

TOWNSHIP OF ACME, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Township Board of Trustees
Township of Acme, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Acme, Michigan (the "Township") as of and for the year ended June 30, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the Township, as of June 30, 2016, 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 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.

Other Information

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

The combining and individual fund financial statements and schedules 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. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2016, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC
Grand Rapids, Michigan
November 16, 2016

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Township of Acme, Michigan (The "Township" or "government") 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 June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$25,422,375 (net position). Of this amount, \$3,654,001 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the Township's governmental funds reported combined fund balances of \$2,323,964, an increase of \$293,846 in comparison with the prior year. Approximately 20% of this amount (\$465,774) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$465,774, or approximately 43% of total general fund expenditures and transfers out.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 financial information on all of the Township's assets and liabilities, 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 the 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 for some items that will only result in cash flows in future fiscal periods (e.g., capital asset activity and special assessment receivables).

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, recreation and culture, community and economic development, and public works. The business-type activities of the Township include water and sewer services.

The government-wide financial statements can be found as listed in the table of contents.

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 assessing 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains 11 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, fire, and holiday hills improvement funds, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The Township adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found as listed in the table of contents.

Proprietary Funds. The Township maintains one type of proprietary fund, which is an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprises funds to account for its water and sewer 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 and sewer operations, which is considered to be a major fund of the Township.

The basic proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported 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 proprietary funds.

The Township maintains one type of fiduciary fund known as an agency fund type. The agency fund reports resources held by the Township in a custodial capacity for individuals, private organizations, and other governments.

The fiduciary fund financial statement can be found as listed in the table of contents.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found as listed in the table of contents.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* demonstrating the Township's compliance with its operating budgets by providing budgetary comparison schedules.

Required supplementary information can be found as listed in the table of contents.

This report also presents other supplementary information which includes the nonmajor fund combining and individual statements. The combining statements are presented immediately following the required supplementary information.

Combining and individual fund statements and schedules can be found as listed in the table of contents.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$25,454,881 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
ASSETS						
<i>Current Assets</i>						
Cash & Equivalents	\$ 2,152,805	\$ 1,844,924	\$ 2,278,300	\$ 1,383,757	\$ 4,431,105	\$ 3,228,681
Accounts Receivable	828,519	22,087	151,696	194,014	980,215	216,101
Prepaid Items	14,360	-	-	-	14,360	-
Due from County	133,056	140,048			133,056	140,048
Due from State	60,057	115,730	-	-	60,057	115,730
Advance to Agency Fund	-	56,261	-	-	-	56,261
Total Current Assets	3,188,797	2,179,050	2,429,996	1,577,771	5,618,793	3,756,821
<i>Noncurrent Assets</i>						
Non-depreciable Capital Assets	14,952,835	14,952,835	-	-	14,952,835	14,952,835
Depreciable Capital Assets, Net	98,766	112,989	6,462,215	6,707,394	6,560,981	6,820,383
Total Assets	18,240,398	17,244,874	8,892,211	8,285,165	27,132,609	25,530,039
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	45,355	61,285	91,466	78,393	136,821	139,678
Accrued Liabilities	12,958	31,386	-	-	12,958	31,386
Accrued Interest	3,879	-	3,754	8,156	7,633	8,156
Current Portion of Long-term Debt	30,000	-	86,092	170,272	116,092	170,272
Total Current Liabilities	92,192	92,671	181,312	256,821	273,504	349,492
<i>Noncurrent Liabilities</i>						
Compensated Absences	2,876	3,224	-	-	2,876	3,224
Long-term Debt	915,000	-	518,854	524,303	1,433,854	524,303
Total Liabilities	1,010,068	95,895	700,166	781,124	1,710,234	877,019
NET POSITION						
Net Investment in Capital Assets	15,051,601	15,065,824	5,848,090	6,012,819	20,899,691	21,078,643
Restricted	868,683	640,156	-	-	868,683	640,156
Unrestricted	1,310,046	1,442,999	2,343,955	1,491,222	3,654,001	2,934,221
Total Net Position	\$ 17,230,330	\$ 17,148,979	\$ 8,192,045	\$ 7,504,041	\$ 25,422,375	\$ 24,653,020

By far, the largest portion of the Township's net position (\$20,899,691, or 82.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Township's investment in capital assets is reported net of related debt, it should be noted that the resources used 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 (\$868,683, or 3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,654,001, or 14.4%, is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

The Township's overall net position increased \$769,535 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

The Township is reporting three significant changes in assets and liabilities as of June 30, 2016 when compared to the prior year. First, cash increased from \$3,228,681 as of June 30, 2015 to \$4,431,105 as of June 30, 2016. This is largely attributable to the increase in fund balances of the governmental funds of \$293,846 during the year an increase of another \$688,184 of net position in the business-type funds during the year. Second, accounts receivable increased by \$764,114 as of year-end because of a new \$750,259 special assessment receivable issued to finance the road improvements within Holiday Hills. And thirdly, long-term debt increased by \$855,371 as a result of a \$945,000 transportation bond issued during the year. This transportation bond will also be used to finance the costs related to the road improvements within Holiday Hills.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$81,351 from the prior fiscal year for an ending balance of \$17,230,330.

Charges for services increased from \$245,010 during the year ended June 30, 2015 to \$1,115,353 during the year ended June 30, 2016. This is largely the result of recognizing special assessment revenues received during 2016 by the Township to finance road improvements within Holiday Hills. Capital grants were down \$782,548 during the year ended June 30, 2016 due to one-time grants for property acquisition being received in 2015. Operating grants increased from \$82,677 during the year ended June 30, 2015 to \$281,026 for the year ended June 30, 2016; this increase is due largely to a \$250,000 contribution from the Grand Traverse County Road Commission for the Holiday Hills Improvement road improvement project.

General government expenses stayed relatively consistent with the prior year. Public works expenses increased by approximately \$1,146,288 during the year as a result of road improvements (mentioned above related to the special assessments and contributions from the Road Commission). Recreation and culture expenses increased by \$159,369 during the year as a result of the boat launch project and additional repairs and maintenance.

Business-type Activities. The results of the Township's business-type activities during the current fiscal year show an increase in overall net position of \$688,184, increasing overall net position to \$8,192,045. The increase was attributable to increased revenues. The primary reason for increased revenues is construction resulting in new users of the system, including significant new revenues related to the Meijer store construction.

The following page shows a two-year comparison of the changes in net position for both the governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Revenue						
Program Revenues						
Charges for Services	\$ 1,115,353	\$ 245,010	\$ 1,420,514	\$ 972,382	\$ 2,535,867	\$ 1,217,392
Operating Grants & Contributions	281,026	82,677	-	-	281,026	82,677
Capital Grants & Contributions	36,854	819,402	-	-	36,854	819,402
Total Program Revenues	1,433,233	1,147,089	1,420,514	972,382	2,853,747	2,119,471
General Revenues						
Property Taxes	1,344,328	1,279,306	-	-	1,344,328	1,279,306
State Revenue Sharing	327,873	336,099	-	-	327,873	336,099
Other	3,886	4,724	-	-	3,886	4,724
Interest Income	2,470	5,025	8,508	7,861	10,978	12,886
Total General Revenues	1,678,557	1,625,154	8,508	7,861	1,687,065	1,633,015
Total Revenues	3,111,790	2,772,243	1,429,022	980,243	4,540,812	3,752,486
Expenses						
General Government	529,678	536,806	-	-	529,678	536,806
Public Safety	830,786	805,447	-	-	830,786	805,447
Public Works	1,156,350	10,062	-	-	1,156,350	10,062
Community & Economic Development	195,324	149,370	-	-	195,324	149,370
Recreation & Culture	300,216	140,847	-	-	300,216	140,847
Water & Sewer	-	-	740,838	665,143	740,838	665,143
Interest on Long-term Debt	18,085	-	-	-	18,085	-
Total Expenses	3,030,439	1,642,532	740,838	665,143	3,771,277	2,307,675
Change in Net Position	81,351	1,129,711	688,184	315,100	769,535	1,444,811
<i>Net Position at Beginning of Period</i>	<i>17,148,979</i>	<i>16,019,268</i>	<i>7,503,861</i>	<i>7,188,761</i>	<i>24,652,840</i>	<i>23,208,029</i>
Net Position at End of Period	\$ 17,230,330	\$ 17,148,979	\$ 8,192,045	\$ 7,503,861	\$ 25,422,375	\$ 24,652,840

Financial Analysis of Governmental 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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Township's Board.

At June 30, 2016, the Township's governmental funds reported combined fund balances of \$2,323,964, an increase of \$293,846 in comparison with the prior year. Approximately 20% of this amount (\$465,774) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is; 1) restricted for particular purposes (\$868,683), 2) not in a spendable form (\$147,416), or 3) committed for particular purposes (\$842,091).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$465,774, while total fund balance decreased to \$1,325,077. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 43 percent of total general fund expenditures and transfers out, while total fund balance represents approximately 123 percent of that same amount.

The fund balance of the Township's general fund decreased by \$97,126 during the current fiscal year which put the overall fund balance at \$1,325,077.

The fire fund, a major fund, had a \$13,974 decrease in fund balance during the current fiscal year which put the overall fund balance at \$32,492. This decrease in fund balance is related to the increased activity within the fire fund and the related costs.

The holiday hills improvement fund, a major fund, had an \$84,615 increase in fund balance during the current fiscal year which put the overall fund balance at \$275,150. This increase is a result of the Township receiving \$945,000 of transportation bond proceeds during the year, along with \$308,581 of other revenues, but only having incurred \$1,168,966 of total road improvement costs during the year. The entire fund balance of \$275,150 is restricted, and will be expended on future road improvements.

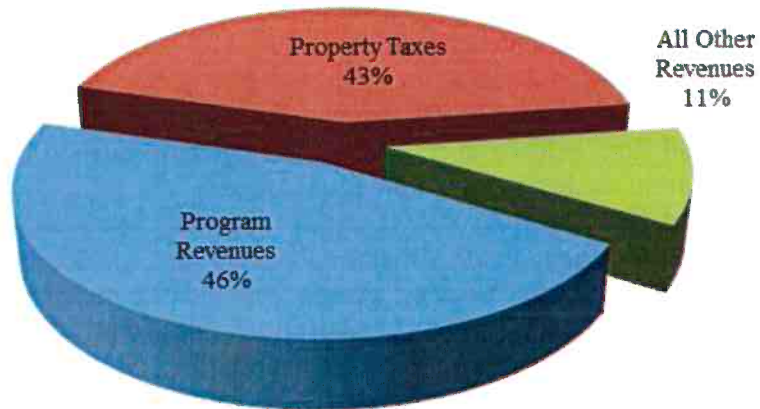
Proprietary Funds. The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water & sewer fund at the end of the year was \$2,343,955. The increase in net position for the fund was \$688,184. The increase in net position was up from prior years as a result system expansion to new users, most notably a new Meijer location within the Township.

Governmental Activities

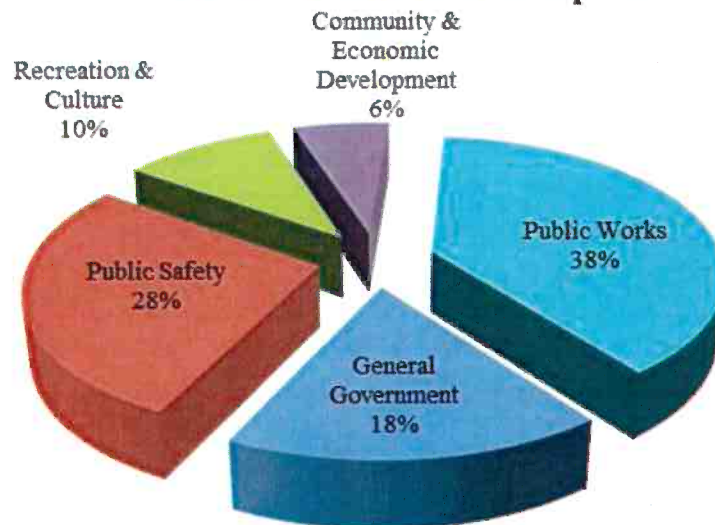
The following chart summarizes the revenue sources for the governmental activities of the Township for the most recent fiscal year end.

Governmental Activities Revenues



The following chart summarizes the expenses for the governmental activities of the Township for the most recent fiscal year end.

Governmental Activities Expenses



General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was a need for a significant budget amendment to increase the original estimated budgeted appropriations in its general fund in the parks & recreation department to provide for needed repairs and maintenance within Township parks and for a boat ramp project.

Final budget compared to actual results. During the current fiscal year the Township had no significant expenditures in excess of appropriations in the general fund.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2016, the Township had \$21,513,816 invested in capital assets. The following table represents the Townships investment in capital assets:

Township of Acme Capital Assets as of June 30, 2016

Land & Development Rights	\$ 14,952,835
Equipment	4,844
Building & Improvements	57,461
Vehicles	36,461
Water & Sewer System	6,462,215
<i>Net Capital Assets</i>	<u>\$ 21,513,816</u>

More detailed information about the Township's capital assets can be found in the notes to the financial statements section of this document.

Long-term Debt

At year end the Township had total long-term debt of \$1,549,946. The Township continued to pay down its debt, retiring \$90,593 of outstanding debt principal during the year. The Township also issued a \$945,000 transportation bond during the year to finance road improvements.

The State limits the amount of general obligation debt that a local unit can issue to 10 percent of the assessed value of all taxable property within a Township's boundaries. The Township is well under the State limit as of June 30, 2016.

More detailed information about the Township's long-term debt can be found in the notes to the financial statements section of this document.

Economic Condition and Outlook

Management estimates that approximately \$930,000 of revenues will be available for appropriation in the general fund in the upcoming year. Expenditures are expected to change by small amounts compared to 2016. The Township continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2017, the Township plans again to use current revenues to provide essential services and to maintain the Township's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values. The ongoing costs of providing essential services for the citizens of the Township will again need to be monitored in order to maintain the financial condition of the Township.

Contacting the Township

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 resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Township of Acme
602 Acme Road
Williamsburg, MI 49690

Basic Financial Statements

Township of Acme
Statement of Net Position
June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
<i>Current Assets</i>			
Cash & Cash Equivalents	\$ 2,152,805	\$ 2,278,300	\$ 4,431,105
Due from County	133,056	--	133,056
Accounts Receivable	78,260	151,696	229,956
Special Assessments Receivable	750,259	--	750,259
Due from State	60,057	--	60,057
Prepaid Items	14,360	--	14,360
Total Current Assets	3,188,797	2,429,996	5,618,793
<i>Noncurrent Assets</i>			
Non-depreciable Capital Assets	14,952,835	--	14,952,835
Depreciable Capital Assets (net)	98,766	6,462,215	6,560,981
Total Assets	18,240,398	8,892,211	27,132,609
LIABILITIES			
<i>Current Liabilities</i>			
Accounts Payable	45,355	91,466	136,821
Accrued Payroll & Related Liabilities	12,958	--	12,958
Accrued Interest	3,879	3,754	7,633
Current Portion of Long-term Debt	30,000	86,092	116,092
Total Current Liabilities	92,192	181,312	273,504
<i>Noncurrent Liabilities</i>			
Long-term Debt	915,000	518,854	1,433,854
Compensated Absences	2,876	--	2,876
Total Liabilities	1,010,068	700,166	1,710,234
NET POSITION			
Net Investment in Capital Assets	15,051,601	5,848,090	20,899,691
<i>Restricted for:</i>			
Public Safety	140,343	--	140,343
Capital Projects	296,014	--	296,014
Other Functions	432,326	--	432,326
<i>Unrestricted</i>	1,310,046	2,343,955	3,654,001
Total Net Position	\$ 17,230,330	\$ 8,192,045	\$ 25,422,375

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 529,678	\$ 214,060	\$ --	\$ --	\$ (315,618)	\$ --	\$ (315,618)
Public Safety	830,786	--	9,105	--	(821,681)	--	(821,681)
Public Works	1,156,350	808,840	250,000	--	(97,510)	--	(97,510)
Recreation & Culture	300,216	150	21,921	36,854	(241,291)	--	(241,291)
Interest on Long-term Debt	18,085	--	--	--	(18,085)	--	(18,085)
Community & Economic Development	195,324	92,303	--	--	(103,021)	--	(103,021)
Total Governmental Activities	3,030,439	1,115,353	281,026	36,854	(1,597,206)	--	(1,597,206)
Business-type Activities:							
Water & Sewer	740,838	1,420,514	--	--	--	679,676	679,676
Total Business-type Activities	740,838	1,420,514	--	--	--	679,676	679,676
Total Primary Government	\$ 3,771,277	\$ 2,535,867	\$ 281,026	\$ 36,854	\$ (1,597,206)	\$ 679,676	\$ (917,530)
General Purpose Revenues:							
Revenues							
State Revenue Sharing					327,873	--	327,873
Other					3,886	--	3,886
Interest Income					2,470	8,508	10,978
Property Taxes					1,344,328	--	1,344,328
Total General Revenues					1,678,557	8,508	1,687,065
Change in Net Position					81,351	688,184	769,535
<i>Net Position at Beginning of Period (Restated, Note 12)</i>					<i>17,148,979</i>	<i>7,503,861</i>	<i>24,652,840</i>
Net Position at End of Period					\$ 17,230,330	\$ 8,192,045	\$ 25,422,375

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Acme
Balance Sheet
Governmental Funds
June 30, 2016**

	Special Revenue			Other	Total
	General	Fire Fund	Holiday Hills Improvement	Governmental Funds	Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 1,130,969	\$ 39,581	\$ 287,471	\$ 694,784	\$ 2,152,805
Due from County	133,056	--	--	--	133,056
Accounts Receivable	78,260	--	--	--	78,260
Special Assessments Receivable	--	--	750,259	--	750,259
Due from State	60,057	--	--	--	60,057
Prepaid Items	14,360	--	--	--	14,360
Total Assets	\$ 1,416,702	\$ 39,581	\$ 1,037,730	\$ 694,784	\$ 3,188,797
LIABILITIES					
Accounts Payable	\$ 22,406	\$ 7,089	\$ 12,321	\$ 3,539	\$ 45,355
Accrued Payroll & Related Liabilities	12,958	--	--	--	12,958
Total Liabilities	35,364	7,089	12,321	3,539	58,313
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	56,261	--	750,259	--	806,520
Total Liabilities and Deferred Inflows of Resources	91,625	7,089	762,580	3,539	864,833
FUND BALANCE					
Nonspendable	147,416	--	--	--	147,416
Restricted	59,902	32,492	275,150	501,139	868,683
Committed	651,985	--	--	190,106	842,091
Unassigned	465,774	--	--	--	465,774
Total Fund Balance	1,325,077	32,492	275,150	691,245	2,323,964
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,416,702	\$ 39,581	\$ 1,037,730	\$ 694,784	\$ 3,188,797

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2016

Total Fund Balance - Governmental Funds	\$ 2,323,964
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.	(3,879)
General government capital assets of \$15,378,610, net of accumulated depreciation of \$327,009, are not financial resources and accordingly are not reported in the funds.	15,051,601
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This amount represents long-term debt of \$945,000.	(945,000)
Receivables not collected within 60 days of year-end are not available to cover current period expenditures and, therefore, are reported as unavailable revenue in the funds.	806,520
Compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.	(2,876)
Total Net Position - Governmental Funds	\$ <u>17,230,330</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

		Special Revenue				
	General	Fire Fund	Holiday Hills Improvement	Other Governmental Funds	Total Governmental Funds	
Revenues						
Property Taxes	\$ 334,184	\$ 739,309	\$ --	\$ 270,835	\$ 1,344,328	
Special Assessments	--	--	58,581	--	58,581	
License & Permits	88,363	--	--	9,105	97,468	
Local Contributions	--	--	250,000	470	250,470	
Grants	21,451	--	--	36,854	58,305	
State Revenue Sharing	327,873	--	--	--	327,873	
Charges for Services	92,355	--	--	8,600	100,955	
Other	117,195	--	--	3,886	121,081	
Interest Income	2,288	--	--	182	2,470	
Total Revenues	<u>983,709</u>	<u>739,309</u>	<u>308,581</u>	<u>329,932</u>	<u>2,361,531</u>	
Expenditures						
General Government	518,248	--	--	3,998	522,246	
Public Safety	--	753,283	--	77,503	830,786	
Public Works	1,590	--	1,154,760	--	1,156,350	
Community & Economic Development	172,734	--	--	22,590	195,324	
Recreation & Culture	222,607	--	--	71,166	293,773	
Debt Service - Interest	--	--	14,206	--	14,206	
Total Expenditures	<u>915,179</u>	<u>753,283</u>	<u>1,168,966</u>	<u>175,257</u>	<u>3,012,685</u>	
Excess of Revenues Over						
(Under) Expenditures	<u>68,530</u>	<u>(13,974)</u>	<u>(860,385)</u>	<u>154,675</u>	<u>(651,154)</u>	
Other Financing Sources (Uses)						
Transportation Bond Issued	--	--	945,000	--	945,000	
Transfers In	--	--	--	208,546	208,546	
Transfers Out	(165,656)	--	--	(42,890)	(208,546)	
Net Other Financing Sources (Uses)	<u>(165,656)</u>	<u>--</u>	<u>945,000</u>	<u>165,656</u>	<u>945,000</u>	
Net Change in Fund Balance	<u>(97,126)</u>	<u>(13,974)</u>	<u>84,615</u>	<u>320,331</u>	<u>293,846</u>	
Fund Balance at Beginning of Period	<u>1,422,203</u>	<u>46,466</u>	<u>190,535</u>	<u>370,914</u>	<u>2,030,118</u>	
Fund Balance at End of Period	<u>\$ 1,325,077</u>	<u>\$ 32,492</u>	<u>\$ 275,150</u>	<u>\$ 691,245</u>	<u>\$ 2,323,964</u>	

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$ 293,846
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense for the year amounted to \$14,223.	(14,223)
Increase in accrued interest expense.	(3,879)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position.	(945,000)
Unavailable revenues not collected within 60 days of year-end are not included as revenues in the funds. However, they are reported as revenues in the statement of activities as soon as they are collectible. This represents the change in unavailable revenues during the year.	750,259
Changes to compensated absences are not shown in the fund financial statements. The net effect of the current year is to decrease net position.	348
Changes in Net Position - Governmental Funds	\$ <u>81,351</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Acme
Statement of Net Position
Proprietary Funds
June 30, 2016**

	<u>Activities - Enterprise Funds</u>
	<u>Water & Sewer</u>
ASSETS	
<i>Current Assets</i>	
Cash & Cash Equivalents	\$ 2,278,300
Accounts Receivable	151,696
<i>Total Current Assets</i>	<u>2,429,996</u>
<i>Noncurrent Assets</i>	
Depreciable Capital Assets (net)	6,462,215
<i>Total Assets</i>	<u>8,892,211</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts Payable	91,466
Accrued Interest	3,754
Current Portion of Long-term Debt	86,092
<i>Total Current Liabilities</i>	<u>181,312</u>
<i>Noncurrent Liabilities</i>	
Long-term Debt	518,854
<i>Total Liabilities</i>	<u>700,166</u>
NET POSITION	
Net Investment in Capital Assets	5,848,090
<i>Unrestricted</i>	2,343,955
<i>Total Net Position</i>	<u>\$ 8,192,045</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Activities - Enterprise Funds</u>
	<u>Water & Sewer</u>
Operating Revenues	
Charges for Services	\$ 1,420,514
<i>Total Operating Revenues</i>	<u>1,420,514</u>
Operating Expenses	
Contractual Services	468,933
Depreciation	245,179
<i>Total Operating Expenses</i>	<u>714,112</u>
<i>Operating Income (Loss)</i>	<u>706,402</u>
Non-Operating Revenues (Expenses)	
Interest Income	8,508
Interest Expense	(26,726)
<i>Net Non-Operating Revenues (Expenses)</i>	<u>(18,218)</u>
<i>Income Before Contributions and Transfers</i>	688,184
Transfers In	--
Transfers Out	--
<i>Change In Net Position</i>	<u>688,184</u>
<i>Net Position at Beginning of Period (Restated, Note 12)</i>	7,503,861
<i>Net Position at End of Period</i>	<u><u>\$ 8,192,045</u></u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Acme
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016**

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Water & Sewer</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 1,462,832
Cash Payments to Employees for Services and Fringe Benefits	(466,488)
Total Cash Flows from Operating Activities	<u>996,344</u>
 Cash Flows from (used by) Capital and Related Financing Activities	
Interest Paid	(29,679)
Principal Payments on Long-term Debt	(80,630)
Total Cash Flows from (used by) Capital and Related Financing Activities	<u>(110,309)</u>
 Cash Flows from Investing Activities	
Interest on Investments	8,508
Total Cash Flows from Investing Activities	<u>8,508</u>
 Net Increase (Decrease) in Cash and Equivalents	894,543
Cash and Equivalents - Beginning of Year	1,383,757
Cash and Equivalents - End of Year	<u>\$ 2,278,300</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 731,887
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	245,179
Changes in Assets & Liabilities	
Receivables	42,318
Accounts Payable	(23,040)
Net Cash Provided by Operating Activities	<u>\$ 996,344</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Acme
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Agency</u>
	<u>Current Tax</u>
ASSETS	
Cash & Cash Equivalents	\$ 1,609
<i>Total Assets</i>	<u>1,609</u>
LIABILITIES	
Due to Other Governments	<u>1,609</u>
<i>Total Liabilities</i>	<u>1,609</u>
NET POSITION	
Held in Trust	<u>\$ --</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Notes to the Financial Statements

Township of Acme

Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Acme, Michigan (the “Township” or “government”), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township’s accounting policies are described below.

Reporting Entity

The Township is located in Grand Traverse County, Michigan, and provides services to its residents in many areas including police and fire protection, community enrichment and development, water and sewer services, recreation and culture, and human services. The Township is a general law township governed by a seven-member board elected by the citizens of the Township. The Township Board consists of the supervisor, clerk, treasurer and four trustees.

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 61, “*The Financial Reporting Entity*,” these financial statements present the Township. The criteria established by GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. There are no other units that should be included in the financial statements.

The following entities are not included in the Township’s financial statements but do represent an ongoing financial interest or responsibility:

Joint Ventures

Master Sewer Agreement

The Township entered into a master sewer agreement effective July 1, 1987 through June 30, 2041 with the City of Traverse City, the Townships of Peninsula and Garfield in Grand Traverse County, the Township of Elmwood in Leelanau County, and Grand Traverse County. This master sewer agreement defines the allocation of costs and establishes certain rights and responsibilities with respect to the wastewater treatment plant and sewer system. Grand Traverse County is the owner of the treatment plant and the City of Traverse City is the owner of all multi-user facilities. The townships have the option to purchase the facility when certain bonds issued by Grand Traverse County are retired.

The City of Traverse City is the exclusive manager of the plant for the benefit to itself and the townships. As the exclusive manager, the City of Traverse City has the obligation to fully inform and advise townships as to the treatment plant's operation and the townships shall have the right to comment on all matters connected with the administration of the plant.

Township of Acme

Notes to the Financial Statements

Each participant in the joint venture pays an amount sufficient to cover its pro rata share of treatment plant costs. Each participant's pro rata share is determined by its volume of sewage treated in relation to total sewage treated at the plant.

The Township is responsible for debt service on the sewer system debt issues listed in Note 5 as determined biannually based upon the percentage of the Township's flow to the total flow through the treatment plant.

The Township is also responsible for lease payments to the Grand Traverse County Department of Public Works for the Township's portion of the Sewage Treatment Facility costs as listed in Note 5. In the year ended June 30, 2016, the Township paid \$81,762 to payoff sewage treatment plant bonds.

Metro Emergency Services Authority

The Township participates jointly in the operation of the Metro Emergency Services Authority with the charter townships of East Bay and Garfield in Grand Traverse County. The Township paid \$669,366 and \$77,503, to Metro Emergency Services Authority during the year ended June 30, 2016 for fire department and EMS services, respectively.

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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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.

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 revenues.

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.

Township of Acme

Notes to the 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. 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 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

Property taxes, state revenue sharing, licenses, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available 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 ***fire fund*** accounts for the Township's portion of operation of the Metro Emergency Services Authority. Financing is provided by a special property tax levy.

The ***holiday hills improvement fund*** accounts for costs of improving roads in holiday hills. Financing is provided by a special assessment and a transportation bond (which will also be repaid with special assessments).

The Township reports the following major proprietary fund:

The ***water & sewer fund*** accounts for the results of operations that provide water and sewer services to residents, financed primarily by a user charge for the provision of those services.

Township of Acme

Notes to the Financial Statements

Additionally, the Township reports the following fund types:

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

Capital projects funds account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

Debt service funds account for the accumulation of resources for and the repayment of debt.

Agency funds account for the collection and disbursements of taxes and other monies due to other units of government and individuals.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Township's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 enterprise funds are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses are not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Basis of Accounting

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The general fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.

Township of Acme

Notes to the Financial Statements

4. The Township Supervisor is authorized to make budget transfers to or from any one appropriation category during the fiscal year within dollar limits established by the Township Board. The legal level of budgetary control is at the activity level in the general fund and the functional level for special revenue funds.
5. Formal budgetary integration is employed as a management control device during the year for all funds except agency funds. Budget appropriations lapse at year-end.
6. Adoption and amendments of all budgets used by the Township are governed by Public Act 621, which was followed for the year ended June 30, 2016. Expenditures may not exceed appropriations. The appropriations resolutions are based on the projected expenditures budget of the department heads of the Township. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Assets, Liabilities, and Equity

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash deposits are reported at carrying amounts which reasonably estimate fair value.

State statutes and Township policy authorize the Township to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions, that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Township of Acme

Notes to the Financial Statements

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and all other outstanding balances between funds are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and 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 uncollectibles, as applicable. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No amounts have been deemed uncollectable.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, water and sewer lines, 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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, there was no interest expense capitalized as part of the cost of assets under construction.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Description	Years
Road Improvements	15-20
Water & Sewer Infrastructure	50
Buildings & Building Improvements	40-50
Vehicles	3-5
Equipment	3-7

Township of Acme

Notes to the Financial Statements

Conservation Easements

A conservation easement is a legal agreement between a landowner and a qualified conservation organization that permanently limits a property's use in order to protect its conservation values. Conservation easements, either purchased or donated, are initially valued at their appraised value. The difference between the purchase price and appraised value is reflected as capital grants and contributions in the statement of activities. This value is capitalized as a non-depreciable capital asset as it is recognized as an intangible asset providing value to the residents of the Township.

Deferred Inflows of Resources / Unavailable Revenue

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, that 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 assessment receivables for revenues that are not considered to be available to liquidate liabilities of the current period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the 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. For new bond issuances of governmental funds after the implementation of GASB Statement No. 34 and all proprietary fund bond issues, bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as a current period expense.

In the fund financial statements, governmental funds 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences (Paid Time Off)

The Township's policy for compensated absences allows unused time to carry over to the following year at a maximum of 24 hours per year, with a maximum accumulation of 120 hours.

Township of Acme

Notes to the Financial Statements

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township Board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township Board has authorized any two of the following to assign fund balance: the Township Supervisor, Clerk, or Treasurer. The Township Board may also assign fund balance as it does when

Township of Acme

Notes to the Financial Statements

appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is the residual classification for the Township's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Township's Board.

The Township intends to maintain a fund balance of 50% of the Township's general fund annual operating expenditures. If a fund balance declines below 50%, it shall be recovered at a rate of 1%, at a minimum, each year.

Revenues and Expenditures / Expenses

Property Tax Revenue Recognition

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2015 tax is levied and collectible on December 1, 2015 and is recognized as revenue in the year ended June 30, 2016, when the proceeds of the levy are budgeted and available for the financing of operations.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Subsequent Events

The Township has evaluated subsequent events and transactions for potential recognition and disclosure through November 16, 2016, the date the financial statements were available to be issued.

New Accounting Standards Adopted

For June 30, 2016, the Township adopted Government Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*. GASB 72 requires the funds to use valuation techniques which are appropriate under the circumstances and are either a market

Township of Acme

Notes to the Financial Statements

approach, a cost approach, or income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements. There was no material impact on the funds' financial statements as a result of the implementation of GASB 72.

Note 2 - Stewardship, Compliance, and Accountability

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

The Township had the following expenditures in excess of appropriations during the current year:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fire Fund			
Public Safety	\$ 736,747	\$ 753,283	\$ (16,536)
Holiday Hills Improvement Fund			
Public Works	500	1,154,760	(1,154,260)

Note 3 - Cash and Investments

A reconciliation of cash & cash equivalents to the Township's deposits and investments, as shown in the government-wide financial statements and in the statement of fiduciary net position, is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Statement of Net Position				
Cash & Cash Equivalents	\$ 2,152,805	\$ 2,278,300	\$ 1,609	\$ 4,432,714

Deposits

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Township of Acme

Notes to the Financial Statements

Custodial Credit Risk

In the event of bank failure, the Township's uninsured deposits may not be returned to it. As of June 30, 2016, \$3,651,643 of the Township's deposits were exposed to custodial credit risk because they were uninsured and uncollateralized.

The Township held no investments as of June 30, 2016.

Note 4 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2016 was as follows:

Governmental Activities	<u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2016</u>
Capital assets not being depreciated				
Land	\$ 14,952,835	\$ -	\$ -	\$ 14,952,835
Capital assets being depreciated				
Buildings & Improvements	233,201	-	-	233,201
Vehicles	97,342	-	-	97,342
Equipment	95,232	-	-	95,232
Total capital assets being depreciated	<u>425,775</u>	<u>-</u>	<u>-</u>	<u>425,775</u>
Less accumulated depreciation				
Buildings & Improvements	170,837	4,903	-	175,740
Vehicles	54,367	6,514	-	60,881
Equipment	87,582	2,806	-	90,388
Total accumulated depreciation	<u>312,786</u>	<u>14,223</u>	<u>-</u>	<u>327,009</u>
Total capital assets, net	<u>\$ 15,065,824</u>	<u>\$ (14,223)</u>	<u>\$ -</u>	<u>\$ 15,051,601</u>

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

Business-type Activities	<u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2016</u>
Capital assets being depreciated				
Water & Sewer System	\$ 12,258,956	\$ -	\$ -	\$ 12,258,956
Less accumulated depreciation				
Water & Sewer System	5,551,562	245,179	-	5,796,741
Total capital assets, net	<u>\$ 6,707,394</u>	<u>\$ 245,179</u>	<u>\$ -</u>	<u>\$ 6,462,215</u>

Township of Acme

Notes to the Financial Statements

Depreciation expense was charged to the Township as follows:

Governmental Activities	
General Government	\$ 6,954
Recreation & Culture	7,269
<i>Total Governmental Activities</i>	<u>\$ 14,223</u>
Business-type Activities	
Water & Sewer	<u>\$ 245,179</u>

Note 5 - Long-term Debt

Long-term debt at June 30, 2016 was composed of the following individual issues:

General Obligation Limited Tax Bonds (Governmental Activities)

Michigan Transportation Fund Bonds, Series 2015; \$945,000 issued dated July 1, 2015 used to finance road improvement projects within the Holiday Hills Area Subdivision Road Improvement Special Assessment Project with its authority under Act No. 51. Interest is paid semi-annually commencing March 1, 2016 with annual principal payments due September 1. Principal payments range annually from \$30,000 to \$75,000 with interest rates ranging from 0.65% to 3.50%. Maturity is scheduled for September 1, 2030. Payments on this long-term debt will be made entirely from special assessments collected within the Township's Holiday Hills Improvement fund.

General Obligation Bonds (Business-type activities)

1995 Traverse City Wastewater Treatment Plant Sewer General Obligation Bond (#328); remaining annual installments of \$21,460 to \$23,964 through April 2015; interest rate of 5.60% to 5.70%.

2011 Traverse City Wastewater Treatment Plant - Upgrade Refunding General Obligation Bond (#334); remaining annual installments of \$137,054 to \$194,853 through April 2022; interest rate of 3.00% to 4.00%.

The above business-type activities contractual obligations to Grand Traverse County (the "County") are the result of the County issuance of bonds on the Township's behalf. The Township has pledged substantially all revenue of the water and sewer fund, net of operating expenses, to repay the obligations; in addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary to fund the obligation to repay the County. The Township's portion of County bonds are adjusted annually based on plant flows. Proceeds from the County bonds provided financing for the construction of the sewer facilities and assets. All agreements provide for the Township to use, operate and maintain the systems, at its own expense, subject to the terms and conditions of the agreement. The remaining principal to be paid on the bonds total

Township of Acme

Notes to the Financial Statements

\$563,097 as of June 30, 2016. During the current year, net revenues of the system were \$1,420,514 compared to the annual debt requirements of \$110,309.

Leases Payable

The Grand Traverse County Department of Public Works has entered into various lease agreements with Acme Township to issue bonded debt and to manage the construction and operation of the Septage Treatment Plant joint venture. These agreements generally terminate with the retirement of the related bond issues. Leases payable are reported at an amount equal to the outstanding bond principal. Annual lease payments under these agreements are equal to the related bond principal and interest due each year. At termination of a lease, members of the joint venture have the option to purchase the facility.

Under the accrual basis of accounting, the leases are classified as sales leases. As a result, a long-term liability is recognized in the accompanying statement of net position.

Assets capitalized under the lease have a cost of \$470,853 and a net book value of \$386,282 as of June 30, 2016.

The following is a summary of long-term debt of the Township:

	6/30/2015	Additions	Reductions	6/30/2016	Due Within One Year
Governmental Activities:					
2015 Transportation Bonds	\$ -	\$ 945,000	\$ -	\$ 945,000	\$ 30,000
Compensated Absences	3,224	-	348	2,876	-
Total Governmental Activities	<u>3,224</u>	<u>945,000</u>	<u>348</u>	<u>947,876</u>	<u>30,000</u>
Business-type Activities:					
2011 Refunding Bonds	635,680	-	81,762	553,918	84,534
Unamortized Bond Premium	51,672	-	7,382	44,290	-
Contract Payable	8,187	-	1,449	6,738	1,558
Total Business-type Activities	<u>695,539</u>	<u>-</u>	<u>90,593</u>	<u>604,946</u>	<u>86,092</u>
Total Long-term Debt	<u>\$ 698,763</u>	<u>\$ 945,000</u>	<u>\$ 90,941</u>	<u>\$ 1,552,822</u>	<u>\$ 116,092</u>

Township of Acme

Notes to the Financial Statements

Future debt service maturity payments, excluding bond premiums and compensated absences, at June 30, 2016 were as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 30,000	\$ 23,178	\$ 53,178	\$ 86,092	\$ 21,731	\$ 107,822
2018	50,000	22,855	72,855	89,859	18,127	107,986
2019	55,000	22,286	77,286	94,125	14,359	108,484
2020	55,000	21,530	76,530	97,662	10,432	108,094
2021	55,000	20,637	75,637	99,316	6,360	105,676
2022-2025	335,000	81,822	416,822	93,601	2,144	95,745
2026-2030	365,000	31,590	396,590	-	-	-
Total	\$ 945,000	\$ 223,898	\$ 1,168,898	\$ 560,656	\$ 73,152	\$ 633,808

Advance Refunding

During the year ended June 30, 2012, the County issued general obligation City of Traverse City Treatment Plan Series 2011 bonds of \$20,385,000 (par value) with interest rates ranging from 3.00% to 4.00% to advance refund \$21,300,000 of the County Series 2002 bonds. The remaining Series 2002 bonds mature in fiscal years 2014 through 2022 in the amount of \$19,750,000 with interest rates of 4.10% to 5.00%. Acme Township's portion of the remaining maturities is \$563,097 as of June 30, 2016.

Note 6 - Interfund Transfers

Interfund transfers during the year were as follows:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 136,656

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time employees through a defined contribution plan through Wells Fargo. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 12 months of employment with a minimum age of 21. As established by the Board of Trustees, the Township contributes 10 percent of employees' gross earnings and employee

Township of Acme

Notes to the Financial Statements

contributions for each employee. Employer contributions plus interest allocated to the employee's account are fully vested after four years of service.

The current year contribution was calculated on covered payroll of \$211,683, resulting in an employer contribution of \$21,168. No contributions from employees are required.

Note 8 - Development Rights

Development rights typically are donated through the gift of a conservation easement. The donation of a perpetual conservation easement which preserves the conservation values of a property deemed to be in the public benefit, such as prime agricultural land, scenic views, wetlands, forests, and unique wildlife habitats, is recognized in the Federal Tax Code and may result in substantial income and estate tax benefits to the donor/landowner.

In situations where charitable tax benefits do not provide sufficient incentives, development rights are purchased rather than donated. This is often the case with farmland preservation programs. The amount paid to the landowner is determined by a "before and after" appraisal of the fair market value of the subject land.

Note 9 - Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township has purchased commercial insurance for medical claims and participates in the Michigan Townships Participating Plan for all other claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League operates its public entity risk pool and group self insurance program as common risk management and insurance programs for various municipalities throughout the State. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis. The plan includes the land use liability coverage, the shoreline park property, and buildings on the park property. The coverage under the current Michigan Municipal League policy, which covers all risks under the same policy-wide limit, is \$5 million.

Note 10 - Commitments and Contingencies

Septage Treatment Facility

The Township is a participant in the Septage Treatment Facility. Being a participant requires the Township to contribute funding to the planning of a new facility. As of June 30, 2016, the total cost of the project has not been estimated and no expenditures have been made.

Township of Acme

Notes to the Financial Statements

Grant Programs

The Township participates in state and federally assisted grant programs. The programs are subject to economy and efficiency, and program result audits by the grantors or their representatives. The audits of the programs for, or including, the year ended June 30, 2016 have not yet been conducted. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date.

Note 11 - Fund Balances – Governmental Funds

The Township reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Holiday Hills Improvement</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable:					
Long-term Receivable	\$ 133,056	\$ -	\$ -	\$ -	\$ 133,056
Prepaid Items	14,360	-	-	-	14,360
Total Nonspendable	<u>147,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,416</u>
Restricted for:					
Fire Fund	-	32,492	-	-	32,492
Public Act 48 Metro Fund	39,038	-	-	-	39,038
Farmland Preservation Fund	-	-	-	393,288	393,288
Police Protection Fund	-	-	-	100,722	100,722
Liquor Fund	-	-	-	7,129	7,129
Holiday Hills Improvement	-	-	275,150	-	275,150
Capital Improvements	20,864	-	-	-	20,864
Total Restricted	<u>59,902</u>	<u>32,492</u>	<u>275,150</u>	<u>501,139</u>	<u>868,683</u>
Committed for:					
SelfFunded Accts	361,177	-	-	-	361,177
Cemetery	-	-	-	9,407	9,407
Shoreline Preservation Fund	-	-	-	1,378	1,378
Parks	25,000	-	-	64,440	89,440
Saylor Park Boat Launch	54,262	-	-	114,881	169,143
GTTC Engineer Project Mgmt	32,000	-	-	-	32,000
Septage Plant Bond Buyout	179,546	-	-	-	179,546
Total Committed	<u>651,985</u>	<u>-</u>	<u>-</u>	<u>190,106</u>	<u>842,091</u>
Unassigned	<u>465,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,774</u>
Total Fund Balances - Governmental Funds	\$ 1,325,077	\$ 32,492	\$ 275,150	\$ 691,245	\$ 2,323,964

Restricted fund balance of \$868,683 in the funds equals the amount restricted in the statement of net position in the government-wide financial statements.

Township of Acme

Notes to the Financial Statements

Note 12 - Prior Period Adjustment

Beginning net equity was adjusted as of July 1, 2015 as follows:

- Net position of the business-type activities and the water & sewer fund was increased by \$890,538, while long-term debt was decreased by the same amount, to account for a semi-annual reconciliation of bonds payable to Grand Traverse County based on pro-rated usage of the system by the Township.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Acme
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 333,600	\$ 333,600	\$ 335,565	\$ 1,965
License & Permits	85,700	85,700	88,363	2,663
Grants	50,000	50,000	20,070	(29,930)
State Revenue Sharing	344,895	344,895	327,873	(17,022)
Charges for Services	81,100	81,100	92,355	11,255
Other	30,200	30,200	117,045	86,845
Interest Income	2,000	2,000	2,438	438
Total Revenues	927,495	927,495	983,709	56,214
Expenditures				
General Government				
Township Board	214,964	249,379	210,589	38,790
Supervisor	49,640	49,640	48,907	733
Elections	16,180	16,180	8,675	7,505
Assessing	51,383	51,383	50,802	581
Clerk	84,281	84,281	75,449	8,832
Board of Review	1,161	1,161	767	394
Treasurer	69,375	69,375	68,486	889
Building & Grounds	39,300	39,300	39,529	(229)
Total General Government	526,284	560,699	503,204	57,495
Public Works	1,530	1,530	1,590	(60)
Community and Economic Development	203,760	211,760	172,734	39,026
Parks & Recreation	106,975	227,475	222,607	4,868
Capital Outlay	400	400	--	400
Contingency	65,000	6,401	--	6,401
Other	13,200	16,299	15,044	1,255
Total Expenditures	917,149	1,024,564	915,179	109,385
Other Financing Uses				
Transfers Out	--	136,658	165,656	(28,998)
Total Expenditures and Other Financing Uses	917,149	1,161,222	1,080,835	80,387
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	10,346	(233,727)	(97,126)	136,601
Net Change in Fund Balance	10,346	(233,727)	(97,126)	136,601
Fund Balance at Beginning of Period	1,422,203	1,422,203	1,422,203	--
Fund Balance at End of Period	\$ 1,432,549	\$ 1,188,476	\$ 1,325,077	\$ 136,601

Township of Acme
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Fire Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 733,463	\$ 733,463	\$ 739,309	\$ 5,846
<i>Total Revenues</i>	<u>733,463</u>	<u>733,463</u>	<u>739,309</u>	<u>5,846</u>
Other Financing Sources				
Transfers In	4,000	4,000	--	(4,000)
<i>Total Revenues and Other Financing Sources</i>	<u>737,463</u>	<u>737,463</u>	<u>739,309</u>	<u>1,846</u>
Expenditures				
Public Safety	736,747	736,747	753,283	(16,536)
<i>Total Expenditures</i>	<u>736,747</u>	<u>736,747</u>	<u>753,283</u>	<u>(16,536)</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</i>	<u>716</u>	<u>716</u>	<u>(13,974)</u>	<u>(14,690)</u>
<i>Net Change in Fund Balance</i>	<u>716</u>	<u>716</u>	<u>(13,974)</u>	<u>(14,690)</u>
<i>Fund Balance at Beginning of Period</i>	<u>46,466</u>	<u>46,466</u>	<u>46,466</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 47,182</u>	<u>\$ 47,182</u>	<u>\$ 32,492</u>	<u>\$ (14,690)</u>

Township of Acme
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Holiday Hills Improvement
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance Positive (Negative) Final to Actual
	Original	Final	Actual	
Revenues				
Special Assessments	\$ 55,610	\$ 55,610	\$ 58,581	\$ 2,971
Local Contributions	--	--	250,000	250,000
Other	2,560	2,560	--	(2,560)
Interest Income	150	150	--	(150)
<i>Total Revenues</i>	<u>58,320</u>	<u>58,320</u>	<u>308,581</u>	<u>250,261</u>
Other Financing Sources				
Transportation Bonds Issued	--	--	945,000	945,000
<i>Total Revenues and Other Financing Sources</i>	<u>58,320</u>	<u>58,320</u>	<u>1,253,581</u>	<u>1,195,261</u>
Expenditures				
Public Works	500	500	1,154,760	(1,154,260)
Debt Service - Interest	22,819	22,819	14,206	8,613
<i>Total Expenditures</i>	<u>23,319</u>	<u>23,319</u>	<u>1,168,966</u>	<u>(1,145,647)</u>
Other Financing Uses				
<i>Total Expenditures</i>	<u>23,319</u>	<u>23,319</u>	<u>1,168,966</u>	<u>(1,145,647)</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>35,001</u>	<u>35,001</u>	<u>84,615</u>	<u>49,614</u>
<i>Net Change in Fund Balance</i>	<u>35,001</u>	<u>35,001</u>	<u>84,615</u>	<u>49,614</u>
<i>Fund Balance at Beginning of Period</i>	<u>190,535</u>	<u>190,535</u>	<u>190,535</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 225,536</u>	<u>\$ 225,536</u>	<u>\$ 275,150</u>	<u>\$ 49,614</u>

OTHER SUPPLEMENTARY INFORMATION

Township of Acme
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue						Capital Projects	Total Nonmajor Governmental Funds
	Police Protection	Cemetery Fund	Liquor Fund	Shoreline Preservation	Farm Land Preservation	New Urbanist Town Center	Park Fund	Sayler Park Boat Launch
ASSETS								
Cash & Cash Equivalents	\$ 100,722	\$ 9,407	\$ 7,129	\$ 1,378	\$ 393,288	\$ --	\$ 67,440	\$ 115,420
<i>Total Assets</i>	<u>\$ 100,722</u>	<u>\$ 9,407</u>	<u>\$ 7,129</u>	<u>\$ 1,378</u>	<u>\$ 393,288</u>	<u>\$ --</u>	<u>\$ 67,440</u>	<u>\$ 115,420</u>
LIABILITIES								
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,000	\$ 539
<i>Total Liabilities</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,000</u>	<u>539</u>
FUND BALANCE								
Restricted	100,722	--	7,129	--	393,288	--	--	--
Committed	--	9,407	--	1,378	--	--	64,440	114,881
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>100,722</u>	<u>9,407</u>	<u>7,129</u>	<u>1,378</u>	<u>393,288</u>	<u>--</u>	<u>64,440</u>	<u>114,881</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 100,722</u>	<u>\$ 9,407</u>	<u>\$ 7,129</u>	<u>\$ 1,378</u>	<u>\$ 393,288</u>	<u>\$ --</u>	<u>\$ 67,440</u>	<u>\$ 115,420</u>

Township of Acme
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue						Capital Projects	Total Nonmajor Governmental Funds
	Police Protection	Cemetery Fund	Liquor Fund	Shoreline Preservation	Farm Land Preservation	New Urbanist Town Center	Park Fund	Sayler Park Boat Launch
Revenues								
Property Taxes	\$ 43,915	\$ --	\$ --	\$ --	\$ 226,920	\$ --	\$ --	\$ --
License & Permits	--	--	9,105	--	--	--	--	--
Local Contributions	--	--	--	--	--	--	470	--
Grants	--	--	--	--	--	--	--	36,854
Charges for Services	--	8,600	--	--	--	--	--	--
Other	--	--	--	--	1,386	--	--	2,500
Interest Income	--	--	5	1	158	1	14	3
Total Revenues	43,915	8,600	9,110	1	228,464	1	484	39,357
Expenditures								
General Government	--	3,998	--	--	--	--	--	--
Public Safety	77,503	--	--	--	--	--	--	--
Community & Economic Development	--	--	--	--	22,590	--	--	--
Recreation & Culture	--	--	--	--	--	--	3,000	68,166
Total Expenditures	77,503	3,998	--	--	22,590	--	3,000	68,166
Excess of Revenues Over (Under) Expenditures	(33,588)	4,602	9,110	1	205,874	1	(2,516)	(28,809)
Other Financing Sources (Uses)								
Transfers In	15,000	--	--	--	--	--	49,856	143,690
Transfers Out	--	--	(15,000)	--	--	(27,890)	--	--
Net Other Financing Sources (Uses)	15,000	--	(15,000)	--	--	(27,890)	49,856	143,690
Net Change in Fund Balance	(18,588)	4,602	(5,890)	1	205,874	(27,889)	47,340	114,881
Fund Balance at Beginning of Period	119,310	4,805	13,019	1,377	187,414	27,889	17,100	--
Fund Balance at End of Period	\$ 100,722	\$ 9,407	\$ 7,129	\$ 1,378	\$ 393,288	\$ --	\$ 64,440	\$ 114,881
								\$ 691,245