

PARK TOWNSHIP
OTTAWA COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED MARCH 31, 2015

KIEKOVER, SCHOLMA & SHUMAKER, PC
Certified Public Accountants
Zeeland, Michigan

Park Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended March 31, 2015

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**Park Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended March 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

July 22, 2015

Township Board
Park Township, Michigan

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, 2015, 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 from 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 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 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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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, budgetary comparison information, and schedule of funding progress as listed 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 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 and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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, 2015. 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 \$28,052,813 (*net position*). Of this amount, \$7,190,113 (*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 \$911,933. Net investment in capital assets increased by \$1,066,176, while restricted net position increased by \$763,449, and unrestricted net position decreased by \$917,692.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$10,073,986, a decrease of \$422,443 in comparison with the prior year. Approximately 19% of this total amount, \$1,890,315 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 \$1,890,315 or 40% of current year total General Fund expenditures and transfers out, which amounted to \$4,697,124.

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 ten (10) 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, Bike Path, Library, Sewer Distribution, and Township Improvement Funds. Each of these funds is considered to be a major fund. The Township has four (4) nonmajor governmental funds. These include three special revenue funds, the Street Lighting Fund, West Michigan Airport Authority Fund and the Park/Recreation Fund and one capital projects fund, the Local Streets Fund. Data from the other four 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 Fund and all special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with budgets for the Township's General Fund and major special revenue funds (Police, Bike Path, and Library Funds).

The basic governmental fund financial statements can be found on pages 3-6 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 and airport 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 and the Airport Fund, which is considered to be a non-major fund of the Township.

The basic proprietary fund financial statements can be found on pages 7-9 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 10 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 11-21 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, 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 22-27 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 28-29 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 \$28,052,813 at the close of the most recent fiscal year.

The largest portion of the Township's net position (56.7%) reflects its investment in capital assets (e.g., land, improvements, buildings, vehicles, equipment and infrastructure (which includes shared road improvements and flowage rights)); 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 (17.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$7,190,113) 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, 2015 and 2014.

Park Township's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 10,870,057	\$ 11,366,573	\$ 1,949,897	\$ 1,672,845	\$ 12,819,954	\$ 13,039,418
Capital assets	11,001,244	9,628,513	4,892,458	5,199,013	15,893,702	14,827,526
Total assets	<u>21,871,301</u>	<u>20,995,086</u>	<u>6,842,355</u>	<u>6,871,858</u>	<u>28,713,656</u>	<u>27,866,944</u>
Long-term debt outstanding	51,812	44,785	-	-	51,812	44,785
Other liabilities	487,604	558,194	121,427	123,085	609,031	681,279
Total liabilities	<u>539,416</u>	<u>602,979</u>	<u>121,427</u>	<u>123,085</u>	<u>660,843</u>	<u>726,064</u>
Net position:						
Net investment in capital assets	11,001,244	9,628,513	4,892,458	5,199,013	15,893,702	14,827,526
Restricted	4,968,998	4,205,549	-	-	4,968,998	4,205,549
Unrestricted	5,361,643	6,558,045	1,828,470	1,549,760	7,190,113	8,107,805
	<u>\$ 21,331,885</u>	<u>\$ 20,392,107</u>	<u>\$ 6,720,928</u>	<u>\$ 6,748,773</u>	<u>\$ 28,052,813</u>	<u>\$ 27,140,880</u>

Change in Net position – Park Township’s net position increased by \$911,933 during the current fiscal year. This increase is caused by a \$939,778 increase in net position of governmental activities and a \$27,845 decrease in net position of business-type activities.

Park Township's Changes in Net Position

	Governmental	Governmental	Business-Type	Business-Type	Total	
	Activities	Activities	Activities	Activities	2015	2014
	2015	2014	2015	2014		
Program revenues						
Charges for services	\$ 535,702	\$ 577,402	\$ 1,200,330	\$ 1,285,348	\$ 1,736,032	\$ 1,862,750
Capital grants and contributions	110,600	127,650	70,600	268,191	181,200	395,841
General revenues						
Property taxes	4,043,260	3,496,286	-	-	4,043,260	3,496,286
State shared revenues	1,423,812	1,335,553	-	-	1,423,812	1,335,553
Interest	53,099	53,909	17,763	17,784	70,862	71,693
Gain (loss) on sale of capital assets	(6,814)	-	(42,020)	-	(48,834)	-
Other	48,280	40,121	-	-	48,280	40,121
Total revenues	<u>6,207,939</u>	<u>5,630,921</u>	<u>1,246,673</u>	<u>1,571,323</u>	<u>7,454,612</u>	<u>7,202,244</u>
Program expenses						
General government	2,382,570	2,245,566	-	-	2,382,570	2,245,566
Public safety	1,414,165	1,437,946	-	-	1,414,165	1,437,946
Public works	688,769	760,854	-	-	688,769	760,854
Community and economic development	316,759	173,243	-	-	316,759	173,243
Recreation and culture	515,898	607,892	-	-	515,898	607,892
Water supply	-	-	1,224,518	1,257,481	1,224,518	1,257,481
Total expenses	<u>5,318,161</u>	<u>5,225,501</u>	<u>1,224,518</u>	<u>1,257,481</u>	<u>6,542,679</u>	<u>6,482,982</u>
Change before transfers	889,778	405,420	22,155	313,842	911,933	719,262
Transfers in (out)	<u>50,000</u>	<u>45,000</u>	<u>(50,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 939,778</u>	<u>\$ 450,420</u>	<u>\$ (27,845)</u>	<u>\$ 268,842</u>	<u>\$ 911,933</u>	<u>\$ 719,262</u>

Governmental activities. Governmental activities increased the Township’s net position by \$939,778, accounting for 103.1% of the total growth in the net position of the Township. Total revenues increased by \$577,018 compared to the prior year (primarily due to property taxes (due to new local streets millage) and state shared revenues) and total expenses increased by \$92,660 compared to the prior year.

Business-type activities. Business-type activities decreased Park Township’s net position by \$27,845. Operating revenues decreased by \$324,650 (primarily due to charges for services and capital grants and contributions). Operating expenses decreased by \$32,963 from the prior year primarily due to a decrease 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 \$10,073,986, a decrease of \$422,443 from the prior year. Approximately 19% of this fund balance amount (\$1,890,315) 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 (\$42,639), police services (\$1,020,436), parks/recreation (\$562,554), bike paths (\$1,469,270), sewers (\$1,110,129), local streets (\$463,688) and Centennial celebration (\$19,236). A portion of fund balance is *committed* for the Macatawa Water Trail (\$5,000). Additionally, a portion of fund balance has been assigned (\$366,231 for fire equipment, \$245,879 for cemetery care, and \$2,810,542 for general township improvements.).

Summary results for the Township's six major governmental funds and nonmajor funds in the aggregate for the year ended March 31, 2015 are as follows:

	General Fund	Police Fund	Bike Path Fund	Library Fund	Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Total revenues	\$ 2,618,842	\$ 637,599	\$ 387,202	\$ 1,156,889	\$ 128,592	\$ 67,929	\$ 1,263,657	\$ 6,260,710
Total expenditures	(2,590,524)	(598,300)	(318,853)	(1,156,959)	(6,423)	(1,486,145)	(575,949)	(6,733,153)
Transfers in	314,000	-	-	-	-	2,106,600	-	2,420,600
Transfers out	(2,106,600)	(25,000)	(59,000)	-	(25,000)	(75,000)	(80,000)	(2,370,600)
Net change in fund balance	\$ (1,764,282)	\$ 14,299	\$ 9,349	\$ (70)	\$ 97,169	\$ 613,384	\$ 607,708	\$ (422,443)
Fund balance 3-31-15								
Nonspendable	\$ 62,942	\$ -	\$ 1,511	\$ -	\$ -	\$ -	\$ 3,614	\$ 68,067
Restricted	19,236	1,020,436	1,469,270	-	1,110,129	-	1,068,881	4,687,952
Committed	5,000	-	-	-	-	-	-	5,000
Assigned	-	-	-	-	-	3,422,652	-	3,422,652
Unassigned	1,890,315	-	-	-	-	-	-	1,890,315
	<u>\$ 1,977,493</u>	<u>\$ 1,020,436</u>	<u>\$ 1,470,781</u>	<u>\$ -</u>	<u>\$ 1,110,129</u>	<u>\$ 3,422,652</u>	<u>\$ 1,072,495</u>	<u>\$ 10,073,986</u>
Fund balance as a % of expenditures and transfers out								
	<u>42.1%</u>	<u>163.7%</u>	<u>389.2%</u>	<u>0.0%</u>	<u>3532.9%</u>	<u>219.2%</u>	<u>163.5%</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 (\$1,890,315) represents 40.2% of total General Fund expenditures and transfers out (\$4,697,124). General Fund revenues increased \$102,533 (4%) from the prior year, primarily due to increases in property taxes and state shared revenues. General Fund expenditures increased \$323,597 (14.3%) from the prior year, significantly due to increases in capital expenditures and legal fees.

Total Police Fund revenues increased by \$12,507 or 2.0% compared to the prior year, primarily due to an increase in property taxes. Police Fund expenditures decreased by \$13,185 or 2.2% compared to the prior year, primarily due to a decrease in police protection costs paid to Ottawa County.

Total Bike Path Fund revenues increased by \$8,847 or 2.3% compared to the prior year, primarily due to an increase in property taxes. Bike Path Fund expenditures increased by \$196,924 or 161.5% compared to the prior year, due to increased bike path construction and maintenance costs.

Total Library Fund revenues increased by \$22,050 or 1.9% compared to the prior year, primarily due to an increase in property taxes. Library Fund expenditures increased by \$22,190 or 2.0% compared to the prior year, also due to an increase in property taxes that are all paid to Herrick District Library.

Sewer Distribution Fund revenues increased by \$612 or 0.5% compared to the prior year, primarily due to an increase in interest income on special assessments. Sewer Distribution Fund expenditures decreased by \$59,736 or 90.3% compared to the prior year, due to a decrease in sewer constructions and maintenance costs.

Township Improvement Fund revenues increased by \$61,173 or 905.5% compared to the prior year, primarily due to proceeds from the sale of a piece of land. Township Improvement Fund expenditures were \$1,486,145 compared to \$66,195 in the prior year. This increase was due to increased capital expenditures (primarily the Township's payment for its share of the Park-West Drain project).

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 and the Airport Fund.

Unrestricted net position of the Water Fund was \$1,824,969 at March 31, 2015. Operating revenues for the Water Fund decreased in fiscal year 2014-15 by \$88,518 from \$1,285,348 to \$1,196,830. Operating expenses, including depreciation, decreased in fiscal year 2014-15 by \$32,963 from \$1,257,481 to \$1,224,518.

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 increase in budgeted expenditures of \$86,279, an increase in transfers in of \$75,000, and an increase in transfers out of \$2,000,000. Township operational departments stayed below budget overall, resulting in total expenditures \$202,040 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, 2015, amounted to \$15,893,702 (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 increase in the Township's investment in capital assets for the current fiscal year was \$1,372,731 (14.3%) for governmental activities. The Township's investment in capital assets for the current fiscal year decreased by \$306,555 (5.9%) for business-type activities.

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

- \$210,635 expended for road resurfacing
- \$185,713 expended for bike path improvements
- \$98,789 expended for board room renovations
- \$55,974 expended for cold storage building
- \$50,734 expended for drain improvements
- \$1,424,000 expended for Park West Drain
- \$57,000 of proceeds from the sale of a parcel of land

Additional information on the Township's capital assets can be found in Note 4 on pages 18-19 of this report.

Park Township's Capital Assets (net of depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 2,650,573	\$ 2,669,675	\$ -	\$ -	\$ 2,650,573	\$ 2,669,675
Construction in progress	1,431,921	50,105	-	-	1,431,921	50,105
Buildings	1,824,441	1,757,723	-	-	1,824,441	1,757,723
Improvements other than bulidings	819,184	961,818	-	-	819,184	961,818
Machinery and equipment	1,070,510	1,192,393	-	-	1,070,510	1,192,393
Infrastructure	3,204,615	2,996,799	-	-	3,204,615	2,996,799
Water system	-	-	4,892,458	5,199,013	4,892,458	5,199,013
Total	\$ 11,001,244	\$ 9,628,513	\$ 4,892,458	\$ 5,199,013	\$ 15,893,702	\$ 14,827,526

Long-term debt. At the end of the current fiscal year, the Township had no long-term debt obligations. The Township's only noncurrent liability is its net other post-employment benefit obligation, which amounted to \$51,812 at March 31, 2015.

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 2015-16 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 2015-16 are anticipated to be slightly higher than 2014-15. The budget also reflects anticipated increases in state shared revenues, zoning fees, 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 an increase in total expenditures as compared to 2014-2015 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, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	\$ 10,024,868	\$ 1,592,966	\$ 11,617,834
Receivables:			
Accounts	12,334	157,370	169,704
Interest	4,641	-	4,641
Special assessments	290,946	242,197	533,143
Due from other funds	45,421	(45,421)	-
Due from other governments	423,780	2,186	425,966
Prepaid items	68,067	599	68,666
Capital assets not being depreciated	4,082,494	-	4,082,494
Capital assets (net of accumulated depreciation)	6,918,750	4,892,458	11,811,208
Total Assets	21,871,301	6,842,355	28,713,656
 LIABILITIES			
Accounts payable	263,365	7,197	270,562
Accrued expenses	37,702	843	38,545
Deposits	15,836	-	15,836
Compensated absences payable	90,735	-	90,735
Due to other governments	63,817	113,387	177,204
Unearned revenue	16,149	-	16,149
Noncurrent liabilities:			
Net other post employment benefit obligation	51,812	-	51,812
Total Liabilities	539,416	121,427	660,843
 NET POSITION			
Net investment in capital assets	11,001,244	4,892,458	15,893,702
Restricted for:			
Street lighting	42,639	-	42,639
Police services	1,020,436	-	1,020,436
Parks/recreation	562,554	-	562,554
Bike paths	1,469,270	-	1,469,270
Sewers	1,391,175	-	1,391,175
Local streets	463,688	-	463,688
Centennial celebration	19,236	-	19,236
Unrestricted	5,361,643	1,828,470	7,190,113
Total Net Position	\$ 21,331,885	\$ 6,720,928	\$ 28,052,813

Park Township, Michigan
STATEMENT OF ACTIVITIES
Year Ended March 31, 2015

Function/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business Type Activities
Primary Government:							
Governmental Activities:							
General government	\$ 2,382,570	\$ 78,509	\$ -	\$ -	\$ (2,304,061)	\$ -	\$ (2,304,061)
Public safety	1,414,165	196,474	-	-	(1,217,691)	-	(1,217,691)
Public works	688,769	141,848	-	110,600	(436,321)	-	(436,321)
Community and economic development	316,759	18,566	-	-	(298,193)	-	(298,193)
Recreation and culture	515,898	100,305	-	-	(415,593)	-	(415,593)
Total Governmental Activities	5,318,161	535,702	-	110,600	(4,671,859)	-	(4,671,859)
Business-type Activities:							
Airport	-	3,500	-	-	-	3,500	3,500
Water	1,224,518	1,196,830	-	70,600	-	42,912	42,912
Total Business-type Activities	1,224,518	1,200,330	-	70,600	-	46,412	46,412
Total Primary Government	\$ 6,542,679	\$ 1,736,032	\$ -	\$ 181,200	(4,671,859)	46,412	(4,625,447)
General revenues:							
Property taxes					4,043,260	-	4,043,260
State shared revenues					1,423,812	-	1,423,812
Interest					53,099	17,763	70,862
Gain (loss) on sale of capital assets					(6,814)	(42,020)	(48,834)
Other					48,280	-	48,280
Transfers					50,000	(50,000)	-
Total General Revenues and Transfers					5,611,637	(74,257)	5,537,380
Change in Net Position					939,778	(27,845)	911,933
Net Position - Beginning					20,392,107	6,748,773	27,140,880
Net Position - Ending					\$ 21,331,885	\$ 6,720,928	\$ 28,052,813

Park Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2015

	Special Revenue Funds			
	General Fund	Police Fund	Bike Path Fund	Library Fund
ASSETS				
Cash and investments	\$ 1,750,923	\$ 1,060,443	\$ 1,649,827	\$ 728
Receivables:				
Accounts	11,931	403	-	-
Interest	677	1,048	378	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	231,527	13,540	8,083	25,231
Prepaid items	62,942	-	1,511	-
	<u>\$ 2,058,000</u>	<u>\$ 1,075,434</u>	<u>\$ 1,659,799</u>	<u>\$ 25,959</u>
LIABILITIES				
Accounts payable	\$ 34,803	\$ -	\$ 187,596	\$ 25,959
Accrued expenses	32,397	-	1,422	-
Deposits	8,426	-	-	-
Due to other governments	4,721	54,998	-	-
Unearned revenue	160	-	-	-
	<u>80,507</u>	<u>54,998</u>	<u>189,018</u>	<u>25,959</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	-	-	-
FUND BALANCES				
Nonspendable:				
Prepaid items	62,942	-	1,511	-
Restricted for:				
Street lighting	-	-	-	-
Police services	-	1,020,436	-	-
Parks/recreation	-	-	-	-
Bike paths	-	-	1,469,270	-
Sewers	-	-	-	-
Local streets	-	-	-	-
Centennial celebration	19,236	-	-	-
Committed for:				
Macatawa Water Trail	5,000	-	-	-
Assigned for:				
Fire equipment	-	-	-	-
Cemetery care	-	-	-	-
Township improvement	-	-	-	-
Unassigned	1,890,315	-	-	-
	<u>1,977,493</u>	<u>1,020,436</u>	<u>1,470,781</u>	<u>-</u>
Total Fund Balances	<u>1,977,493</u>	<u>1,020,436</u>	<u>1,470,781</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,058,000</u>	<u>\$ 1,075,434</u>	<u>\$ 1,659,799</u>	<u>\$ 25,959</u>

See Notes to Financial Statements

Capital Project Funds		Other	Total
Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Governmental Funds
\$ 1,099,432	\$ 3,374,930	\$ 1,088,585	\$ 10,024,868
-	-	-	12,334
237	2,301	-	4,641
290,946	-	-	290,946
-	45,421	-	45,421
935	-	26,308	305,624
-	-	3,614	68,067
<u>\$ 1,391,550</u>	<u>\$ 3,422,652</u>	<u>\$ 1,118,507</u>	<u>\$ 10,751,901</u>
\$ -	\$ -	\$ 15,007	\$ 263,365
-	-	3,883	37,702
-	-	7,410	15,836
375	-	3,723	63,817
-	-	15,989	16,149
<u>375</u>	<u>-</u>	<u>46,012</u>	<u>396,869</u>
<u>281,046</u>	<u>-</u>	<u>-</u>	<u>281,046</u>
-	-	3,614	68,067
-	-	42,639	42,639
-	-	-	1,020,436
-	-	562,554	562,554
-	-	-	1,469,270
1,110,129	-	-	1,110,129
-	-	463,688	463,688
-	-	-	19,236
-	-	-	5,000
-	366,231	-	366,231
-	245,879	-	245,879
-	2,810,542	-	2,810,542
-	-	-	1,890,315
<u>1,110,129</u>	<u>3,422,652</u>	<u>1,072,495</u>	<u>10,073,986</u>
<u>\$ 1,391,550</u>	<u>\$ 3,422,652</u>	<u>\$ 1,118,507</u>	<u>\$ 10,751,901</u>

Park Township, Michigan
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF NET POSITION
March 31, 2015

Total Governmental Fund Balances	\$	10,073,986
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:		11,001,244
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures		118,156
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures		281,046
Compensated absences are included as a liability in governmental activities		(90,735)
Net other post employment benefit obligations are included as a liability in governmental activities		<u>(51,812)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>21,331,885</u>

Park Township, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended March 31, 2015

	Special Revenue Funds			
	General Fund	Police Fund	Bike Path Fund	Library Fund
Revenues:				
Taxes	\$ 875,635	\$ 620,738	\$ 370,587	\$ 1,156,889
Licenses and permits	218,685	-	-	-
State shared revenues	1,403,527	-	12,714	-
Charges for services	60,362	-	-	-
Fines and forfeitures	-	14,502	-	-
Interest	16,199	2,359	3,901	-
Special assessments	-	-	-	-
Other	44,434	-	-	-
Total Revenues	<u>2,618,842</u>	<u>637,599</u>	<u>387,202</u>	<u>1,156,889</u>
Expenditures:				
Current:				
General government	1,235,684	-	-	1,156,959
Public safety	652,580	598,300	-	-
Public works	336,500	-	318,853	-
Community and economic development	310,641	-	-	-
Recreation and culture	-	-	-	-
Insurance, bonds, and fringes	55,119	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>2,590,524</u>	<u>598,300</u>	<u>318,853</u>	<u>1,156,959</u>
Excess of Revenues Over (Under) Expenditures	<u>28,318</u>	<u>39,299</u>	<u>68,349</u>	<u>(70)</u>
Other Financing Sources (Uses):				
Transfers in	314,000	-	-	-
Transfers out	<u>(2,106,600)</u>	<u>(25,000)</u>	<u>(59,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,792,600)</u>	<u>(25,000)</u>	<u>(59,000)</u>	<u>-</u>
Net Change in Fund Balances	(1,764,282)	14,299	9,349	(70)
Fund Balances - April 1	<u>3,741,775</u>	<u>1,006,137</u>	<u>1,461,432</u>	<u>70</u>
Fund Balances - March 31	<u>\$ 1,977,493</u>	<u>\$ 1,020,436</u>	<u>\$ 1,470,781</u>	<u>\$ -</u>

See Notes to Financial Statements

Capital Project Funds		Other	Total
Sewer Distribution Fund	Township Improvement Fund	Nonmajor Governmental Funds	Governmental Funds
\$ -	\$ -	\$ 1,019,411	\$ 4,043,260
-	-	-	218,685
-	-	-	1,416,241
-	-	100,305	160,667
-	-	-	14,502
19,812	9,991	837	53,099
106,190	-	141,848	248,038
<u>2,590</u>	<u>57,938</u>	<u>1,256</u>	<u>106,218</u>
<u>128,592</u>	<u>67,929</u>	<u>1,263,657</u>	<u>6,260,710</u>
-	-	-	2,392,643
-	-	-	1,250,880
6,423	-	229,318	891,094
-	-	-	310,641
-	-	346,631	346,631
-	-	-	55,119
-	<u>1,486,145</u>	-	<u>1,486,145</u>
<u>6,423</u>	<u>1,486,145</u>	<u>575,949</u>	<u>6,733,153</u>
<u>122,169</u>	<u>(1,418,216)</u>	<u>687,708</u>	<u>(472,443)</u>
-	2,106,600	-	2,420,600
<u>(25,000)</u>	<u>(75,000)</u>	<u>(80,000)</u>	<u>(2,370,600)</u>
<u>(25,000)</u>	<u>2,031,600</u>	<u>(80,000)</u>	<u>50,000</u>
97,169	613,384	607,708	(422,443)
<u>1,012,960</u>	<u>2,809,268</u>	<u>464,787</u>	<u>10,496,429</u>
<u>\$ 1,110,129</u>	<u>\$ 3,422,652</u>	<u>\$ 1,072,495</u>	<u>\$ 10,073,986</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, 2015

Net change in fund balances-Total Governmental Funds	\$ (422,443)
 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	2,037,567
Current year depreciation expense on capitalized assets	(600,084)
 Governmental funds report the proceeds from the disposal of capital assets. In the statement of activities only the gain or loss is reported for each disposal. Therefore the change in net position differs from the change in fund balance by the net book value of assets disposed	
	(64,752)
 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	7,571
Special assessment revenues	4,410
 Change in compensated absences is recorded when earned in the statement of activities	 (15,464)
 Change in net post employment benefit obligation	 <u>(7,027)</u>
 Change in net position of governmental activities	 <u><u>\$ 939,778</u></u>

Park Township, Michigan
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2015

	Enterprise		Total
	Water Fund	Nonmajor Airport Fund	
ASSETS			
Current Assets:			
Cash	\$ 1,589,465	\$ 3,501	\$ 1,592,966
Accounts receivable	157,370	-	157,370
Special assessments receivable	242,197	-	242,197
Due from other governments	2,186	-	2,186
Prepaid items	599	-	599
Total Current Assets	<u>1,991,817</u>	<u>3,501</u>	<u>1,995,318</u>
Capital assets (net of accumulated depreciation)	4,892,458	-	4,892,458
Total Assets	<u>6,884,275</u>	<u>3,501</u>	<u>6,887,776</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	7,197	-	7,197
Accrued expenses	843	-	843
Due to other funds	45,421	-	45,421
Due to other governments	113,387	-	113,387
Total Liabilities	<u>166,848</u>	<u>-</u>	<u>166,848</u>
NET POSITION			
Net investment in capital assets	4,892,458	-	4,892,458
Unrestricted	1,824,969	3,501	1,828,470
Total Net Position	<u>\$ 6,717,427</u>	<u>\$ 3,501</u>	<u>\$ 6,720,928</u>

Park Township, Michigan
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended March 31, 2015

	Enterprise		Total
	Water Fund	Nonmajor Airport Fund	
Operating Revenues:			
Water billings	\$ 1,088,177	\$ -	\$ 1,088,177
Water connection charges	53,198	-	53,198
Hydrant rentals	50,000	-	50,000
Miscellaneous	5,455	3,500	8,955
Total Operating Revenues	<u>1,196,830</u>	<u>3,500</u>	<u>1,200,330</u>
Operating Expenses:			
Purchase of water	549,074	-	549,074
Salaries and wages	41,422	-	41,422
Utilities	5,541	-	5,541
Water connections, repairs and maintenance	146,669	-	146,669
Operating fees	184,011	-	184,011
Supplies	9,632	-	9,632
Professional services	14,988	-	14,988
Depreciation	264,535	-	264,535
Miscellaneous	8,646	-	8,646
Total Operating Expenses	<u>1,224,518</u>	<u>-</u>	<u>1,224,518</u>
Operating Income (Loss)	(27,688)	3,500	(24,188)
Nonoperating Revenues			
Interest income	17,762	1	17,763
Gain (loss) on sale of capital assets	(42,020)	-	(42,020)
Total Nonoperating Expenses	<u>(24,258)</u>	<u>1</u>	<u>(24,257)</u>
Income (Loss) Before Contributions and Transfers	(51,946)	3,501	(48,445)
Capital contributions	70,600	-	70,600
Transfers out	(50,000)	-	(50,000)
Change in Net Position	(31,346)	3,501	(27,845)
Net Position - April 1	<u>6,748,773</u>	<u>-</u>	<u>6,748,773</u>
Net Position - March 31	<u>\$ 6,717,427</u>	<u>\$ 3,501</u>	<u>\$ 6,720,928</u>

Park Township, Michigan
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended March 31, 2015

	Enterprise		Total
	Water Fund	Nonmajor Airport Fund	
Cash Flows From Operating Activities:			
Receipts from customers	\$ 1,198,439	\$ 3,500	\$ 1,201,939
Payments to suppliers	(920,835)	-	(920,835)
Payments to employees	(41,207)	-	(41,207)
Net Cash Provided By Operating Activities	236,397	3,500	239,897
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	(50,000)	-	(50,000)
Cash Flows From Capital and Related Financing Activities			
Capital contributions	90,738	-	90,738
Interfund borrowing for capital acquisition	(11,107)	-	(11,107)
Net Cash Provided (Used) By Capital and Related Financing Activities	79,631	-	79,631
Cash Flows From Investing Activities:			
Interest received on investments	17,762	1	17,763
Net Increase in Cash	283,790	3,501	287,291
Cash - April 1	1,305,675	-	1,305,675
Cash - March 31	\$ 1,589,465	\$ 3,501	\$ 1,592,966
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Operating income (loss)	\$ (27,688)	\$ 3,500	\$ (24,188)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	264,535	-	264,535
Change in assets and liabilities:			
Receivables	1,609	-	1,609
Prepaid items	(401)	-	(401)
Accounts payable	(1,873)	-	(1,873)
Accrued expenses	215	-	215
Net Cash Provided By Operating Activities	\$ 236,397	\$ 3,500	\$ 239,897

Park Township, Michigan
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY AGENCY FUND
March 31, 2015

	<u>Tax Collection Fund</u>
ASSETS	
Cash and investments	<u>\$ 7,928</u>
LIABILITIES	
Due to others	<u>\$ 7,928</u>

Park Township, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2015

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 primary government 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.

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 Improvement Fund - The Township Improvement 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:

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.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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.

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.

Cash 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 \$10,000 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.

Included in capital assets (included in improvements and infrastructure in the financial statements) are the Township's investment in roads and drains within the Township that are recorded as intangible assets (shared road improvements and flowage rights). Although paid for by the Township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

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

Assets	Years
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

Unearned Revenue

Governmental funds report unearned 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.

Net Position Flow Assumption/Fund Balance Flow Assumption

In order to calculate the amounts reported 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 township's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

In order to calculate the amounts reported 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 township's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance is applied in the following order: committed, assigned, and unassigned.

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.

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 2014 ad valorem tax is levied and collectible on December 1, 2014, and is recognized as revenue in the year ended March 31, 2015, when the proceeds of 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 no expenditures in budgeted funds which were in excess of the amounts appropriated.

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, 2015:

Surplus (deficit) - April 1, 2014		\$ (459,657)
Charges for services	\$ 182,025	
Building inspection expenditures	<u>(181,392)</u>	<u>633</u>
Surplus (deficit) - March 31, 2015		<u><u>\$ (459,024)</u></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</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Total</u>
Cash and investments	<u>\$ 10,024,868</u>	<u>\$ 1,592,966</u>	<u>\$ 7,928</u>	<u>\$ 11,625,762</u>

The breakdown between deposits and investments is as follows:

Bank deposits (checking, savings accounts and certificates of deposits)	<u><u>\$ 11,625,762</u></u>
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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 \$11,704,654 of which \$2,451,397 was covered by federal depository insurance and \$9,253,257 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	\$ -	\$ (19,102)	\$ 2,650,573
Construction in progress	<u>50,105</u>	<u>1,431,921</u>	<u>(50,105)</u>	<u>1,431,921</u>
Subtotal	<u>2,719,780</u>	<u>1,431,921</u>	<u>(69,207)</u>	<u>4,082,494</u>
Capital Assets Being Depreciated				
Buildings	2,783,002	154,763	(54,975)	2,882,790
Improvements other than buildings	3,259,990	-	(105,246)	3,154,744
Machinery and equipment	2,755,372	61,359	(369,362)	2,447,369
Infrastructure	<u>4,415,907</u>	<u>439,629</u>	<u>(9,593)</u>	<u>4,845,943</u>
Subtotal	<u>13,214,271</u>	<u>655,751</u>	<u>(539,176)</u>	<u>13,330,846</u>
Less Accumulated Depreciation for				
Buildings	(1,025,279)	(69,445)	36,375	(1,058,349)
Improvements other than buildings	(2,298,172)	(137,714)	100,326	(2,335,560)
Machinery and equipment	(1,562,979)	(161,219)	347,339	(1,376,859)
Infrastructure	<u>(1,419,108)</u>	<u>(231,706)</u>	<u>9,486</u>	<u>(1,641,328)</u>
Subtotal	<u>(6,305,538)</u>	<u>(600,084)</u>	<u>493,526</u>	<u>(6,412,096)</u>
Net Capital Assets Being Depreciated	<u>6,908,733</u>	<u>55,667</u>	<u>(45,650)</u>	<u>6,918,750</u>
Governmental Activities Total				
Capital Assets-Net of Depreciation	<u>\$ 9,628,513</u>	<u>\$ 1,487,588</u>	<u>\$ (114,857)</u>	<u>\$ 11,001,244</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 40,597
Public safety	148,607
Public works	241,544
Recreation and culture	<u>169,336</u>
	<u>\$ 600,084</u>

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital Assets Being Depreciated				
Water system	10,646,322	-	(64,913)	10,581,409
Less accumulated depreciation	<u>(5,447,309)</u>	<u>(264,535)</u>	<u>22,893</u>	<u>(5,688,951)</u>
Net Capital Assets Being Depreciated	<u>5,199,013</u>	<u>(264,535)</u>	<u>(42,020)</u>	<u>4,892,458</u>
Business-Type Activities Total				
Capital Assets-Net of Depreciation	<u>\$ 5,199,013</u>	<u>\$ (264,535)</u>	<u>\$ (42,020)</u>	<u>\$ 4,892,458</u>

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

Water	<u>\$ 264,535</u>
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Construction Commitments-The Township had no significant construction commitments as of March 31, 2015.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At March 31, 2015, interfund balances were as follows:

	Payable Fund
Receivable Fund	
Township Improvement Fund	\$ 45,421

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							Total
	General Fund	Police Fund	Bike Path Fund	Sewer Distribution Fund	Township Improvement Fund	Water Fund	Nonmajor Governmental Funds	
Transfers In								
General Fund	\$ -	\$ 25,000 (1)	\$ 59,000 (1)	\$ 25,000 (1)	75,000 (1)	\$ 50,000 (1)	\$ 80,000 (1)	\$ 314,000
Township Improvement Fund	2,106,600 (2)	-	-	-	-	-	-	2,106,600
	<u>\$ 2,106,600</u>	<u>\$ 25,000</u>	<u>\$ 59,000</u>	<u>\$ 25,000</u>	<u>\$ 75,000</u>	<u>\$ 50,000</u>	<u>\$ 80,000</u>	<u>\$ 2,420,600</u>

The following describes the nature of the significant transfers:

- (1) Transfer to General Fund for administrative charges to other funds
- (2) Transfer to Township Improvement Fund for building improvements and Park West Drain

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 \$99,447 for the year ended March 31, 2015. 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, 2015 the Township contributed \$740 to the plan for current premiums (which is net of \$324 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, 2015, the amount actually contributed to the plan, and the changes in the Township’s net OPEB obligation:

Annual required contribution	\$	11,285
Interest on net OPEB obligation		1,791
Adjustment to annual required contribution		<u>(5,309)</u>
Annual OPEB cost		7,767
Contributions made		<u>(740)</u>
Increase in net OPEB obligation		7,027
Net OPEB obligation - beginning of year		<u>44,785</u>
Net OPEB obligation - end of year	\$	<u><u>51,812</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, 2013, 2014, and 2015, were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
3/31/2013	\$ 4,471	\$ 552	12%	\$ 41,146
3/31/2014	4,422	783	18%	44,785
3/31/2015	7,767	740	10%	51,812

Funded Status and Funding Progress

As of March 31, 2015, 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 \$53,206 and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$53,206. The covered payroll (annual payroll of the active employees covered by the plan) was \$1,169,710, and the ratio of UAAL to covered payroll was 4.5%.

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, 2015. In the actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 10 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, 2015, the portion of these Ottawa County bonds outstanding for which the Township has pledged its full faith and credit amounted to approximately \$2,567,047.

Required
Supplementary Information

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 862,500	\$ 876,682	\$ 875,635	\$ (1,047)
Licenses and permits	188,100	207,780	218,685	10,905
State shared revenues	1,300,000	1,397,000	1,403,527	6,527
Charges for services	59,700	58,200	60,362	2,162
Interest	15,000	19,000	16,199	(2,801)
Other	25,000	43,170	44,434	1,264
Total Revenues	<u>2,450,300</u>	<u>2,601,832</u>	<u>2,618,842</u>	<u>17,010</u>
Expenditures:				
Current:				
General Government:				
Township board	57,600	57,600	50,767	6,833
Supervisor	15,104	15,104	14,108	996
Manager	142,003	155,181	152,545	2,636
Finance	101,700	95,682	83,134	12,548
Audit	15,000	15,000	13,685	1,315
Elections	46,550	46,550	44,311	2,239
Assessor	231,790	231,790	225,404	6,386
Attorney	60,000	105,000	103,738	1,262
Clerk	97,084	97,084	90,001	7,083
Information technology	60,500	68,308	65,061	3,247
Board of review	2,550	2,550	1,845	705
Treasurer	50,804	50,804	48,615	2,189
Township office	293,850	303,695	274,459	29,236
Township property	45,750	51,838	35,030	16,808
Cemetery	39,800	39,800	32,981	6,819
Total General Government	<u>1,260,085</u>	<u>1,335,986</u>	<u>1,235,684</u>	<u>100,302</u>
Public Safety:				
Fire protection	534,230	518,535	471,187	47,348
Inspections	171,850	187,233	181,393	5,840
Total Public Safety	<u>706,080</u>	<u>705,768</u>	<u>652,580</u>	<u>53,188</u>
Public Works:				
Drains	83,850	102,563	88,519	14,044
Highways, streets, and bridges	332,600	261,583	247,981	13,602
Engineering	15,000	2,000	-	2,000
Total Public Works	<u>431,450</u>	<u>366,146</u>	<u>336,500</u>	<u>29,646</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Community and Economic Development:				
Community services	121,000	186,130	171,611	14,519
Planning and zoning	133,670	142,880	139,030	3,850
Total Community and Economic Development	<u>254,670</u>	<u>329,010</u>	<u>310,641</u>	<u>18,369</u>
Insurance, Bonds & Fringes:				
Insurances	52,500	54,154	54,154	-
Retiree costs/Fringe benefits	1,500	1,500	965	535
Total Insurance, Bonds, and Fringes	<u>54,000</u>	<u>55,654</u>	<u>55,119</u>	<u>535</u>
Total Expenditures	<u>2,706,285</u>	<u>2,792,564</u>	<u>2,590,524</u>	<u>202,040</u>
Excess of Revenues Over (Under) Expenditures	<u>(255,985)</u>	<u>(190,732)</u>	<u>28,318</u>	<u>219,050</u>
Other Financing Sources (Uses):				
Transfers in	239,000	314,000	314,000	-
Transfers out	(115,000)	(2,115,000)	(2,106,600)	8,400
Total Other Financing Sources (Uses)	<u>124,000</u>	<u>(1,801,000)</u>	<u>(1,792,600)</u>	<u>8,400</u>
Net Change in Fund Balances	(131,985)	(1,991,732)	(1,764,282)	227,450
Fund Balances - April 1	<u>3,741,775</u>	<u>3,741,775</u>	<u>3,741,775</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 3,609,790</u>	<u>\$ 1,750,043</u>	<u>\$ 1,977,493</u>	<u>\$ 227,450</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - POLICE FUND
Year Ended March 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 617,070	\$ 621,006	\$ 620,738	\$ (268)
Fines and forfeitures	15,800	12,800	14,502	1,702
Interest	2,400	2,400	2,359	(41)
Total Revenues	<u>635,270</u>	<u>636,206</u>	<u>637,599</u>	<u>1,393</u>
Expenditures:				
Current:				
Public Safety:				
Police services	<u>609,400</u>	<u>625,400</u>	<u>598,300</u>	<u>27,100</u>
Excess Of Revenues Over (Under) Expenditures	25,870	10,806	39,299	28,493
Other Financing Sources (Uses):				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balances	870	(14,194)	14,299	28,493
Fund Balances - April 1	<u>1,006,137</u>	<u>1,006,137</u>	<u>1,006,137</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 1,007,007</u>	<u>\$ 991,943</u>	<u>\$ 1,020,436</u>	<u>\$ 28,493</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BIKE PATH FUND
Year Ended March 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 368,400	\$ 368,400	\$ 370,587	\$ 2,187
State shared revenues	13,000	13,000	12,714	(286)
Interest	3,000	3,000	3,901	901
Total Revenues	<u>384,400</u>	<u>384,400</u>	<u>387,202</u>	<u>2,802</u>
Expenditures:				
Current:				
Public Works:				
Bike paths	<u>481,700</u>	<u>339,700</u>	<u>318,853</u>	<u>20,847</u>
Excess of Revenues Over (Under) Expenditures	(97,300)	44,700	68,349	23,649
Other Financing Sources (Uses):				
Transfers out	<u>(59,000)</u>	<u>(59,000)</u>	<u>(59,000)</u>	<u>-</u>
Net Change in Fund Balances	(156,300)	(14,300)	9,349	23,649
Fund Balances - April 1	<u>1,461,432</u>	<u>1,461,432</u>	<u>1,461,432</u>	<u>-</u>
Fund Balances - March 31	<u>\$ 1,305,132</u>	<u>\$ 1,447,132</u>	<u>\$ 1,470,781</u>	<u>\$ 23,649</u>

Park Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
Year Ended March 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,157,800	\$ 1,157,800	\$ 1,156,889	\$ (911)
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	1,157,800	1,157,800	1,156,889	(911)
Expenditures:				
Current:				
General Government:				
Library	<u>1,157,800</u>	<u>1,157,870</u>	<u>1,156,959</u>	<u>911</u>
Net Change in Fund Balances	-	(70)	(70)	-
Fund Balances - April 1	<u>70</u>	<u>70</u>	<u>70</u>	<u>-</u>
Fund Balances - March 31	<u><u>\$ 70</u></u>	<u><u>\$ -</u></u>	<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]
3-31-11	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%
3-31-15	3-31-15	-	53,206	53,206	0.0%	1,169,710	4.5%

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/Recreation Fund—was established to account for a special tax levy to support park and recreation services.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Local Streets Fund—this fund accounts for taxes and other resources that are restricted for use on local streets within the township.

Park Township, Michigan
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
March 31, 2015

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	West Michigan			Local Streets Fund	
	Street Lighting Fund	Airport Authority Fund	Park/ Recreation Fund		
ASSETS					
Cash and investments	\$ 49,805	\$ 58	\$ 585,149	\$ 453,573	\$ 1,088,585
Due from other governments	4,069	2,020	10,104	10,115	26,308
Prepaid items	-	-	3,614	-	3,614
Total Assets	\$ 53,874	\$ 2,078	\$ 598,867	\$ 463,688	\$ 1,118,507
LIABILITIES					
Accounts payable	\$ 7,966	\$ 2,078	\$ 4,963	\$ -	\$ 15,007
Accrued expenses	-	-	3,883	-	3,883
Deposits	-	-	7,410	-	7,410
Due to other governments	3,269	-	454	-	3,723
Unearned revenue	-	-	15,989	-	15,989
Total Liabilities	11,235	2,078	32,699	-	46,012
FUND BALANCES					
Nonspendable:					
Prepaid items	-	-	3,614	-	3,614
Restricted for:					
Street lighting	42,639	-	-	-	42,639
Parks/recreation	-	-	562,554	-	562,554
Local streets	-	-	-	463,688	463,688
Total Fund Balances	42,639	-	566,168	463,688	1,072,495
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 53,874	\$ 2,078	\$ 598,867	\$ 463,688	\$ 1,118,507

Park Township, Michigan
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended March 31, 2015

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	West Michigan			Local Streets Fund	
	Street Lighting Fund	Airport Authority Fund	Park/ Recreation Fund		
Revenues:					
Taxes	\$ -	\$ 92,626	\$ 463,245	\$ 463,540	\$ 1,019,411
Charges for services	-	-	100,305	-	100,305
Interest	35	-	654	148	837
Special assessments	141,848	-	-	-	141,848
Other	-	-	1,256	-	1,256
Total Revenues	141,883	92,626	565,460	463,688	1,263,657
Expenditures:					
Current:					
Public works	136,686	92,632	-	-	229,318
Recreation and culture	-	-	346,631	-	346,631
Total Expenditures	136,686	92,632	346,631	-	575,949
Excess of Revenues Over (Under) Expenditures	5,197	(6)	218,829	463,688	687,708
Other Financing Sources (Uses):					
Transfers out	(5,000)	-	(75,000)	-	(80,000)
Total Other Financing Sources (Uses)	(5,000)	-	(75,000)	-	(80,000)
Net Change in Fund Balances	197	(6)	143,829	463,688	607,708
Fund Balances - April 1	42,442	6	422,339	-	464,787
Fund Balances - March 31	\$ 42,639	\$ -	\$ 566,168	\$ 463,688	\$ 1,072,495