plant. Each participating municipality has entered into contracts with Ottawa County pledging its full faith and credit for its respective share of the bond obligation.

At March 31, 2013, the portion of these Ottawa County bonds outstanding for which the Township has pledged its full faith and credit amounted to approximately \$2,865,000.

Required
Supplementary Information

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 826,100	\$ 833,900	\$ 836,391	\$ 2,491
Licenses and permits	155,600	184,000	207,974	23,974
State shared revenues	1,240,000	1,240,000	1,293,007	53,007
Charges for services	65,000	69,250	75,776	6,526
Interest	20,000	23,800	28,499	4,699
Special assessments	149,900	700	667	(33)
Other	18,500	27,765	33,176	5,411
Total Revenues	<u>2,475,100</u>	<u>2,379,415</u>	<u>2,475,490</u>	<u>96,075</u>
Expenditures:				
Current:				
General Government:				
Township board	22,900	53,400	51,713	1,687
Supervisor	14,779	14,779	14,187	592
Manager	136,011	136,361	133,796	2,565
Finance	90,480	86,920	84,978	1,942
Audit	16,000	16,000	15,733	267
Elections	67,100	58,300	53,245	5,055
Assessor	212,298	213,398	211,144	2,254
Attorney	75,000	75,000	81,471	(6,471)
Clerk	99,454	100,754	97,969	2,785
Information technology	52,500	80,500	69,433	11,067
Board of review	2,650	2,650	1,977	673
Treasurer	68,230	68,430	67,290	1,140
Township office	257,250	241,450	227,292	14,158
Township property	101,500	70,250	49,204	21,046
Cemetery	37,400	39,100	33,492	5,608
Total General Government	<u>1,253,552</u>	<u>1,257,292</u>	<u>1,192,924</u>	<u>64,368</u>
Public Safety:				
Fire protection	570,700	496,150	489,896	6,254
Inspections	153,820	173,120	151,747	21,373
Total Public Safety	<u>724,520</u>	<u>669,270</u>	<u>641,643</u>	<u>27,627</u>
Public Works:				
Drains	105,400	113,400	144,025	(30,625)
Highways, streets, and bridges	175,000	260,000	183,799	76,201
Engineering	20,000	15,000	13,206	1,794
Street lighting	150,000	-	-	-
Total Public Works	<u>450,400</u>	<u>388,400</u>	<u>341,030</u>	<u>47,370</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE - GENERAL FUND
Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Community and Economic Development:				
Community services	69,000	32,000	30,533	1,467
Planning and zoning	<u>76,500</u>	<u>70,500</u>	<u>59,327</u>	<u>11,173</u>
Total Community and Economic Development	<u>145,500</u>	<u>102,500</u>	<u>89,860</u>	<u>12,640</u>
Insurance, Bonds & Fringes:				
Insurances	57,500	50,000	40,840	9,160
Retiree costs/Fringe benefits	1,000	1,000	993	7
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Insurance, Bonds, and Fringes	<u>61,000</u>	<u>53,500</u>	<u>41,833</u>	<u>11,667</u>
Total Expenditures	<u>2,634,972</u>	<u>2,470,962</u>	<u>2,307,290</u>	<u>163,672</u>
Excess of Revenues Over (Under) Expenditures	<u>(159,872)</u>	<u>(91,547)</u>	<u>168,200</u>	<u>259,747</u>
Other Financing Sources (Uses):				
Transfers in	248,000	248,000	248,000	-
Transfers out	<u>(130,000)</u>	<u>(185,000)</u>	<u>(210,617)</u>	<u>(25,617)</u>
Total Other Financing Sources (Uses)	<u>118,000</u>	<u>63,000</u>	<u>37,383</u>	<u>(25,617)</u>
Net Change in Fund Balances	(41,872)	(28,547)	205,583	234,130
Fund Balances - April 1	<u>4,735,060</u>	<u>4,735,060</u>	<u>4,735,060</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 4,693,188</u>	<u>\$ 4,706,513</u>	<u>\$ 4,940,643</u>	<u>\$ 234,130</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - POLICE FUND
Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 585,090	\$ 585,090	\$ 591,405	\$ 6,315
Fines and forfeitures	25,000	25,000	19,789	(5,211)
Interest	7,500	2,500	2,999	499
Other	-	2,300	2,360	60
Total Revenues	<u>617,590</u>	<u>614,890</u>	<u>616,553</u>	<u>1,663</u>
Expenditures:				
Current:				
Public Safety:				
Police services	<u>601,090</u>	<u>591,290</u>	<u>571,136</u>	<u>20,154</u>
Excess Of Revenues Over (Under) Expenditures	16,500	23,600	45,417	21,817
Other Financing Sources (Uses):				
Transfers out	<u>(16,500)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>
Net Change in Fund Balances	-	5,600	27,417	21,817
Fund Balances - April 1	<u>984,113</u>	<u>984,113</u>	<u>984,113</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 984,113</u>	<u>\$ 989,713</u>	<u>\$ 1,011,530</u>	<u>\$ 21,817</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - PARK/RECREATION FUND
Year Ended March 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 442,000	\$ 453,000	\$ 441,008	\$ (11,992)
Charges for services	134,000	134,000	123,438	(10,562)
Interest	-	-	422	422
Other	2,000	2,000	29,059	27,059
Total Revenues	<u>578,000</u>	<u>589,000</u>	<u>593,927</u>	<u>4,927</u>
Expenditures:				
Current:				
Recreation and Culture:				
Child care	25,350	25,850	26,310	(460)
Recreation department	185,250	189,250	174,603	14,647
Parks department	291,900	268,250	240,092	28,158
Miscellaneous	9,500	17,500	16,333	1,167
Total Expenditures	<u>512,000</u>	<u>500,850</u>	<u>457,338</u>	<u>43,512</u>
Excess of Revenues Over (Under) Expenditures	66,000	88,150	136,589	48,439
Other Financing Sources (Uses):				
Transfers out	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Net Change in Fund Balances	-	22,150	70,589	48,439
Fund Balances - April 1	<u>279,871</u>	<u>279,871</u>	<u>279,871</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 279,871</u>	<u>\$ 302,021</u>	<u>\$ 350,460</u>	<u>\$ 48,439</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BIKE PATH FUND
Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 351,000	\$ 351,000	\$ 353,087	\$ 2,087
State shared revenues	-	-	13,764	13,764
Interest	10,000	10,000	4,309	(5,691)
Other	12,000	12,000	-	(12,000)
Total Revenues	<u>373,000</u>	<u>373,000</u>	<u>371,160</u>	<u>(1,840)</u>
Expenditures:				
Current:				
Public Works:				
Bike paths	<u>583,300</u>	<u>583,300</u>	<u>455,423</u>	<u>127,877</u>
Excess of Revenues Over (Under) Expenditures	(210,300)	(210,300)	(84,263)	126,037
Other Financing Sources (Uses):				
Transfers out	<u>(53,000)</u>	<u>(53,000)</u>	<u>(53,000)</u>	<u>-</u>
Net Change in Fund Balances	(263,300)	(263,300)	(137,263)	126,037
Fund Balances - April 1	<u>1,398,269</u>	<u>1,398,269</u>	<u>1,398,269</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 1,134,969</u>	<u>\$ 1,134,969</u>	<u>\$ 1,261,006</u>	<u>\$ 126,037</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ -	\$ -	\$ 1,122,871	\$ 1,122,871
Expenditures:				
Current:				
General Government:				
Library	-	-	1,122,871	(1,122,871)
Net Change in Fund Balances	-	-	-	-
Fund Balances - April 1	-	-	-	-
Fund Balances - March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION

Retiree Health Benefits Plan
Schedule of Funding Progress

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
3-31-10	3-31-10	\$ -	\$ 362,073	\$ 362,073	0.0%	\$ 992,019	36.5%
3-31-11	3-31-11	-	163,644	163,644	0.0%	1,052,125	15.6%
3-31-12	3-31-12	-	37,227	37,227	0.0%	1,025,633	3.6%

Other Supplementary Information

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Street Lighting Fund—accounts for the resources of special assessments and other revenues restricted for the provision of street lighting services.

West Michigan Airport Authority Fund—was established to account for a special tax levy to support operations of the West Michigan Airport Authority.

Park Township, Michigan
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
March 31, 2013

	Special Revenue Funds		
	Street Lighting Fund	West Michigan Airport Authority Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 27,182	\$ -	\$ 27,182
Due from other governments	3,883	1,702	5,585
Total Assets	\$ 31,065	\$ 1,702	\$ 32,767
LIABILITIES			
Accounts payable	\$ -	\$ 1,702	\$ 1,702
FUND BALANCES			
Restricted for:			
Street lighting	31,065	-	31,065
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,065	\$ 1,702	\$ 32,767

Park Township, Michigan
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended March 31, 2013

	Special Revenue Funds		
		West Michigan	
	Street Lighting Fund	Airport Authority Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 87,934	\$ 87,934
Interest	3	-	3
Special assessments	<u>140,907</u>	<u>-</u>	<u>140,907</u>
Total Revenues	140,910	87,934	228,844
Expenditures:			
Current:			
Public works	<u>134,512</u>	<u>87,934</u>	<u>222,446</u>
Excess of Revenues Over (Under) Expenditures	6,398	-	6,398
Other Financing Sources (Uses):			
Transfers in	<u>24,667</u>	<u>-</u>	<u>24,667</u>
Net Change in Fund Balances	31,065	-	31,065
Fund Balances - April 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - March 31	<u><u>\$ 31,065</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,065</u></u>