

Grand Rapids Charter Township
Kent County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Grand Rapids Charter Township, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of December 31, 2017, 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 that the management's discussion and analysis and budgetary comparison information, as listed in the 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 provide any assurance.

Supplementary information

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

The combining fund financial statements (supplementary information) 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Siegfried Crandall P.C.

March 10, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Grand Rapids Charter Township's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased \$600,024 (4 percent) as a result of this year's activities.
- Of the \$15,193,197 total net position reported, \$5,164,554 (34 percent) is available to be used at the Board's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$647,208, which represents 38 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and agency funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how general government services, like public safety, were financed in the short-term, as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like a business. The Township's sole proprietary fund accounts for its building inspections activities.
 - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as an agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2017 and 2016 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements present governmental activities. Most of the Township's basic services are included here, such as general government, public safety, and public works. Property taxes and intergovernmental revenues generally fund these services.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Township Board establishes other funds to control and manage money for particular purposes (such as capital improvements) or to show that it is properly using certain taxes and other revenues (such as street lighting and lakes management special assessments).

The Township has three types of funds:

- *Governmental funds.* Most of the Township's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$15,193,197. However, \$9,770,877 of this total is invested in capital assets and \$257,766 is restricted for various purposes. Consequently, unrestricted net position was \$5,164,554, which represents 34 percent of the total.

*Condensed financial information
Net position*

	<i>Governmental activities</i>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 7,289,426	\$ 5,931,520
Capital assets	<u>9,770,877</u>	<u>10,561,290</u>
Total assets	<u>17,060,303</u>	<u>16,492,810</u>
Current liabilities	<u>329,387</u>	<u>409,670</u>
Deferred inflows of resources	<u>1,537,719</u>	<u>1,489,967</u>
Net position:		
Investment in capital assets	9,770,877	10,561,290
Restricted	257,766	250,239
Unrestricted	<u>5,164,554</u>	<u>3,781,644</u>
Total net position	<u>\$ 15,193,197</u>	<u>\$ 14,593,173</u>

Changes in net position

The Township's total revenues are \$4,000,403 in the current fiscal year compared to \$3,670,547 in the prior year. Approximately 38 percent of the Township's revenues comes from property taxes, while state shared revenue represents 36 percent. More than 17 percent of total revenues comes from charges for services.

*Condensed financial information
Changes in net position*

	<i>Governmental activities</i>	
	<u>2017</u>	<u>2016</u>
Program revenues:		
Charges for services	\$ 682,570	\$ 526,173
Operating grants and contributions	13,244	9,942
General revenues:		
Property taxes	1,501,449	1,448,209
State shared revenue	1,423,142	1,324,346
Cable franchise fees	315,757	326,114
Interest income	42,779	35,763
Miscellaneous	21,462	-
	<u>4,000,403</u>	<u>3,670,547</u>
Expenses:		
General government	1,035,347	1,062,620
Public safety	1,491,220	1,324,155
Public works	430,356	432,565
Health and welfare	167,765	162,598
Community and economic development	91,295	94,612
Recreation and culture	184,396	131,644
	<u>3,400,379</u>	<u>3,208,194</u>
Changes in net position	<u>\$ 600,024</u>	<u>\$ 462,353</u>
Net position, end of year	<u>\$ 15,193,197</u>	<u>\$ 14,593,173</u>

Governmental activities

Governmental activities increased the Township's net position by \$600,024 in the current year compared to a \$462,353 increase in the prior year. The change in net position was \$137,671 higher than the prior year, as revenues increased by \$329,856, though expenses also increased by \$192,185. The increase in revenues was primarily due to a \$156,397 increase in charges for services, due to an increase in code inspection revenues, and a \$98,796 increase in state grants, due to increased distributions from the state. The most significant change in expenses was a \$167,065 increase in public safety costs, which was primarily due to an increase in code inspection costs.

The total cost of governmental activities this year was \$3,400,379 compared to \$3,208,194 in the prior year. After subtracting the direct charges to those who directly benefited from the programs (\$682,570) and operating grants (\$13,244), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was \$2,704,565.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

At December 31, 2017, the Township's governmental funds reported total fund balances of \$5,284,657, which represents an increase of \$1,352,817 compared to the prior year.

The fund balance of the General Fund increased by \$588,647 during the year and amounted to \$3,199,629 at year end. The fund balance increased, as General Fund revenues and proceeds from sale of capital assets were more than sufficient to cover all expenditures and transfers to other funds.

The Public Safety Fund did not report a fund balance because, as in prior years, all financial resources received are fully expended for current police and fire protection services.

The fund balance of the Improvement Revolving Fund at year end was \$1,799,819. The fund's equity increased by \$784,163, as the fund received a \$1,000,000 transfer from the General Fund in the current year.

General Fund budgetary highlights

The Township Board did not amend the budgeted revenues of the General Fund. The General Fund's total actual revenues were \$141,448 higher than budgeted, primarily because state grant revenue was \$106,386 higher than anticipated.

Total budgeted expenditures were amended to reflect a net decrease of \$235,450. Significant changes, by function, are explained as follows:

- Public works expenditures were reduced by \$180,000, as planned road improvement costs were reduced by \$150,000.
- Capital outlay expenditures were decreased by \$96,200 related to changes in items to be acquired during the year.

The General Fund's total actual expenditures were \$23,676 less than the amounts appropriated. Every function, except general government and recreation and culture, were under budget. General government expenses were \$6,037 more than appropriated, primarily because hall and grounds costs were \$19,224 more than anticipated.

The budget was amended to include other financing sources of \$864,000, related land sales, and a \$1,000,000 transfer to the Improvement Revolving Fund. Net other financing uses were \$38,527 less than anticipated.

These variances resulted in a positive budget variance of \$203,651, with a \$588,647 increase in fund balance compared to a budgeted increase of \$384,996.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At December 31, 2017, the Township had invested \$9,770,877 in various capital assets, including land, buildings, equipment, and vehicles. This amount represents a net decrease of \$790,413 as asset additions of \$414,121 were offset by the sale of land, with a book value of \$861,700, and depreciation expense of \$342,834.

This year's major capital asset transactions included:

- Land was sold for \$861,700; the remainder of the land that was purchased in 2016, at a cost of \$1,205,973, is presented as land held for sale, with a cost of \$344,273
- \$250,000 was paid to the manufacturer of a fire truck as a deposit; the truck that will be delivered in 2018
- Crahen Valley Park improvements amounted to \$72,603
- A new generator was purchased for \$51,595

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

Debt

The Township reported no long-term debt as of the beginning or end of the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2018 Grand Rapids Charter Township budget was developed to provide the necessary governmental responsibilities for the residents of the community. The framework for the budget is a product of the Township's long-range budget process and the Capital Improvement Plan. Projected revenues are not expected to dramatically change; therefore, expenditures were constrained to reflect the Township's priorities.

The following economic factors were considered when preparing the 2018 budget:

- a) an increase in taxable value on real property
- b) stable constitutional state shared revenue
- c) moderate growth in new construction
- d) operational costs will increase at near the rate of inflation
- e) continued aggressive investment in infrastructure and facilities maintenance
- f) a final transfer to the Trail Endowment Fund which will then be fully funded

The Township remains committed to our primary responsibilities: provide essential services of police, fire, and EMS; perform our constitutional duties of election administration, assessment of property, and property tax collection; ensure that we promote appropriate land-use regulations; are supportive of regional economic development; and provide for parks, open space, and recreational trails.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors and to demonstrate the Township's accountability for the money it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Grand Rapids Charter Township
Michael DeVries, Supervisor
1836 East Beltline, N.E.
Grand Rapids, MI 49525-4594

Phone: (616) 361-7391

BASIC FINANCIAL STATEMENTS

Grand Rapids Charter Township

STATEMENT OF NET POSITION

December 31, 2017

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 4,854,618
Investments	1,321,290
Receivables	1,025,948
Prepaid expenses	<u>87,570</u>
Total current assets	<u>7,289,426</u>
Noncurrent assets:	
Land held for sale	344,273
Capital assets not being depreciated	5,389,661
Capital assets, net of accumulated depreciation	<u>4,036,943</u>
Total noncurrent assets	<u>9,770,877</u>
Total assets	<u>17,060,303</u>
LIABILITIES	
Current liabilities:	
Payables	128,990
Unearned revenue:	
Operating assessments	90,147
Tower lease	<u>110,250</u>
Total current liabilities	<u>329,387</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenues levied for the subsequent year	<u>1,537,719</u>
NET POSITION	
Investment in capital assets	9,770,877
Restricted for:	
Public safety	50,093
Public works	207,673
Unrestricted	<u>5,164,554</u>
Total net position	<u>\$ 15,193,197</u>

See notes to financial statements

Grand Rapids Charter Township

STATEMENT OF ACTIVITIES

Year ended December 31, 2017

	<u>Program revenues</u>		<u>Net (expenses) revenues and change in net position</u>	
	<u>Expenses</u>	<u>Charges for services</u>		<u>Operating grants and contributions</u>
Functions/Programs				
Governmental activities:				
General government	\$ 1,035,347	\$ 122,486	\$ 2,921	\$ (909,940)
Public safety	1,491,220	435,783	-	(1,055,437)
Public works	430,356	87,490	10,323	(332,543)
Health and welfare	167,765	-	-	(167,765)
Community and economic development	91,295	23,503	-	(67,792)
Recreation and culture	184,396	13,308	-	(171,088)
	<u>3,400,379</u>	<u>682,570</u>	<u>13,244</u>	<u>(2,704,565)</u>
Total governmental activities	<u>\$ 3,400,379</u>	<u>\$ 682,570</u>	<u>\$ 13,244</u>	<u>(2,704,565)</u>
General revenues:				
				1,501,449
				1,423,142
				315,757
				42,779
				21,462
				<u>3,304,589</u>
				600,024
				<u>14,593,173</u>
				<u>\$ 15,193,197</u>

See notes to financial statements

Grand Rapids Charter Township

BALANCE SHEET - governmental funds

December 31, 2017

	<u>General</u>	<u>Public Safety</u>	<u>Improvement Revolving</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
ASSETS					
Cash	\$ 3,073,463	\$ 469,647	\$ 913,513	\$ 349,744	\$ 4,806,367
Investments	431,886	-	889,404	-	1,321,290
Receivables	636,462	347,041	-	33,238	1,016,741
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,141,811</u>	<u>\$ 816,688</u>	<u>\$ 1,802,917</u>	<u>\$ 382,982</u>	<u>\$ 7,144,398</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Payables	\$ 110,901	\$ -	\$ 3,098	\$ 7,626	\$ 121,625
Unearned revenues:					
Operating assessments	-	-	-	90,147	90,147
Tower lease	110,250	-	-	-	110,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>221,151</u>	<u>-</u>	<u>3,098</u>	<u>97,773</u>	<u>322,022</u>
Deferred inflows of resources - property tax revenues levied for the subsequent year	<u>721,031</u>	<u>816,688</u>	<u>-</u>	<u>-</u>	<u>1,537,719</u>
Fund balances:					
Restricted for public works	-	-	-	207,673	207,673
Committed for:					
General government	509,164	-	-	-	509,164
Public works	203,706	-	-	77,536	281,242
Recreation and culture	1,839,551	-	-	-	1,839,551
Assigned for utility system improvements	-	-	1,799,819	-	1,799,819
Unassigned	647,208	-	-	-	647,208
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,199,629</u>	<u>-</u>	<u>1,799,819</u>	<u>285,209</u>	<u>5,284,657</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,141,811</u>	<u>\$ 816,688</u>	<u>\$ 1,802,917</u>	<u>\$ 382,982</u>	<u>\$ 7,144,398</u>
Reconciliation of the balance sheet to the statement of net position:					
Total fund balance - total governmental funds					\$ 5,284,657
Amounts reported for <i>governmental activities</i> in the statement of net position (page 11) are different because:					
Prepaid expenses are not reported in the funds.					87,570
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.					9,770,877
Net position of the Building Inspections Fund is included in <i>governmental activities</i> .					<u>50,093</u>
Net position of <i>governmental activities</i>					<u>\$ 15,193,197</u>

See notes to financial statements

Grand Rapids Charter Township

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds

Year ended December 31, 2017

	<u>General</u>	<u>Public Safety</u>	<u>Improvement Revolving</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
REVENUES					
Property taxes	\$ 734,535	\$ 792,104	\$ -	\$ -	\$ 1,526,639
Licenses and permits	386,463	-	-	-	386,463
State grants	1,436,386	-	-	-	1,436,386
Charges for services	47,503	-	-	-	47,503
Interest and rentals	46,720	-	8,864	503	56,087
Other	2,591	-	16,236	92,715	111,542
	<u>2,654,198</u>	<u>792,104</u>	<u>25,100</u>	<u>93,218</u>	<u>3,564,620</u>
Total revenues					
EXPENDITURES					
Current:					
General government	944,850	-	-	-	944,850
Public safety	-	1,009,588	-	-	1,009,588
Public works	73,973	-	240,937	113,211	428,121
Health and welfare	168,605	-	-	-	168,605
Community and economic development	91,595	-	-	-	91,595
Recreation and culture	4,521	-	-	-	4,521
Capital outlay	426,223	-	-	-	426,223
	<u>1,709,767</u>	<u>1,009,588</u>	<u>240,937</u>	<u>113,211</u>	<u>3,073,503</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>944,431</u>	<u>(217,484)</u>	<u>(215,837)</u>	<u>(19,993)</u>	<u>491,117</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sales of capital assets	861,700	-	-	-	861,700
Transfers in	-	217,484	1,000,000	-	1,217,484
Transfers out	(1,217,484)	-	-	-	(1,217,484)
	<u>(355,784)</u>	<u>217,484</u>	<u>1,000,000</u>	<u>-</u>	<u>861,700</u>
Net other financing sources (uses)					
NET CHANGES IN FUND BALANCES					
	588,647	-	784,163	(19,993)	1,352,817
FUND BALANCES - BEGINNING					
	<u>2,610,982</u>	<u>-</u>	<u>1,015,656</u>	<u>305,202</u>	<u>3,931,840</u>
FUND BALANCES - ENDING					
	<u>\$ 3,199,629</u>	<u>\$ -</u>	<u>\$ 1,799,819</u>	<u>\$ 285,209</u>	<u>\$ 5,284,657</u>

See notes to financial statements

Grand Rapids Charter Township

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds (Continued)**

Year ended December 31, 2017

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 14) \$ 1,352,817

Amounts reported for *governmental activities* in the statement of activities (page 12) are different because:

Capital assets:

Asset acquisitions	414,121
Asset dispositions	(861,700)
Provision for depreciation	(342,834)

Increase in prepaid expenses 9,990

Change in net position of the Building Inspections Fund 27,630

Change in net position of *governmental activities* \$ 600,024

Grand Rapids Charter Township

STATEMENT OF NET POSITION - proprietary fund

December 31, 2017

	<u>Building Inspections</u>
ASSETS	
Cash	\$ 48,251
Receivables	<u>9,207</u>
Total assets	57,458
LIABILITIES	
Payables	<u>7,365</u>
NET POSITION	50,093
<p>Amounts reported for <i>business-type activities</i> in the government-wide statement of net position (page 11) are different because:</p>	
<p>Assets and liabilities of the Building Inspections Fund have been combined with those of <i>governmental activities</i>.</p>	
	<u>(50,093)</u>
Net position of <i>business-type activities</i>	<u><u>\$ -</u></u>

See notes to financial statements

Grand Rapids Charter Township

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION -
proprietary fund**

Year ended December 31, 2017

	<u>Building Inspections</u>
OPERATING REVENUES	
Charges for services - licenses and permits	\$ 435,783
OPERATING EXPENSES	
Salaries and fringe benefits	42,721
Operational expenses	16,841
Contracted services	<u>348,591</u>
Total operating expenses	<u>408,153</u>
CHANGE IN NET POSITION	27,630
NET POSITION - BEGINNING	<u>22,463</u>
NET POSITION - ENDING	<u>\$ 50,093</u>
CHANGE IN NET POSITION	\$ 27,630
Amounts reported for <i>business-type activities</i> in the government-wide statement of activities (page 12) are different because:	
Revenues and expenses of the Building Inspections Fund have been combined with those of the <i>governmental activities</i> .	<u>(27,630)</u>
Change in net position of <i>business-type activities</i>	<u>\$ -</u>

See notes to financial statements

Grand Rapids Charter Township

STATEMENT OF CASH FLOWS - proprietary fund

Year ended December 31, 2017

	<u>Building Inspections</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 443,798
Payments to employees	(36,350)
Payments to contractors	<u>(378,216)</u>
Net cash provided by operating activities	29,232
CASH - BEGINNING	<u>19,019</u>
CASH - ENDING	<u><u>\$ 48,251</u></u>
Reconciliation of change in net position to net cash provided by operating activities	
Change in net position	\$ 27,630
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Decrease in receivables	8,015
Decrease in payables	<u>(6,413)</u>
Net cash provided by operating activities	<u><u>\$ 29,232</u></u>

See notes to financial statements

Grand Rapids Charter Township

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - *agency funds*

December 31, 2017

ASSETS

Cash \$ 2,130,680

LIABILITIES

Due to other governmental units \$ 1,849,742

Due to others 280,938

Total liabilities \$ 2,130,680

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Grand Rapids Charter Township, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present the Township (the primary government), located in Kent County, and its component unit described below, for which the Township is financially accountable. However, due to the absence of financial transactions during the year, and any carryforward balances, no information regarding the component unit has been included in the accompanying financial statements:

Grand Rapids Charter Township Economic Development Corporation:

The Corporation was created in 1991 under the provisions of Act 338, Public Acts of 1974, of the State of Michigan. The purpose of the Corporation is to promote economic development within the Township. The Corporation has no assets, liabilities, or resulting fund balance/net position as of the beginning or end of the Corporation's fiscal year. The Corporation's governing body is appointed by the Township Board and the Township Board must approve all economic development projects.

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. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and the major individual enterprise fund 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 financial statements. Revenues are 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be 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.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Public Safety Fund, a special revenue fund, accounts for the financial resources used for the operational costs of the Township's public safety functions. Revenues are derived from property taxes.

The Improvement Revolving Fund, a capital project fund, accounts for utility improvements that are located in the Township but owned by the City of Grand Rapids. The fund's equity consists of capital contributions collected in prior years.

The Township reports one proprietary fund, its Building Inspections Fund, which accounts for operations (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the Township reports the following fund types:

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The agency funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Measurement focus, basis of accounting, and financial statement presentation (continued):*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues of the proprietary funds relate to charges to customers for services. Operating expenses for the proprietary fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, liabilities, deferred inflows of resources, and net position or equity:

Cash - Cash is considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

Investments - Investments are reported at fair value, with changes in value recognized in the operating statement of the fund holding the investments. Realized and unrealized gains and losses are included in investment income.

Receivables - No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements. In the governmental funds, these costs are accounted for using the purchase method, whereby such costs are presented as expenditures when paid, rather than when consumed.

Capital assets - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g. pathways), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for its infrastructure assets prospectively, beginning January 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Land improvements	20 years
Equipment	5 - 10 years
Vehicles	10 - 15 years

Unearned revenue - Unearned revenue represents resources related to operating assessments and a tower lease, which have not yet been earned.

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenue will not be recognized until a future event occurs. Property tax revenue, which is levied to finance the following year's budget, is deferred and recognized as an inflow of resources in the period that it was intended to finance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Net position - Net position represents the difference between assets, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) *Investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

Net position flow assumption - Sometimes, the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary funds 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.

Fund equity - Governmental funds report restricted fund balance when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Township Board (the Township's highest level of decision-making authority). A formal resolution of the Township Board is required to establish, modify, or rescind a fund balance commitment. The Township reports assigned fund balance for amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. The Township Board retains the authority to assign fund balance. Unassigned fund balance is the residual classification for 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 restricted fund balance first, followed by committed fund balance, then assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. Although the Township's 2016 ad valorem taxes were levied on December 1, 2016, it is the Township's policy to recognize revenue from that tax levy in the current year, when the proceeds 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 revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. The budget document presents information by fund, function, department, and line-item. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the reportable budget variance:

<u>Fund</u>	<u>Function</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
General	General government	\$ 938,813	\$ 944,850	\$ 6,037

NOTE 3 - CASH AND INVESTMENTS

The Township’s deposits and investments were reported in the accompanying financial statements as follows:

	<u>Governmental activities</u>	<u>Fiduciary activities</u>	<u>Totals</u>
Cash	\$ 4,854,618	\$ 2,130,680	\$ 6,985,298
Investments	<u>1,321,290</u>	<u>-</u>	<u>1,321,290</u>
Totals	<u>\$ 6,175,908</u>	<u>\$ 2,130,680</u>	<u>\$ 8,306,588</u>

Deposits - Deposits are maintained at various financial institutions in the name of the Township. Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township’s investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township’s deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township’s investment policy does not specifically address custodial credit risk for deposits. At December 31, 2017, \$5,776,052 of the Township’s bank balances of \$6,984,888 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments - State statutes and the Township’s investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper rated within the two (2) highest rate classifications, which mature not more than 270 days after the date of purchase; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds composed of otherwise legal investments; and f) investment pools organized under the local government investment pool act. The Township’s investment policy does not address credit risk or interest rate risk for investments. The investment policy regarding concentration risk limits holdings, other than federal government obligations and investment pools, to 25% or less of total investments.

The Township’s investments consist of holdings in the Kent County Investment Pool, which is a local government investment pool established under Michigan state statutes for participating Michigan municipalities. This pool, which is a nonrisk categorized qualifying investment, is carried at fair market value. The fair value of the Township’s position in the pool is the same as the value of its pool shares. The fund operates like a money market fund, with each share valued at \$1, and is not rated (credit risk); it is not subject to regulatory oversight and is not registered with the SEC; the Pool issues a separate report, which is available at 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503-2221.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH AND INVESTMENTS (Continued)

Fair value measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Kent County Pool was measured at net asset value (or its equivalent) as a practical expedient and, accordingly, has not been classified in the fair value hierarchy.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2017, for the Township’s individual major funds, and nonmajor funds in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter-governmental</u>	<u>Totals</u>
Governmental:					
General	\$ 104,727	\$ 306,393	\$ -	\$ 225,342	\$ 636,462
Public Safety	-	347,041	-	-	347,041
Nonmajor	-	-	33,238	-	33,238
Total governmental	<u>\$ 104,727</u>	<u>\$ 653,434</u>	<u>\$ 33,238</u>	<u>\$ 225,342</u>	<u>\$ 1,016,741</u>
Proprietary - Building Inspections	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,207</u>	<u>\$ 9,207</u>

All receivables are considered collectible within one year.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,129,661	\$ 10,000	\$ -	\$ 5,139,661
Construction in progress	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Subtotal	<u>5,129,661</u>	<u>260,000</u>	<u>-</u>	<u>5,389,661</u>
Land held for resale	<u>1,205,973</u>	<u>-</u>	<u>(861,700)</u>	<u>344,273</u>
Capital assets being depreciated:				
Buildings and improvements	6,329,085	83,843	-	6,412,928
Equipment	857,816	70,278	-	928,094
Vehicles	<u>848,635</u>	<u>-</u>	<u>-</u>	<u>848,635</u>
Subtotal	<u>8,035,536</u>	<u>154,121</u>	<u>-</u>	<u>8,189,657</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,659,077)	(252,223)	-	(2,911,300)
Equipment	(534,656)	(58,006)	-	(592,662)
Vehicles	<u>(616,147)</u>	<u>(32,605)</u>	<u>-</u>	<u>(648,752)</u>
Subtotal	<u>(3,809,880)</u>	<u>(342,834)</u>	<u>-</u>	<u>(4,152,714)</u>
Total capital assets being depreciated, net	<u>4,225,656</u>	<u>(188,713)</u>	<u>-</u>	<u>4,036,943</u>
Governmental activities capital assets, net	<u>\$ 10,561,290</u>	<u>\$ 71,287</u>	<u>\$ (861,700)</u>	<u>\$ 9,770,877</u>

Depreciation expense was charged to governmental activities functions, as follows:

Governmental activities:	
General government	\$ 94,279
Public safety	77,205
Public works	2,235
Recreation and culture	<u>169,115</u>
Total governmental activities	<u>\$ 342,834</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - PAYABLES

Payables as of December 31, 2017, for the Township’s individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Inter- governmental</u>	<u>Totals</u>
Governmental:				
General	\$ 20,187	\$ 36,679	\$ 54,035	\$ 110,901
Improvement revolving	3,098	-	-	3,098
Nonmajor	<u>7,626</u>	<u>-</u>	<u>-</u>	<u>7,626</u>
Total governmental	<u>\$ 30,911</u>	<u>\$ 36,679</u>	<u>\$ 54,035</u>	<u>\$ 121,625</u>
Proprietary - Building Inspections	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,365</u>	<u>\$ 7,365</u>

NOTE 7 - RESTRICTED NET POSITION

Net position of the governmental activities, as of December 31, 2017, is restricted for the following purposes:

Public safety - construction code inspections	<u>\$ 50,093</u>
Public works:	
Courthouse at Knapp's Corner	114,560
Lighting and maintenance	87,972
Lakes management	<u>5,141</u>
Total public works	<u>207,673</u>
Total	<u>\$ 257,766</u>

NOTE 8 - COMMITTED FUND BALANCE

Fund balance of the governmental funds, as of December 31, 2017, is committed for the following purposes:

General government - building and grounds maintenance	<u>\$ 509,164</u>
Public works:	
East Beltline maintenance	203,706
Courthouse at Knapp's Corner	<u>77,536</u>
Total public works	<u>281,242</u>
Recreation and culture:	
Trail maintenance and repairs	1,021,826
Park maintenance and repairs	<u>817,725</u>
Total recreation and culture	<u>1,839,551</u>
Total fund balance commitments	<u><u>\$ 2,629,957</u></u>

NOTE 9 - PROPERTY TAXES

The 2016 taxable valuation of the Township approximated \$931,483,000, on which ad valorem taxes levied consisted of 0.7500 mills for operating purposes and 0.8495 mills for public safety, raising approximately \$699,000 for operating purposes and \$792,000 for public safety. These amounts are recognized in the respective fund financial statements as property tax revenue.

The 2017 taxable valuation of the Township approximated \$961,417,000, on which ad valorem taxes levied consisted of 0.7500 mills for operating purposes and 0.8495 mills for public safety, raising approximately \$721,000 for operating purposes and \$817,000 for public safety. These amounts are recognized in the respective fund financial statements as deferred inflows of resources, based upon the period for which the proceeds are budgeted, and will be made available for the financing of operations.

NOTE 10 - INTERFUND TRANSFER

The transfer to the Public Safety Fund, in the amount of \$217,484, represents unrestricted revenues, collected in the General Fund, which support public safety function expenditures not funded by the separate millage. The General Fund transferred \$1,000,000 to the Improvement Revolving Fund as a repayment for funds used to purchase land in the prior year.

NOTE 11 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN

The Township and its employees contribute to the Grand Rapids Township Group Pension Plan, a defined contribution pension plan. The plan covers all salaried employees and all full-time employees, who work 40 hours or more per week, and is administered by a third-party administrator.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate if they are salaried or full-time employees, as described above. The Plan states that the Township will contribute 12% of the employee's total compensation earned and employees may make an after-tax contribution up to 10% of their compensation. For the year ended December 31, 2017, the Township and eligible employees made contributions of \$68,642 and \$0-, respectively.

The Township's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested on the day the employee is eligible to participate in the plan. At December 31, 2017, the Township reported no accrued liability as part of the contributions to the plan.

NOTE 13 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plan were held in trust (custodial accounts), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial accounts for the beneficiaries of this Section 457 plan and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement No. 32, plan balances and activities are not reflected in the Township's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Grand Rapids Charter Township

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended December 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 730,945	\$ 730,945	\$ 734,535	\$ 3,590
Licenses and permits	379,155	379,155	386,463	7,308
State grants	1,330,000	1,330,000	1,436,386	106,386
Charges for services	40,200	40,200	47,503	7,303
Interest and rentals	30,450	30,450	46,720	16,270
Other	2,000	2,000	2,591	591
	<u>2,512,750</u>	<u>2,512,750</u>	<u>2,654,198</u>	<u>141,448</u>
Total revenues				
EXPENDITURES				
General government:				
Legislative	28,190	28,190	27,491	699
Supervisor	84,578	84,578	83,750	828
Elections	15,070	15,070	1,625	13,445
Assessor	126,279	133,279	131,663	1,616
Clerk	53,923	53,923	54,053	(130)
Board of review	2,770	2,770	2,077	693
Treasurer	118,227	118,227	118,566	(339)
Hall and grounds	161,000	171,000	190,224	(19,224)
Cemetery	300	300	-	300
General administration	324,726	331,476	335,401	(3,925)
	<u>915,063</u>	<u>938,813</u>	<u>944,850</u>	<u>(6,037)</u>
Total general government				
Public works:				
Road improvements and maintenance	200,000	50,000	38,474	11,526
Pathways	50,000	20,000	12,449	7,551
Other	14,300	14,300	22,656	(8,356)
Street lights	500	500	394	106
	<u>264,800</u>	<u>84,800</u>	<u>73,973</u>	<u>10,827</u>
Total public works				
Health and welfare - ambulance	<u>170,000</u>	<u>170,000</u>	<u>168,605</u>	<u>1,395</u>

Grand Rapids Charter Township

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
EXPENDITURES (Continued)				
Community and economic development:				
Planning and zoning	\$ 74,730	\$ 91,730	\$ 86,595	\$ 5,135
Economic development	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total community and economic development	<u>79,730</u>	<u>96,730</u>	<u>91,595</u>	<u>5,135</u>
Recreation and culture	<u>4,100</u>	<u>4,100</u>	<u>4,521</u>	<u>(421)</u>
Capital outlay	<u>535,200</u>	<u>439,000</u>	<u>426,223</u>	<u>12,777</u>
Total expenditures	<u>1,968,893</u>	<u>1,733,443</u>	<u>1,709,767</u>	<u>23,676</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>543,857</u>	<u>779,307</u>	<u>944,431</u>	<u>165,124</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	864,000	861,700	(2,300)
Transfers out - Improvement Revolving Fund	-	(1,000,000)	(1,000,000)	-
Transfers out - Public Safety Fund	<u>(288,311)</u>	<u>(258,311)</u>	<u>(217,484)</u>	<u>40,827</u>
Net other financing uses	<u>(288,311)</u>	<u>(394,311)</u>	<u>(355,784)</u>	<u>38,527</u>
NET CHANGES IN FUND BALANCES	255,546	384,996	588,647	203,651
FUND BALANCES - BEGINNING	<u>2,610,982</u>	<u>2,610,982</u>	<u>2,610,982</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,866,528</u>	<u>\$ 2,995,978</u>	<u>\$ 3,199,629</u>	<u>\$ 203,651</u>

Grand Rapids Charter Township

BUDGETARY COMPARISON SCHEDULE - Public Safety Fund

Year ended December 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 791,989	\$ 791,989	\$ 792,104	\$ 115
Public safety:				
Police protection	410,000	410,000	402,504	7,496
Fire department	670,300	640,300	607,084	33,216
Total public safety	<u>1,080,300</u>	<u>1,050,300</u>	<u>1,009,588</u>	<u>40,712</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(288,311)	(258,311)	(217,484)	40,827
OTHER FINANCING SOURCES				
Transfers in - General Fund	<u>288,311</u>	<u>258,311</u>	<u>217,484</u>	<u>(40,827)</u>
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET - nonmajor governmental funds

December 31, 2017

	<i>Special revenue funds</i>			<i>Totals</i>
	<i>Lakes Management</i>	<i>Lighting and Maintenance</i>	<i>Courthouse at Knapp's Corner</i>	
ASSETS				
Cash	\$ 19,445	\$ 138,203	\$ 192,096	\$ 349,744
Receivables	10,083	23,155	-	33,238
Total assets	<u>\$ 29,528</u>	<u>\$ 161,358</u>	<u>\$ 192,096</u>	<u>\$ 382,982</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ -	\$ 7,626	\$ -	\$ 7,626
Unearned assessment revenue	24,387	65,760	-	90,147
Total liabilities	<u>24,387</u>	<u>73,386</u>	<u>-</u>	<u>97,773</u>
Fund balances:				
Restricted for public works	5,141	87,972	114,560	207,673
Committed for public works	-	-	77,536	77,536
Total fund balances	<u>5,141</u>	<u>87,972</u>	<u>192,096</u>	<u>285,209</u>
Total liabilities and fund balances	<u>\$ 29,528</u>	<u>\$ 161,358</u>	<u>\$ 192,096</u>	<u>\$ 382,982</u>

Grand Rapids Charter Township

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2017

	<i>Special revenue funds</i>			<i>Totals</i>
	<i>Lakes Management</i>	<i>Lighting and Maintenance</i>	<i>Courthouse at Knapp's Corner</i>	
REVENUES				
Interest	\$ 21	\$ 193	\$ 289	\$ 503
Other:				
Special assessments	22,170	65,320	-	87,490
Miscellaneous	-	5,225	-	5,225
Total revenues	22,191	70,738	289	93,218
EXPENDITURES				
Current - public works	23,245	89,966	-	113,211
NET CHANGES IN FUND BALANCES	(1,054)	(19,228)	289	(19,993)
FUND BALANCES - BEGINNING	6,195	107,200	191,807	305,202
FUND BALANCES - ENDING	<u>\$ 5,141</u>	<u>\$ 87,972</u>	<u>\$ 192,096</u>	<u>\$ 285,209</u>

Grand Rapids Charter Township

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - *agency funds*

December 31, 2017

	<u><i>Tax Collection</i></u>	<u><i>Agency</i></u>	<u><i>Totals</i></u>
ASSETS			
Cash	\$ 1,849,742	\$ 280,938	\$ 2,130,680
LIABILITIES			
Due to other governmental units	\$ 1,849,742	-	\$ 1,849,742
Due to others	-	280,938	280,938
Total liabilities	<u>\$ 1,849,742</u>	<u>\$ 280,938</u>	<u>\$ 2,130,680</u>