



CASCADE CHARTER TOWNSHIP

KENT COUNTY, MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017



Vredeveld Haefner LLC
CPAs and Consultants

Cascade Charter Township

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10-11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12-13
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16-17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Assets and Liabilities - Agency Funds	19
Notes to Financial Statements	21-36
Required Supplementary Information	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	37
Fire Special Revenue Fund	38
Police Special Revenue Fund	39
Improvement Revolving Special Revenue Fund	40
Library Special Revenue Fund	41
Pathways Special Revenue Fund	42
Inspections Special Revenue Fund	43
Open Space Special Revenue Fund	44
Defined Benefit Pension Plan	
Schedule of Changes in Employers Net Pension Liability and Other Ratios	45
Schedule of Employer Contributions	46
Notes to Required Supplementary Information	46
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	48
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Cascade Dam Special Revenue Fund	49
HAZMAT Special Revenue Fund	50

Cascade Charter Township

TABLE OF CONTENTS

	<u>PAGE</u>
Comparative Fund Financial Statements	
General Fund	
Comparative Balance Sheet	51
Comparative Schedule of Revenues	53
Comparative Schedule of Expenditures	54-55
Fire Special Revenue Fund	
Comparative Balance Sheet	56
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	57
Police Special Revenue Fund	
Comparative Balance Sheet	58
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	59
Improvement Revolving Special Revenue Fund	
Comparative Balance Sheet	60
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	61
Library Special Revenue Fund	
Comparative Balance Sheet	62
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	63
Pathways Special Revenue Fund	
Comparative Balance Sheet	64
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	65
Inspections Special Revenue Fund	
Comparative Balance Sheet	66
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	67
Open Space Special Revenue Fund	
Comparative Balance Sheet	68
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	69
Cascade Dam Major Repair Special Revenue Fund	
Comparative Balance Sheet	70
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	71
HAZMAT Special Revenue Fund	
Comparative Balance Sheet	72
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	73
Building Authority Debt Service Fund	
Comparative Balance Sheet	74
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	75
Cemetery Perpetual Care Fund	
Comparative Balance Sheet	76
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance	77
Fiduciary Funds	
Combining Statement of Assets and Liabilities – Agency Funds	78
Combining Statement of Changes in Assets and Liabilities – Agency Funds	79
Component Units	
Downtown Development Authority	
Balance Sheet/Statement of Net Position	80
Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	81



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

INDEPENDENT AUDITORS' REPORT

June 13, 2018

Township Board
Cascade Charter Township
Kent County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cascade Charter Township (the Township), 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 table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2017, and the respective changes in financial position 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 on pages 3 through 8 and the information on pages 37 through 46 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 2017 balances in 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. 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 2017 balances in the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Township's basic financial statements for the year ended December 31, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements as a whole. The combining and individual fund financial statements, related to the 2016 financial statements for the year ended December 31, 2017, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2016 combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Urodeuxeld Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Cascade Charter Township (the Township), 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 December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The Township's net position increased through 2017 operations by \$1,169,623 (or 2.9%)
- Total expenses of the Township's programs were \$9,714,157.
- Total revenues, including all programs and general revenues, were \$10,883,780.
- At the close of the current year, the Township's governmental funds reported combined ending fund balances of \$22,578,920, an increase of \$1,163,843 from the previous year.
- At the end of the current year, the unassigned fund balance for the General Fund was \$8,810,950 or 225% of total General Fund expenditures and transfers out.
- Total long-term debt of the Township decreased by \$425,000 (or 11.7%) during the current year.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences, accrued interest, etc.).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, culture and recreation, and other township activities. The Township has no business-type activities.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar

information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, fire, police, improvement revolving, library, pathways, inspections, and open space funds which are considered major funds.

Data is combined into a single aggregated presentation for the other governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements and schedules*.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Township has no proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resource 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.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This consists of this management discussion and analysis, major fund budgetary schedules, and pension schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows exceeded liabilities and deferred inflows by \$41,465,789 at the close of the most recent fiscal year. A summary of net position is as follows:

Net Position		<u>Governmental activities</u>	
	<u>2016</u>	<u>2017</u>	
Current and other assets	\$30,802,427	\$32,481,133	
Capital assets	20,563,647	20,453,414	
Total assets	51,366,074	52,934,547	
Deferred outflows of resources - pension	956,504	340,840	
Long-term liabilities outstanding	5,858,304	5,132,258	
Other liabilities	982,142	1,096,199	
Total liabilities	6,840,446	6,228,457	
Deferred inflows of resources	5,185,966	5,581,141	
Net position:			
Net investment in capital assets	16,944,647	17,259,414	
Restricted	15,996,660	16,243,573	
Unrestricted	7,354,859	7,962,802	
Total net position	\$40,296,166	\$41,465,789	

A portion of the Township's net position (19 percent) reflects unrestricted net position which is available for future operations while the largest portion of net position is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The government's net position increased by \$1,169,623 during the current fiscal year.

Changes in Net Position

	<u>Governmental activities</u>	
	<u>2016</u>	<u>2017</u>
Revenue:		
Program revenue:		
Charges for services	\$ 2,155,957	\$ 2,613,027
Operating grants and contributions	95,340	94,340
Capital grants and contributions	51,993	42,770
General revenue:		
Property taxes	5,567,813	5,820,658
State sources	1,385,182	1,485,370
Intergovernmental	32,870	32,870
Unrestricted investment earnings	302,383	358,925
Other	248,128	435,820
Total revenue	<u>9,839,666</u>	<u>10,883,780</u>
Expenses:		
General government	2,168,298	2,460,139
Public safety	4,160,512	4,603,277
Public works	699,462	650,987
Community and economic development	596,565	636,827
Culture and recreation	966,965	1,118,945
Interest on long-term debt	151,559	243,982
Total expenses	<u>8,743,361</u>	<u>9,714,157</u>
Change in net position	1,096,305	1,169,623
Net position - beginning of year	<u>39,199,861</u>	<u>40,296,166</u>
Net position - end of year	<u>\$40,296,166</u>	<u>\$41,465,789</u>

Governmental Activities. During the year the Township invested \$4,603,277 or 47% of governmental activities expenses in public safety. General government expenses amounted to \$2,460,139 or 25% of governmental activities while public works, community and economic development, culture and recreation, interest on long-term debt, and other made up the remaining 28% of governmental activities expenses.

Financial Analysis of the Government's Funds

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

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

balances of \$22,578,920, an increase of \$1,163,843 in comparison with the prior year. Of the \$22,578,920, \$9,960,982 is reported in the general fund.

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 \$8,810,950. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 225% of total general fund expenditures and transfers out. The fund balance of the Township's general fund increased by \$870,747 during the current fiscal year.

The fire fund is used to account for Fire Department operations of the Township. At the end of the current fiscal year, fund balance was \$2,552,149, a decrease of \$103,560 over the prior year. The decrease is primarily the result of planned use of fund balance for capital purchases.

The police fund is used to account for the contract with the County Sheriff Department to provide police protection to the Township. At the end of the current fiscal year, fund balance was \$1,303,173, an increase of \$19,388 over the prior year.

The improvement revolving fund collects connection fees for sewer and water hookups to be used for the construction of extension to the utility systems benefiting Township residents. At the end of the current fiscal year, fund balance was \$1,231,070, a decrease of \$365,100 over the prior year. The decrease is primarily due to capital outlay.

The library fund is used to account for the property tax millage and expenditures related to the Township library. At the end of the current fiscal year, fund balance was \$2,029,306, an increase of \$50,078 over the prior year. The increase is primarily the result of budgeted capital outlay which was not spent.

The pathways fund is used to account for the property tax millage dedicated to the maintenance, operations and debt service related to the Townships pathway system. At the end of the current fiscal year, fund balance was \$1,148,513, an increase of \$193,185 from the prior year. The increase is due to collections in excess of maintenance needed on pathways in the current year.

The Inspections fund collects inspection (building, mechanical, electrical, plumbing) permits from Cascade Township and other customer community residents to be used for maintaining the operations of the Inspections Department. At the end of the current fiscal year, fund balance was \$2,898,288, an increase of \$468,207 over the prior year. The increase is primarily the result of significant building projects both within the Township and other communities who contract with the Township.

The open space fund is used to account for the property tax millage dedicated to the development of Township parks. At the end of the current fiscal year, fund balance was \$709,516 a decrease of \$29,529 from the prior year. The decrease is due to bond costs related to debt refunding.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of December 31, 2017, amounted to \$20,453,411 (net of accumulated depreciation).

The Township's capital assets (net of depreciation) are summarized as follows:

	2016	2017
Land	\$ 9,931,708	\$ 9,932,583
Land improvements	3,188,046	2,762,288
Infrastructure	532,000	504,000
Buildings and improvements	4,990,492	5,007,845
Furniture and equipment	449,470	548,767
Vehicles	1,471,931	1,697,931
Total	\$20,563,647	\$20,453,414

Additional information on the Township's capital assets can be found in the footnotes to the financial statements.

Debt. At the end of the current fiscal year, the Township had total debt outstanding as follows:

	2016	2017
Accrued employee benefits	\$ 102,557	\$ 103,775
Bonds payable	3,619,000	3,194,000
Total	\$3,721,557	\$3,297,775

Additional information on the Township’s long-term debt can be found in the footnotes to the financial statements.

Budgetary Highlights

Over the course of the year, the Township revised the annual General and Special Revenue Funds operating budgets to comply with the Michigan Department of Treasury guidelines. The budget amendments were made to reflect changes in revenues and expenditures as they occurred during the year.

- In the General Fund, the final amended budget estimated an increase in fund balance of \$217,556, which was larger than the original anticipated increase of \$32,467. The major amendments included:
 - The Community Stabilization Share revenue was increased by \$57,641 to reflect the additional “Tier III” personal property tax reimbursement payment that was received by the Township
 - The DEQ SAW Grant Revenue was reduced by \$72,843 as the remaining grant money will be received by the Township in 2018.
 - The State Shared Revenue line was increased by \$90,000 to reflect additional constitutional revenue sharing payments that were received by the Township
 - The Cell Tower Revenue was increased by \$50,000 as the Township received a lump sum payment from the cell tower company to extend the lease.
 - Park Maintenance expenditures were increased by \$15,000 to accommodate additional landscape and tree maintenance work in Tassel Park.
 - The Health Insurance and Pension Plan Benefits lines were increased by \$15,000 each to reflect some mid-year plan changes and employees’ classification changes.

- In the Fire Fund, the final amended budget estimated a decrease in fund balance of \$412,639, which was slightly larger than the originally budgeted decrease of \$380,488. The major amendments included:
 - The Community Stabilization Share revenue was increased by \$12,570 to reflect the additional “Tier III” personal property tax reimbursement payment that was received by the Township
 - The two (2) Fire Station Maintenance lines were increased by a total of \$30,000 for additional maintenance projects including the complete rekeying of the facilities, upgrades to the fire alarm panels and unanticipated major repairs to the Station #2 septic system.

- In the Infrastructure Revolving Fund, the final amended budget estimated a decrease in fund balance of \$659,144, which was slightly larger than the originally budgeted decrease of \$644,144. The major amendments included:
 - The Hook-Up fees revenue was increased by \$150,000 to reflect higher than anticipated connections to the utility system
 - The Capital Outlay – Land Imp expenditures was increased by \$150,000 to reflect a project to purchase the 60th Street watermain from Caledonia Township.

- In the Building Fund, the final amended budget estimated an increase in fund balance of \$405,308 which was significantly higher than the originally budgeted increase of \$22,008. The major amendments included:
 - Nearly all permit revenue line items were increased due to higher than anticipated building activity in Cascade Township and all customer communities.
 - The Building II – Clerical expenditure was increased by \$7,000 as that position was approved to be full-time.
 - The Building Rental – Lease line item was created with \$10,000 and the Special projects expenditure was increased by \$30,000 to prepare for the Building Department relocation to a leased facility.
 - All of the Payments to Other Townships line items were increased as the Township remits 20% of permit revenue to the jurisdiction the permit is created in, and permit revenues were also increased.

- In the Library Fund, the final amended budget estimated an increase in fund balance of \$14,579 which was lower than the originally budgeted fund balance increase of \$92,118. The major amendments included:
 - An increase in the Library Janitorial Contract expense of \$25,200 to reflect a typo in the original budget
 - An increase in the Library CIP expenditures to add a shelving unit project in the basement of the Wisner Center and carry over a project to replace furniture in the Cascade Library from the FY 2016 budget.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the Township’s budget for the 2018 fiscal year:

- The FY2018 General and Special Funds budget was prepared utilizing identical millage rates from the FY2017 budget.
- For FY 2017 the Township’s initial General Fund Budget anticipates a year-end fund balance decrease of \$186,627. The Township continues to see an increase in tax revenue growth (3.6%) and state shared-revenue growth (2%). The FY2018 budget does see a decrease in Personal Property Tax Revenue (1.92%) as the second year of Industrial Personal Property Tax elimination begins. Part of that loss is offset by PPT reimbursement from the State, which is estimated at \$35,450. For FY18 the Township budgeted significant capital improvement expenditures including a building generator (\$50,000) improvements to the Burton Park facility (\$100,000), Pickleball Courts in the Recreation Park (\$40,000) and savings for the 30th Street Cemetery expansion (\$450,000) to be completed in FY 2019.
- In the FY 2018 Special Revenue and component funds, most funds will see modest budgeted increases to fund balance including the Fire Fund (\$152,727), the Pathway Fund (\$497,795), the Downtown Development Authority (\$257,191) and the Building Fund (\$87,358). There is one fund, the Dam Repair Fund, which will see a moderate fund balance decrease (\$219,000) due to a planned Capital Improvement project to repair the concrete abutment walls.

Requests for Information

This financial report is designed to provide a general overview of Cascade Charter Township’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Benjamin Swayze, Township Manager, Cascade Charter Township, 2865 Thornhills SE, Grand Rapids, MI 49546-7140, (616) 949-1500, or by email at bswayze@cascadetwp.com.

BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2017

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Downtown Development Authority</u>
Assets		
Cash and pooled investments	\$ 22,815,700	\$ 710,879
Receivables		
Accounts	3,116,801	-
Taxes	2,445,917	208,806
Due from other governments	397,934	-
Prepaid items	<u>35,113</u>	<u>-</u>
Total current assets	<u>28,811,465</u>	<u>919,685</u>
Noncurrent assets		
Special assessments receivable	3,669,668	-
Capital assets		
Non-depreciable	9,932,583	59,366
Depreciable capital assets, net	<u>10,520,831</u>	<u>4,549,469</u>
Total noncurrent assets	<u>24,123,082</u>	<u>4,608,835</u>
Total assets	<u>52,934,547</u>	<u>5,528,520</u>
Deferred outflows of resources		
Pension related	<u>340,840</u>	<u>-</u>
Liabilities		
Accounts payable	781,782	15,671
Accrued payroll and benefits	46,728	-
Accrued interest payable	13,689	2,591
Current portion of bonds and notes payable	<u>254,000</u>	<u>97,000</u>
Total current liabilities	<u>1,096,199</u>	<u>115,262</u>
Long-term liabilities		
Compensated absences	103,775	-
Net pension liability	2,088,483	-
Bonds and notes payable	<u>2,940,000</u>	<u>203,000</u>
Total long-term liabilities	<u>5,132,258</u>	<u>203,000</u>
Total liabilities	<u>6,228,457</u>	<u>318,262</u>
Deferred inflows of resources		
Unavailable - taxes	5,274,478	208,806
Pension related	<u>306,663</u>	<u>-</u>
	<u>5,581,141</u>	<u>208,806</u>
Net position		
Net investment in capital assets	17,259,414	4,308,835
Restricted for		
Public safety	6,753,610	-
Public works	5,507,319	-
Culture and recreation	3,887,335	-
Cemetery trust	95,309	-
Unrestricted	<u>7,962,802</u>	<u>692,617</u>
Total net position	<u>\$ 41,465,789</u>	<u>\$ 5,001,452</u>

The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 2,460,139	\$ 516,543	\$ 94,340	\$ 42,770	\$ (1,806,486)
Public safety	4,603,277	2,015,957	-	-	(2,587,320)
Public works	650,987	46,799	-	-	(604,188)
Community and economic development	636,827	33,728	-	-	(603,099)
Culture and recreation	1,118,945	-	-	-	(1,118,945)
Interest on long-term debt	243,982	-	-	-	(243,982)
Total primary government	\$ 9,714,157	\$ 2,613,027	\$ 94,340	\$ 42,770	\$ (6,964,020)
Component unit					
Downtown Development Authority	\$ 624,061	\$ -	\$ -	\$ -	\$ (624,061)
Total component unit	\$ 624,061	\$ -	\$ -	\$ -	\$ (624,061)

(Continued)

The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Downtown Development Authority</u>
Changes in net position		
Net (expense) revenue	\$ (6,964,020)	\$ (624,061)
General revenues		
Property taxes		
General purpose	2,125,414	-
Specific purpose	3,695,244	709,705
State shared revenues	1,485,370	-
Intergovernmental revenues	32,870	-
Unrestricted interest	358,925	6,416
Miscellaneous	<u>435,820</u>	<u>13,323</u>
Total general revenues and transfers	<u>8,133,643</u>	<u>729,444</u>
Change in net position	1,169,623	105,383
Net position, beginning of year	<u>40,296,166</u>	<u>4,896,069</u>
Net position, end of year	<u>\$ 41,465,789</u>	<u>\$ 5,001,452</u>

(Concluded)

The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
BALANCE SHEET**

DECEMBER 31, 2017

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Improvement Revolving</u>
Assets				
Cash and pooled investments	\$ 9,747,142	\$ 2,864,149	\$ 1,388,347	\$ 1,151,348
Receivables				
Accounts	962,719	1,030,833	359,820	10,068
Taxes	767,199	864,899	301,901	-
Special assessments	-	-	-	3,669,668
Due from other funds	-	-	-	-
Due from other governments	264,481	-	-	133,453
Prepaid items	13,092	12,576	-	-
Total assets	<u>\$ 11,754,633</u>	<u>\$ 4,772,457</u>	<u>\$ 2,050,068</u>	<u>\$ 4,964,537</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 181,680	\$ 307,079	\$ 85,174	\$ 74,272
Accrued payroll and benefits	17,145	17,497	-	-
Due to other funds	10,000	-	-	-
Total liabilities	<u>208,825</u>	<u>324,576</u>	<u>85,174</u>	<u>74,272</u>
Deferred inflows of resources				
Unavailable revenue	<u>1,594,826</u>	<u>1,895,732</u>	<u>661,721</u>	<u>3,659,195</u>
Fund balances				
Nonspendable				
Prepaid items	13,092	12,576	-	-
Cemetery trust	-	-	-	-
Restricted				
Dedicated millage	-	2,539,573	1,303,173	-
Inspection fees	-	-	-	-
Capital improvements	-	-	-	1,231,070
Committed				
Cemetery trust	-	-	-	-
Unfunded pension liability	499,543	-	-	-
Loss of personal property tax revenues	475,000	-	-	-
Assigned				
Future years expenditures	152,397	-	-	-
Special revenue funds	-	-	-	-
Unassigned	<u>8,810,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>9,950,982</u>	<u>2,552,149</u>	<u>1,303,173</u>	<u>1,231,070</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,754,633</u>	<u>\$ 4,772,457</u>	<u>\$ 2,050,068</u>	<u>\$ 4,964,537</u>

The accompanying notes are an integral part of these financial statements.

<u>Library</u>	<u>Pathways</u>	<u>Inspections</u>	<u>Open Space</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 2,040,988	\$ 1,155,395	\$ 3,004,032	\$ 717,643	\$ 746,656	\$ 22,815,700
117,709	312,321	-	183,301	-	2,976,771
98,630	262,049	-	151,239	-	2,445,917
-	-	-	-	-	3,669,668
-	-	-	-	10,000	10,000
-	-	-	-	-	397,934
-	-	9,445	-	-	35,113
<u>\$ 2,257,327</u>	<u>\$ 1,729,765</u>	<u>\$ 3,013,477</u>	<u>\$ 1,052,183</u>	<u>\$ 756,656</u>	<u>\$ 32,351,103</u>
\$ 11,682	\$ 6,882	\$ 103,103	\$ 11,177	\$ 733	\$ 781,782
-	-	12,086	-	-	46,728
-	-	-	-	-	10,000
<u>11,682</u>	<u>6,882</u>	<u>115,189</u>	<u>11,177</u>	<u>733</u>	<u>838,510</u>
<u>216,339</u>	<u>574,370</u>	<u>-</u>	<u>331,490</u>	<u>-</u>	<u>8,933,673</u>
-	-	9,445	-	-	35,113
-	-	-	-	95,309	95,309
2,029,306	1,148,513	-	709,516	-	7,730,081
-	-	2,888,843	-	-	2,888,843
-	-	-	-	617,054	1,848,124
-	-	-	-	9,940	9,940
-	-	-	-	-	499,543
-	-	-	-	-	475,000
-	-	-	-	-	152,397
-	-	-	-	33,620	33,620
-	-	-	-	-	8,810,950
<u>2,029,306</u>	<u>1,148,513</u>	<u>2,898,288</u>	<u>709,516</u>	<u>755,923</u>	<u>22,578,920</u>
<u>\$ 2,257,327</u>	<u>\$ 1,729,765</u>	<u>\$ 3,013,477</u>	<u>\$ 1,052,183</u>	<u>\$ 756,656</u>	<u>\$ 32,351,103</u>

(This page left intentionally blank)

CASCADE CHARTER TOWNSHIP

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

DECEMBER 31, 2017

Fund balances - total governmental fund:	\$ 22,578,920
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	9,932,583
Add - capital assets (net of accumulated depreciation)	10,520,831
Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue or not included in the funds.	
Add - special assessments deferred receivable	3,659,195
Add - accrued interest receivable	140,030
Deferred outflows and inflows reported on the statement of net position are recognized over future periods and therefore are not reported in the funds.	
Add - deferred outflows related to pensions	340,840
Deduct - deferred inflows related to pensions	(306,663)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(103,775)
Deduct - net pension liability	(2,088,483)
Deduct - bonds and notes payable	(3,194,000)
Deduct - accrued interest on bonds and notes payable	<u>(13,689)</u>
Net position of governmental activities:	<u>\$ 41,465,789</u>

The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Improvement Revolving</u>
Revenues				
Property taxes	\$ 2,125,414	\$ 1,884,454	\$ 650,465	\$ -
Licenses and permits	440,107	-	-	-
State	1,552,068	-	-	-
Local	-	-	-	-
Charges for services	144,389	-	-	-
Interest	292,188	30,990	12,075	6,759
Miscellaneous	153,651	7,185	-	417,566
Total revenues	<u>4,707,817</u>	<u>1,922,629</u>	<u>662,540</u>	<u>424,325</u>
Expenditures				
Current				
General government	1,586,024	-	-	-
Public safety	-	1,937,156	643,152	-
Public works	516,605	-	-	-
Community and economic development	230,950	-	-	-
Culture and recreation	71,062	-	-	-
Other	702,433	-	-	-
Debt service				
Principal	-	-	-	77,000
Interest	-	-	-	2,289
Bond issuance costs	-	-	-	-
Capital outlay	383,971	489,033	-	710,136
Total expenditures	<u>3,491,045</u>	<u>2,426,189</u>	<u>643,152</u>	<u>789,425</u>
Revenues over (under) expenditures	<u>1,216,772</u>	<u>(503,560)</u>	<u>19,388</u>	<u>(365,100)</u>
Other financing sources (uses)				
Bond Issues	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	96,750	400,000	-	-
Transfers out	(442,775)	-	-	-
Total other financing sources (uses)	<u>(346,025)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	870,747	(103,560)	19,388	(365,100)
Fund balances, beginning of year	<u>9,080,235</u>	<u>2,655,709</u>	<u>1,283,785</u>	<u>1,596,170</u>
Fund balances, end of year	<u>\$ 9,950,982</u>	<u>\$ 2,552,149</u>	<u>\$ 1,303,173</u>	<u>\$ 1,231,070</u>

The accompanying notes are an integral part of these financial statements.

<u>Library</u>	<u>Pathways</u>	<u>Inspections</u>	<u>Open Space</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 223,685	\$ 593,887	\$ -	\$ 342,753	\$ -	\$ 5,820,658
-	-	1,923,362	-	-	2,363,469
-	-	-	-	-	1,552,068
32,870	-	-	-	-	32,870
-	-	-	-	3,725	148,114
29,188	3,971	14,821	2,238	12,192	404,422
-	-	1,670	-	5,000	585,072
<u>285,743</u>	<u>597,858</u>	<u>1,939,853</u>	<u>344,991</u>	<u>20,917</u>	<u>10,906,673</u>
-	-	-	-	513	1,586,537
-	-	1,233,634	-	2,266	3,816,208
-	-	-	-	-	516,605
-	-	-	-	-	230,950
200,695	34,857	-	29,513	-	336,127
-	-	-	-	-	702,433
-	287,000	-	-	215,000	579,000
-	5,423	-	-	77,369	85,081
-	-	-	37,550	-	37,550
34,970	77,393	141,262	-	486	1,837,251
<u>235,665</u>	<u>404,673</u>	<u>1,374,896</u>	<u>67,063</u>	<u>295,634</u>	<u>9,727,742</u>
<u>50,078</u>	<u>193,185</u>	<u>564,957</u>	<u>277,928</u>	<u>(274,717)</u>	<u>1,178,931</u>
-	-	-	2,739,000	-	2,739,000
-	-	-	(2,754,088)	-	(2,754,088)
-	-	-	-	335,144	831,894
-	-	(96,750)	(292,369)	-	(831,894)
-	-	(96,750)	(307,457)	335,144	(15,088)
50,078	193,185	468,207	(29,529)	60,427	1,163,843
<u>1,979,228</u>	<u>955,328</u>	<u>2,430,081</u>	<u>739,045</u>	<u>695,496</u>	<u>21,415,077</u>
<u>\$ 2,029,306</u>	<u>\$ 1,148,513</u>	<u>\$ 2,898,288</u>	<u>\$ 709,516</u>	<u>\$ 755,923</u>	<u>\$ 22,578,920</u>

CASCADE CHARTER TOWNSHIP

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2017

Net changes in fund balances - total governmental fund	\$ 1,163,843
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	743,963
Deduct - depreciation expense	(844,196)
Deduct - net book value of disposed capital assets	(10,000)
Special assessments receivable are long-term in nature and are collectable over several years. However the current receipts are reflected as revenues on the fund statements.	
Deduct - net decrease in special assessments	(46,063)
Interest receivable is recognized when earned in the statement of activities but is reflected as revenue on the fund statement when it is paid.	
Add - increase in accrued interest receivable	23,170
Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Add - principal payments on debt	579,000
Add - principal paid with refunding	2,585,000
Deduct - refunding bond proceeds	(2,739,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in net pension liability	627,264
Deduct - decrease in deferred outflows related to pension	(615,664)
Deduct - increase in deferred inflows related to pension	(306,663)
Deduct - increase in compensated absences	(1,218)
Add - decrease in accrued interest	10,187
Change in net position of governmental activitie	\$ <u>1,169,623</u>

The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

	<u>Agency Funds</u>
Assets	
Cash and pooled investments	\$ <u>4,769,662</u>
Total assets	\$ <u><u>4,769,662</u></u>
Liabilities	
Accounts payable	\$ 2,853,369
Escrow deposits	225,112
Due to other governmental units	<u>1,691,181</u>
Total liabilities	\$ <u><u>4,769,662</u></u>

The accompanying notes are an integral part of these financial statements.

(This page left intentionally blank)

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Cascade Charter Township (the "Township") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations, so data from these units are combined with data of the primary government. Discretely presented component units are reported in separate columns in the financial statements to emphasize they are legally separate from the Township.

Blended Component Unit

The Building Authority (the "Authority") serves all the citizens of the Township and is governed by a Board appointed by the Township's Board. The primary purpose of the Authority is to acquire and construct Township public buildings. The Authority issues bonds that are approved by the Township Board, and the legal liability for the Authority's debt remains with the Township. The Authority then leases the assets to the Township to finance the repayment of the bonds. The Authority is reported as a debt service fund.

Discretely Presented Component Unit

The Downtown Development Authority (the "DDA") was created to correct and prevent deterioration in the downtown area and promote economic growth within downtown. The DDA governing body consists of individuals that are appointed by the Township's Board. The Township's Board approves the DDA's budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

This component unit provides services to the businesses located within the district. It is reported in a separate column to emphasize they are legally separate from the Township.

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 and its component units. 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 in total. The Township had no business-type activities. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, 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, except for state shared revenue and reimbursement-based grants which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, 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. 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 general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Fire Special Revenue Fund* is used to account for a special tax millage levied by the Township to maintain the operations and debt service of the Township Fire Department.

The *Police Special Revenue Fund* is used to account for a special tax millage levied by the Township to maintain law enforcement activities in the Township.

The *Improvement Revolving Special Revenue Fund* is used to account for a special assessment and fees used to construct and improve the sewer sanitation and water supply systems in the Township.

The *Library Special Revenue Fund* is used to account for a special tax millage levied by the Township to maintain operations and debt service of the Township library.

The *Pathways Special Revenue Fund* is used to account for a special tax millage levied by the Township to maintain operations and debt service of the Township pedestrian pathways system.

The *Inspections Special Revenue Fund* is used to account for permit fees collected to maintain the operations of the Township inspections department.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

The *Open Space Special Revenue Fund* is used to account for a special tax millage levied by the Township purchase land needed for Township park development.

Additionally, the Township reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Capital Projects Fund* is used for the accumulation and disbursement of resources for the construction of various capital items.

The *Debt Service Fund* is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs.

The *Permanent Fund* accounts for fees collected to be used for cemetery improvements.

The *Agency Funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year-end.
5. Supplemental appropriations, when required to provide for appropriate expenditures are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year-end.

The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level. Supplemental appropriations were made during the year.

Cash and Pooled Investments

The Township's cash and pooled investments are considered to be cash equivalents because the balances are pooled and readily available similar to a demand deposit account.

CASCADE CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Investments

Investments are stated at fair value at the balance sheet date.

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

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. 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.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase that are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, infrastructure, buildings and improvements, vehicles, and furniture and equipment, are reported in the 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. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their fair value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	15-30
Infrastructure	50
Buildings and improvements	25-40
Vehicles	5-20
Furniture and equipment	5-15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Township has items that qualify for reporting in this category related to the net pension liability that is discussed in Note 7.

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 governmental funds and governmental activities report unearned revenues from property taxes levied for the following year. Additionally the governmental funds report unavailable revenue related to special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Township also has items that qualify for reporting in this category related to the net pension liability that is discussed in Note 7.

Long-Term Obligations

In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated Absences

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the contracts. Accumulated compensated absences of governmental funds are recorded on the statement of net position and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. For governmental activities, compensated absences are generally liquidated by the general fund.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense; information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications. Only the General Fund can have positive unassigned fund balance.

Net Position and Fund Balance Flow Assumptions

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/fund balance and unrestricted – net position/fund balance, 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 use restricted resources first, then unrestricted resource as they are needed. 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.

Property Taxes

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the county for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. The December 1 levy is offset with unearned revenue at the end of the year because it is intended to fund expenditures of the following year.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Interfund Transactions

During the course of normal operations, the Township has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Remaining transactions are generally reflected as transfers.

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. During the year ended December 31, 2017, the Township carried commercial insurance to cover risks of losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

2. STATUTORY COMPLIANCE

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a departmental basis. The approved budgets of the Township for these budgeted funds were adopted at the department level. Changes in appropriations at the fund level require Board approval.

During the year ended December 31, 2017, the Township incurred expenditures in excess of the amount appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Public works			
Drains	\$65,505	\$90,434	\$24,929
Police Special Revenue Fund			
Public safety	634,276	643,152	8,876
Pathways Special Revenue Fund			
Capital outlay	70,000	77,393	7,393
Open Space Special Revenue Fund			
Debt service			
Bond costs	-	37,550	37,550

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

3. CASH AND POOLED INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$22,815,700	\$710,879	\$4,769,662	\$28,296,241

The cash and investments making up the above balances are as follows:

Deposits	\$22,803,149
Petty cash	350
Investments	5,492,742
Total	\$28,296,241

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan, with some exception. All accounts except as noted are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$15,996,592 of the Township's bank balance of \$23,712,916 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

Investments

The Township chooses to disclose its investments by specifically identifying each. As of year-end, the Township had the following investments:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Investment pool accounts				
Kent County Investment Pool	N/A	\$3,508,476	Unrated	
JP Morgan Chase CD	8/16/2018	498,045	AA2	Moody
JP Morgan Commercial Paper	6/25/2018	990,606	A1	Moody
FHLMC Government Bond Fund	9/13/2019	495,615	AAA	Moody
Total		\$5,492,742		

The Township categorizes its fair value measurements of investments 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.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

The Township has the following recurring fair value measurements as of year-end:

- The Township does not have any investments that are valued using quoted market prices (Level 1 inputs).
- The Kent County Investment Pool, JP Morgan Chase CD, Commercial paper, and FHLMC funds are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The Township does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Investment and deposit risk

Interest Rate Risk. State law and Township policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. There is no stated maturity date for the Township's investment in the Kent County Public Funds Investment Pool identified above.

At December 31, 2017, the balance of the Kent County Public Funds Investment Pool consisted of the following:

<u>Investment</u>	<u>Percentage of pool total</u>	<u>Maturity in years</u>
Government agency securities	19.7%	0-3
Certificates of deposits	61.6%	0-3
Money market accounts	18.7%	Not applicable

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Township does not have, a policy for investment custodial credit risk. Of the above investments in pools and mutual funds, the Township's custodial credit risk exposure cannot be determined because the mutual funds and the investment pools do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 9,931,708	\$ 875	\$ -	\$ 9,932,583
Capital assets, being depreciated				
Land improvements	8,604,258	-	-	8,604,258
Infrastructure	1,400,000	-	-	1,400,000
Buildings and improvements	8,472,022	244,270	-	8,716,292
Furniture and equipment	1,446,756	164,418	-	1,611,174
Vehicles	2,214,108	334,400	39,472	2,509,036
Total capital assets, being depreciated	22,137,144	743,088	39,472	22,840,760
Less accumulated depreciation for				
Land improvements	5,416,212	425,758	-	5,841,970
Infrastructure	868,000	28,000	-	896,000
Buildings and improvements	3,481,530	226,917	-	3,708,447
Furniture and equipment	997,286	65,121	-	1,062,407
Vehicles	742,177	98,400	29,472	811,105
Total accumulated depreciation	11,505,205	844,196	29,472	12,319,929
Net capital assets, being depreciated	10,631,939	(101,108)	10,000	10,520,831
Governmental Activities capital assets, net	\$20,563,647	\$(100,233)	\$10,000	\$20,453,414
Component Unit				
Capital assets, not being depreciated				
Land	\$ 59,366	\$ -	\$ -	\$ 59,366
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	59,366	-	-	59,366
Capital assets being depreciated				
Land improvements	7,570,820	20,913	-	7,591,733
Vehicles	46,528	-	-	46,528
Total capital assets, being depreciated	7,617,348	20,913	-	7,638,261
Less accumulated depreciation for				
Land improvements	2,738,597	303,667	-	3,042,264
Vehicles	46,528	-	-	46,528
Total accumulated depreciation	2,785,125	303,667	-	3,088,792
Net capital assets, being depreciated	4,832,223	(282,754)	-	4,549,469
Component Unit capital assets, net	\$4,891,589	\$(282,754)	\$ -	\$4,608,835

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

Governmental Activities	
General government	\$106,888
Public safety	172,501
Recreation and cultural	564,807
Total depreciation expense - governmental activities	\$844,196

CASCADE CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

5. INTERFUND TRANSACTIONS

Transfers in and out for the year are as follows:

Transfers out	<u>Transfers in</u>			
	<u>General fund</u>	<u>Fire fund</u>	<u>Non-major funds</u>	<u>Total</u>
General fund	\$ -	\$400,000	\$ 42,775	\$442,775
Inspections fund	96,750	-	-	96,750
Open space fund	-	-	292,369	292,369
	\$96,750	\$400,000	\$335,144	\$831,894

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move funds as provided for in the budget.

Amounts due to non-major funds from the general fund represent amounts allocated to the fund but not yet paid.

6. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2017:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
\$1,285,000 General Obligation Refunding Bonds of 2012; due in annual installments of \$200,000 to \$364,000 plus interest at 1.40-2.05% through Nov. 2017	\$ 364,000	\$ -	\$364,000	\$ -	\$ -
\$4,430,000 Building Authority Bonds of 2009; due in annual installments of \$195,000 to \$340,000 plus interest at 2.65-4.50% through May 2028	3,255,000	-	2,800,000	455,000	225,000
\$2,739,000 General Obligation Refunding Bonds of 2017; due in annual installments of \$29,000 to \$321,000 plus interest at 1.94% through May 2028	-	2,739,000	-	2,739,000	29,000
Total Long-Term Debt	3,619,000	2,739,000	3,164,000	3,194,000	254,000
Accrued compensated absences	102,557	59,346	58,128	103,775	63,556
Total Governmental Activities	\$3,721,557	\$2,798,346	\$3,222,128	\$3,297,775	\$317,556

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Component Unit

Downtown Development Authority

\$912,000 Development Refunding Notes of 2010; due in annual installments of \$88,000 to \$103,000 plus interest at 1.90-3.65% through Oct. 2020

\$394,000	\$	-	\$94,000	\$300,000	\$97,000
------------------	-----------	----------	-----------------	------------------	-----------------

The annual requirements to amortize all debt outstanding (excluding issuance discount and accrued compensated absences) as of December 31, 2017, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 254,000	\$71,725	\$ 97,000	\$10,362
2019	265,000	56,605	100,000	7,210
2020	274,000	49,238	103,000	3,760
2021	279,000	43,873	-	-
2022	284,000	38,412	-	-
2023-2027	1,517,000	105,781	-	-
2028	321,000	3,114	-	-
Total	\$3,194,000	\$368,748	\$300,000	\$21,332

During fiscal 2017, the Township issued \$2,739,000 of refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for debt service. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advanced refunding was undertaken to reduce total debt service payments by \$285,971, which resulted in an economic gain of \$230,980. As of December 31, 2017 \$2,585,000 of the outstanding bonds payable are considered defeased and will be called in May 2019.

7. PENSION PLANS

Defined Benefit Pension Plan

The Township participates in the Municipal Employees Retirement System of Michigan (MERS). MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

Only full-time employees participate in the plan. Benefits provided include a multiplier of 2.0 times final average compensation with a vesting period of 8 years. Normal retirement age is 60 with early retirement at 55 with 25 years of service with various benefits. Benefits are calculated using final average compensation of 5 years.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5%.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2016):

Active plan members	41
Inactive employees entitled but not yet receiving benefits	6
Inactive employees or beneficiaries currently receiving benefits	<u>20</u>
Total	<u>67</u>

Contributions

The Township is required to contribute at an actuarially determined rate, which for the current year was 13.52% of annual covered payroll. Contributions are determined based on participating employees. Participating employees are required to contribute 5.04% percent of gross wages to the Plan. The contribution requirements of the Township are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2016.

The total pension liability calculated in the December 31, 2016 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 3%-4%
- Salary Increases: 3.75%
- Investment rate of return: 7.75%, net of investment expense, including inflation
- Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	57.5%	6.27%	3.60%
Global Fixed Income	20.0%	3.43%	0.68%
Real Assets	12.5%	5.48%	0.69%
Diversifying Strategies	10.0%	7.81%	0.78%
Inflation			2.00%
Administrative fee			0.25%
Investment rate of return			<u>8.00%</u>

Discount rate. The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balance at December 31, 2016	\$10,248,752	\$7,533,005	\$2,715,747
Changes for the Year:			
Service cost	301,620	-	301,620
Interest	813,553	-	813,553
Change in benefits	-	-	-
Difference between expected and actual experience	(407,538)	-	(407,538)
Change in assumptions	-	-	-
Contributions: employer	-	290,039	(290,039)
Contributions: employee	-	124,705	(124,705)
Net investment Income	-	1,004,690	(1,004,690)
Benefit payments, including refunds	(460,299)	(460,299)	-
Administrative expense	-	(15,897)	15,897
Other changes	68,638	-	68,638
Net changes	<u>315,974</u>	<u>943,238</u>	<u>(627,264)</u>
Balance at December 31, 2017	<u>\$10,564,726</u>	<u>\$8,476,243</u>	<u>\$2,088,483</u>

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	\$11,926,396	\$10,564,726	\$9,421,456
Fiduciary Net Position	8,476,243	8,476,243	8,476,243
Net Pension Liability	<u>\$ 3,450,153</u>	<u>\$ 2,088,483</u>	<u>\$ 945,213</u>

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2017 the employer recognized pension expense of \$585,103. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$109,594
Differences in assumptions	340,840	-
Excess (deficit) investment returns	-	197,069
Total	<u>\$340,840</u>	<u>\$306,663</u>

Amounts reported as deferred outflows and inflows of resources related to the pension will be recognized in pension expense as follows:

2018	\$ 110,282
2019	110,283
2020	(23,982)
2021	(162,406)
2022	-
Thereafter	-
Total	<u>\$ 34,177</u>

Defined Contribution Pension Plan

The Township maintains a defined contribution plan administered by an insurance company. The Township contributes 10 percent of each eligible employee's salary to the plan. Employees are also able to make additional voluntary contributions. Plan provision and contribution requirements are established and may be amended by the Board. The Township's contribution for 2017 was \$10,909.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

8. LEASE AGREEMENT

The township renewed an agreement in 2016, which provides for the leasing of the Cascade Dam to a private company for the purpose of generating and selling hydroelectric power. The original lease term through 2018 has an annual base rental of \$70,416 plus an annual maintenance reserve fee of \$5,000. Under the new agreement, the lease will automatically be extended for an additional 18 years upon expiration of the original term (through 2036). In years 2019 through 2029, the annual base rental is \$70,000 and from 2030 to 2036 the annual base rental will be \$72,000. The annual maintenance reserve fee will continue to be \$5,000 through the term of the new lease agreement. This is collected by the Township General Fund; \$40,000 plus the \$5,000 maintenance reserve fee is set aside each year in the Cascade Dam Major Repair Fund. At December 31, 2017, the Cascade Dam Major Repair Fund has accumulated \$617,054.

9. CONTINGENT LIABILITIES

In the normal course of its operations, the Township has become a party in various legal actions, including property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

10. TAX ABATEMENTS

The Township entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 12 years as determined by the local unit of government. The agreements entered into by the Township include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended December 31, 2017 the Township abated property tax revenues of approximately \$45,000.

REQUIRED SUPPLEMENTARY INFORMATION

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,002,785	\$ 2,097,719	\$ 2,125,414	\$ 27,695
Licenses and permits	427,950	427,950	440,107	12,157
State	1,492,966	1,513,051	1,552,068	39,017
Charges for services	111,750	134,250	144,389	10,139
Interest	230,460	292,780	292,188	(592)
Miscellaneous	133,440	165,056	153,651	(11,405)
Total revenues	<u>4,399,351</u>	<u>4,630,806</u>	<u>4,707,817</u>	<u>77,011</u>
Expenditures				
Current				
General government				
Township board	44,843	44,843	40,898	3,945
Supervisor	29,395	29,395	23,638	5,757
Manager	123,745	123,745	110,933	12,812
Clerk	88,781	88,781	81,690	7,091
Treasurer	131,586	131,786	126,798	4,988
Assessor	226,259	226,259	216,533	9,726
Elections	8,500	11,500	7,784	3,716
Buildings and grounds	453,682	456,932	378,408	78,524
Cemetery	65,000	60,000	30,151	29,849
Administration	579,874	656,087	569,191	86,896
Public works				
Drains	135,002	65,505	90,434	(24,929)
Road construction and maintenance	387,300	387,300	256,093	131,207
Street lighting	113,000	113,000	112,582	418
Waste collection	62,200	62,200	57,496	4,704
Community and economic development				
Planning commission	262,399	271,399	229,365	42,034
Building and zoning	3,500	3,500	1,585	1,915
Culture and recreation				
Parks and recreation	47,700	62,700	61,979	721
Historical	9,460	10,460	9,083	1,377
Other	710,158	740,158	702,433	37,725
Capital outlay	526,000	527,200	383,971	143,229
Total expenditures	<u>4,008,384</u>	<u>4,072,750</u>	<u>3,491,045</u>	<u>581,705</u>
Revenues over (under) expenditures	<u>390,967</u>	<u>558,056</u>	<u>1,216,772</u>	<u>658,716</u>
Other financing sources (uses)				
Transfers in	83,000	106,000	96,750	(9,250)
Transfers out	(441,500)	(441,500)	(442,775)	(1,275)
Total other financing sources (uses)	<u>(358,500)</u>	<u>(335,500)</u>	<u>(346,025)</u>	<u>(10,525)</u>
Net changes in fund balances	32,467	222,556	870,747	648,191
Fund balances, beginning of year	<u>9,080,235</u>	<u>9,080,235</u>	<u>9,080,235</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,112,702</u>	<u>\$ 9,302,791</u>	<u>\$ 9,950,982</u>	<u>\$ 648,191</u>

CASCADE CHARTER TOWNSHIP

FIRE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,875,027	\$ 1,889,966	\$ 1,884,454	\$ (5,512)
Interest	18,725	27,970	30,990	3,020
Miscellaneous	3,500	3,500	7,185	3,685
Total revenues	<u>1,897,252</u>	<u>1,921,436</u>	<u>1,922,629</u>	<u>1,193</u>
Expenditures				
Current				
Public safety	2,046,970	2,103,305	1,937,156	166,149
Capital outlay	630,770	630,770	489,033	141,737
Total expenditures	<u>2,677,740</u>	<u>2,734,075</u>	<u>2,426,189</u>	<u>307,886</u>
Revenues over (under) expenditures	(780,488)	(812,639)	(503,560)	309,079
Other financing sources (uses)				
Transfers in	400,000	400,000	400,000	-
Net changes in fund balances	(380,488)	(412,639)	(103,560)	309,079
Fund balances, beginning of year	<u>2,655,709</u>	<u>2,655,709</u>	<u>2,655,709</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,275,221</u>	<u>\$ 2,243,070</u>	<u>\$ 2,552,149</u>	<u>\$ 309,079</u>

CASCADE CHARTER TOWNSHIP

POLICE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 654,344	\$ 651,413	\$ 650,465	\$ (948)
Interest	<u>13,000</u>	<u>13,000</u>	<u>12,075</u>	<u>(925)</u>
Total revenues	667,344	664,413	662,540	(1,873)
Expenditures				
Current				
Public safety	<u>626,776</u>	<u>634,276</u>	<u>643,152</u>	<u>(8,876)</u>
Net changes in fund balances	40,568	30,137	19,388	(10,749)
Fund balances, beginning of year	<u>1,283,785</u>	<u>1,283,785</u>	<u>1,283,785</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,324,353</u>	<u>\$ 1,313,922</u>	<u>\$ 1,303,173</u>	<u>\$ (10,749)</u>

CASCADE CHARTER TOWNSHIP

**IMPROVEMENT REVOLVING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 6,500	\$ 6,500	\$ 6,759	\$ 259
Miscellaneous	<u>232,145</u>	<u>382,145</u>	<u>417,566</u>	<u>35,421</u>
Total revenues	<u>238,645</u>	<u>388,645</u>	<u>424,325</u>	<u>35,680</u>
Expenditures				
Debt service				
Principal	77,000	77,000	77,000	-
Interest	2,289	2,289	2,289	-
Capital outlay	<u>803,500</u>	<u>968,500</u>	<u>710,136</u>	<u>258,364</u>
Total expenditures	<u>882,789</u>	<u>1,047,789</u>	<u>789,425</u>	<u>258,364</u>
Net changes in fund balances	(644,144)	(659,144)	(365,100)	294,044
Fund balances, beginning of year	<u>1,596,170</u>	<u>1,596,170</u>	<u>1,596,170</u>	<u>-</u>
Fund balances, end of year	<u>\$ 952,026</u>	<u>\$ 937,026</u>	<u>\$ 1,231,070</u>	<u>\$ 294,044</u>

CASCADE CHARTER TOWNSHIP

LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 214,059	\$ 224,275	\$ 223,685	\$ (590)
Local	32,869	32,869	32,870	1
Interest	29,000	29,000	29,188	188
Total revenues	<u>275,928</u>	<u>286,144</u>	<u>285,743</u>	<u>(401)</u>
Expenditures				
Current				
Culture and recreation	182,810	210,565	200,695	9,870
Capital outlay	1,000	61,000	34,970	26,030
Total expenditures	<u>183,810</u>	<u>271,565</u>	<u>235,665</u>	<u>35,900</u>
Net changes in fund balances	92,118	14,579	50,078	35,499
Fund balances, beginning of year	<u>1,979,228</u>	<u>1,979,228</u>	<u>1,979,228</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,071,346</u>	<u>\$ 1,993,807</u>	<u>\$ 2,029,306</u>	<u>\$ 35,499</u>

CASCADE CHARTER TOWNSHIP

PATHWAYS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 568,006	\$ 595,147	\$ 593,887	\$ (1,260)
Interest	1,300	1,300	3,971	2,671
Total revenues	<u>569,306</u>	<u>596,447</u>	<u>597,858</u>	<u>1,411</u>
Expenditures				
Current				
Culture and recreation	43,200	43,200	34,857	8,343
Debt service				
Principal	287,000	287,000	287,000	-
Interest	6,174	6,174	5,423	751
Capital outlay	70,000	70,000	77,393	(7,393)
Total expenditures	<u>406,374</u>	<u>406,374</u>	<u>404,673</u>	<u>1,701</u>
Net changes in fund balances	162,932	190,073	193,185	3,112
Fund balances, beginning of year	<u>955,328</u>	<u>955,328</u>	<u>955,328</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,118,260</u>	<u>\$ 1,145,401</u>	<u>\$ 1,148,513</u>	<u>\$ 3,112</u>

CASCADE CHARTER TOWNSHIP

INSPECTIONS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 1,469,000	\$ 2,002,000	\$ 1,923,362	\$ (78,638)
Interest	13,100	13,100	14,821	1,721
Miscellaneous	1,000	1,000	1,670	670
Total revenues	<u>1,483,100</u>	<u>2,016,100</u>	<u>1,939,853</u>	<u>(76,247)</u>
Expenditures				
Current				
Public safety	1,214,792	1,311,492	1,233,634	77,858
Capital outlay	163,300	193,300	141,262	52,038
Total expenditures	<u>1,378,092</u>	<u>1,504,792</u>	<u>1,374,896</u>	<u>129,896</u>
Revenues over (under) expenditures	105,008	511,308	564,957	53,649
Other financing sources (uses)				
Transfers out	(83,000)	(106,000)	(96,750)	9,250
Net changes in fund balances	22,008	405,308	468,207	62,899
Fund balances, beginning of year	<u>2,430,081</u>	<u>2,430,081</u>	<u>2,430,081</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,452,089</u>	<u>\$ 2,835,389</u>	<u>\$ 2,898,288</u>	<u>\$ 62,899</u>

CASCADE CHARTER TOWNSHIP

OPEN SPACE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 328,052	\$ 343,487	\$ 342,753	\$ (734)
Interest	2,150	2,150	2,238	88
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>331,202</u>	<u>346,637</u>	<u>344,991</u>	<u>(1,646)</u>
Expenditures				
Current				
Culture and recreation	24,150	38,150	29,513	8,637
Debt service				
Bond costs	-	-	37,550	(37,550)
Total expenditures	<u>24,150</u>	<u>38,150</u>	<u>67,063</u>	<u>(28,913)</u>
Revenues over (under) expenditures	<u>307,052</u>	<u>308,487</u>	<u>277,928</u>	<u>(30,559)</u>
Other financing sources (uses)				
Bond Issues	-	-	2,739,000	2,739,000
Payment to escrow agent	-	-	(2,754,088)	(2,754,088)
Transfers out	(347,784)	(348,058)	(292,369)	55,689
Total other financing sources (uses)	<u>(347,784)</u>	<u>(348,058)</u>	<u>(307,457)</u>	<u>40,601</u>
Net changes in fund balances	(40,732)	(39,571)	(29,529)	10,042
Fund balances, beginning of year	<u>739,045</u>	<u>739,045</u>	<u>739,045</u>	<u>-</u>
Fund balances, end of year	<u>\$ 698,313</u>	<u>\$ 699,474</u>	<u>\$ 709,516</u>	<u>\$ 10,042</u>

CASCADE CHARTER TOWNSHIP

DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2015	2016	2017
Total pension liability			
Service cost	\$ 232,044	\$ 269,359	\$ 301,620
Interest	672,517	697,204	813,553
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	360,728	(407,538)
Changes in assumptions	-	568,066	-
Benefit payments including employee refunds	(347,736)	(337,024)	(460,299)
Other	(17,508)	(58,461)	68,638
Net change in total pension liability	539,317	1,499,872	315,974
Total pension liability, beginning of year	8,209,563	8,748,880	10,248,752
Total pension liability, end of year	<u>\$ 8,748,880</u>	<u>\$ 10,248,752</u>	<u>\$ 10,564,726</u>
Plan fiduciary net position			
Contributions-employer	\$ 232,013	\$ 245,343	\$ 290,039
Contributions-employee	117,128	123,282	124,705
Net investment income	(105,931)	776,510	1,004,690
Benefit payments including employee refunds	(347,736)	(337,024)	(460,299)
Administrative expense	(15,175)	(15,315)	(15,897)
Net change in plan fiduciary net position	(119,701)	792,796	943,238
Plan fiduciary net position, beginning of year	6,859,910	6,740,209	7,533,005
Plan fiduciary net position, end of year	<u>\$ 6,740,209</u>	<u>\$ 7,533,005</u>	<u>\$ 8,476,243</u>
Employer net pension liability	<u>\$ 2,008,671</u>	<u>\$ 2,715,747</u>	<u>\$ 2,088,483</u>
Plan fiduciary net position as a percentage of the total pension liability	77%	74%	80%
Covered employee payroll	\$ 2,047,653	\$ 2,314,281	\$ 2,474,196
Employer's net pension liability as a percentage of covered employee payroll	98%	117%	84%

CASCADE CHARTER TOWNSHIP
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarial determined contributions	\$ 232,013	\$ 245,343	\$ 290,039
Contributions in relation to the actuarially determined contribution	<u>232,013</u>	<u>245,343</u>	<u>290,039</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,047,653	\$ 2,314,281	\$ 2,474,196
Contributions as a percentage of covered employee payroll	11.3%	10.6%	11.7%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5 years smoothed
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

Notes to required supplementary information

Budgets and Budgetary Accounting

The Township adopts annual budgets for the general and special revenue funds fund following the GAAP basis of accounting. Unexpended appropriations lapse at year-end.

Pension Schedules

Pension data is based on a measurement date of December 31.

Pension schedules are being accumulated prospectively until ten years of data is presented.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CASCADE CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2017

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Permanent</u>	
	<u>Cascade Dam Major Repair</u>	<u>Hazmat</u>	<u>Building Authority</u>	<u>Cemetery Perpetual Care</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 607,054	\$ 34,353	\$ -	\$ 105,249	\$ 746,656
Due from other funds	10,000	-	-	-	10,000
Total assets	<u>\$ 617,054</u>	<u>\$ 34,353</u>	<u>\$ -</u>	<u>\$ 105,249</u>	<u>\$ 756,656</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	\$ 733	\$ -	\$ -	\$ 733
Total liabilities	<u>-</u>	<u>733</u>	<u>-</u>	<u>-</u>	<u>733</u>
Fund balances					
Nonspendable					
Cemetery trust	-	-	-	95,309	95,309
Restricted					
Capital improvements	617,054	-	-	-	617,054
Committed					
Cemetery trust	-	-	-	9,940	9,940
Assigned					
Special revenue funds	-	33,620	-	-	33,620
Total fund balances	<u>617,054</u>	<u>33,620</u>	<u>-</u>	<u>105,249</u>	<u>755,923</u>
Total liabilities and fund balances	<u>\$ 617,054</u>	<u>\$ 34,353</u>	<u>\$ -</u>	<u>\$ 105,249</u>	<u>\$ 756,656</u>

CASCADE CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Permanent</u>	
	<u>Cascade Dam Major Repair</u>	<u>Hazmat</u>	<u>Building Authority</u>	<u>Cemetery Perpetual Care</u>	<u>Total</u>
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ 3,725	\$ 3,725
Interest	11,582	124	-	486	12,192
Miscellaneous	5,000	-	-	-	5,000
Total revenues	<u>16,582</u>	<u>124</u>	<u>-</u>	<u>4,211</u>	<u>20,917</u>
Expenditures					
Current					
General government	-	-	-	513	513
Public safety	-	2,266	-	-	2,266
Debt service					
Principal	-	-	215,000	-	215,000
Interest	-	-	77,369	-	77,369
Capital outlay	-	486	-	-	486
Total expenditures	<u>-</u>	<u>2,752</u>	<u>292,369</u>	<u>513</u>	<u>295,634</u>
Revenues over (under) expenditures	16,582	(2,628)	(292,369)	3,698	(274,717)
Other financing sources (uses)					
Transfers in	40,000	-	292,369	2,775	335,144
Net changes in fund balances	56,582	(2,628)	-	6,473	60,427
Fund balances, beginning of year	<u>560,472</u>	<u>36,248</u>	<u>-</u>	<u>98,776</u>	<u>695,496</u>
Fund balances, end of year	<u>\$ 617,054</u>	<u>\$ 33,620</u>	<u>\$ -</u>	<u>\$ 105,249</u>	<u>\$ 755,923</u>

CASCADE CHARTER TOWNSHIP

CASCADE DAM MAJOR REPAIR SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 10,650	\$ 10,650	\$ 11,582	\$ 932
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total revenues	<u>15,650</u>	<u>15,650</u>	<u>16,582</u>	<u>932</u>
Expenditures				
Current				
General government	5,000	5,000	-	5,000
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Revenues over (under) expenditures	(9,350)	(9,350)	16,582	25,932
Other financing sources (uses)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net changes in fund balances	30,650	30,650	56,582	25,932
Fund balances, beginning of year	<u>560,472</u>	<u>560,472</u>	<u>560,472</u>	<u>-</u>
Fund balances, end of year	<u>\$ 591,122</u>	<u>\$ 591,122</u>	<u>\$ 617,054</u>	<u>\$ 25,932</u>

CASCADE CHARTER TOWNSHIP

**HAZMAT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 200	\$ 200	\$ 124	\$ (76)
Expenditures				
Current				
Public safety	5,000	5,000	2,266	2,734
Capital outlay	3,000	3,000	486	2,514
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>2,752</u>	<u>5,248</u>
Net changes in fund balances	(7,800)	(7,800)	(2,628)	5,172
Fund balances, beginning of year	<u>36,248</u>	<u>36,248</u>	<u>36,248</u>	<u>-</u>
Fund balances, end of year	<u>\$ 28,448</u>	<u>\$ 28,448</u>	<u>\$ 33,620</u>	<u>\$ 5,172</u>

CASCADE CHARTER TOWNSHIP

GENERAL FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 9,747,142	\$ 8,712,137
Receivables		
Accounts	962,719	985,252
Taxes	767,199	840,656
Due from other funds	-	17,549
Due from other governments	264,481	247,515
Prepaid items	<u>13,092</u>	<u>1,100</u>
Total assets	<u>\$ 11,754,633</u>	<u>\$ 10,804,209</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 181,680	\$ 75,153
Accrued payroll and benefits	17,145	17,598
Due to other funds	<u>10,000</u>	<u>11,575</u>
Total liabilities	<u>208,825</u>	<u>104,326</u>
Deferred inflows of resources		
Unearned revenue	<u>1,594,826</u>	<u>1,619,648</u>
Fund balances		
Nonspendable		
Prepaid items	13,092	1,100
Committed		
Unfunded pension liability	499,543	499,543
Loss of personal property tax revenues	475,000	475,000
Assigned		
Future years expenditures	152,397	-
Unassigned	<u>8,810,950</u>	<u>8,104,592</u>
Total fund balances	<u>9,950,982</u>	<u>9,080,235</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,754,633</u>	<u>\$ 10,804,209</u>

(This page left intentionally blank)

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 1,431,096	\$ 1,343,159
Street lighting assessment	62,185	68,799
Delinquent property taxes	9,001	15,463
Industrial facilities taxes	6,481	12,055
Interest and penalties on taxes	10,267	10,115
Tax administration fees	606,384	534,949
Total property taxes	<u>2,125,414</u>	<u>1,984,540</u>
Licenses and permits		
Cablevision fees	439,473	459,650
Dog licenses	74	133
Other permits	560	375
Total licenses and permits	<u>440,107</u>	<u>460,158</u>
State		
Sales taxes	1,493,733	1,389,808
PA 48/Metro Authority	15,565	16,745
Other state grants	42,770	51,993
Total state	<u>1,552,068</u>	<u>1,458,546</u>
Charges for services		
Planning and zoning fees	33,728	12,035
Summer tax collection fees	26,012	25,796
P.A. 198 tax application fees	2,776	5,516
Yard waste bag fees	1,382	2,019
Sewer and water implementation fees	36,568	15,608
Grave openings	21,545	12,200
Passport application fees	22,275	18,640
Sale of printed materials	103	10
Total charges for services	<u>144,389</u>	<u>91,824</u>
Interest		
Interest on deposits and investments	74,823	79,230
Rental income	217,365	164,316
Total interest	<u>292,188</u>	<u>243,546</u>
Miscellaneous		
Sale of assets	50	125
Contributions	109,620	142,170
Park income	7,675	5,945
Reimbursements	13,616	10,280
Refunds and rebates	15	14,749
Other	22,675	14,221
Total miscellaneous	<u>153,651</u>	<u>187,490</u>
Total revenues	<u>\$ 4,707,817</u>	<u>\$ 4,426,104</u>

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Expenditures		
Current		
General government		
Township board		
Personnel services	\$ 23,843	\$ 24,307
Other services and charges	17,055	17,091
Total township board	<u>40,898</u>	<u>41,398</u>
Supervisor		
Personnel services	15,000	11,460
Other services and charges	8,623	4,879
Capital outlay	15	1,381
Total supervisor	<u>23,638</u>	<u>17,720</u>
Manager		
Personnel services	108,595	105,573
Other services and charges	2,338	2,112
Total manager	<u>110,933</u>	<u>107,685</u>
Clerk		
Personnel services	79,074	77,409
Other services and charges	2,616	5,694
Total clerk	<u>81,690</u>	<u>83,103</u>
Treasurer		
Personnel services	120,117	118,695
Other services and charges	4,278	5,089
Capital outlay	2,403	-
Total treasurer	<u>126,798</u>	<u>123,784</u>
Assessor		
Personnel services	200,000	190,685
Supplies	304	190
Other services and charges	15,002	16,077
Capital outlay	1,227	1,780
Total assessor	<u>216,533</u>	<u>208,732</u>
Elections		
Personnel services	5,610	34,498
Supplies	544	4,713
Other services and charges	1,630	9,744
Total elections	<u>7,784</u>	<u>48,955</u>
Buildings and grounds		
Personnel services	238,489	232,036
Supplies	1,624	2,202
Other services and charges	135,729	158,960
Capital outlay	2,566	200
Total buildings and grounds	<u>378,408</u>	<u>393,398</u>
Cemetery		
Other services and charges	<u>30,151</u>	<u>3,701</u>
Administration		
Personnel services	104,489	63,404
Supplies	20,723	22,941
Other services and charges	442,808	367,911
Capital outlay	1,171	3,043
Total administration	<u>569,191</u>	<u>457,299</u>
Total general government	<u>1,586,024</u>	<u>1,485,775</u>

(Continued)

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Public works		
Drains		
Other services and charges	\$ 25,733	\$ 5,621
Capital outlay	<u>64,701</u>	<u>105,530</u>
Total drains	<u>90,434</u>	<u>111,151</u>
Road construction and maintenance		
Capital outlay	<u>256,093</u>	<u>327,481</u>
Street lighting		
Other services and charges	112,115	104,763
Capital outlay	<u>467</u>	<u>2,187</u>
Total street lighting	<u>112,582</u>	<u>106,950</u>
Waste collection		
Other services and charges	<u>57,496</u>	<u>52,566</u>
Total public works	<u>516,605</u>	<u>598,148</u>
Community and economic development		
Planning commission		
Personnel services	191,789	207,367
Supplies	437	261
Other services and charges	<u>37,139</u>	<u>23,098</u>
Total planning commission	<u>229,365</u>	<u>230,726</u>
Building and zoning		
Personnel services	<u>1,585</u>	<u>1,565</u>
Total community and economic development	<u>230,950</u>	<u>232,291</u>
Culture and recreation		
Parks and recreation		
Supplies	4,319	2,498
Other services and charges	52,960	80,268
Capital outlay	<u>4,700</u>	<u>285</u>
Total parks and recreation	<u>61,979</u>	<u>83,051</u>
Historical		
Supplies	5,000	5,000
Other services and charges	<u>4,083</u>	<u>11,467</u>
Total historical	<u>9,083</u>	<u>16,467</u>
Total culture and recreation	<u>71,062</u>	<u>99,518</u>
Other		
Employee benefits	364,513	336,388
Transportation services	<u>337,920</u>	<u>331,831</u>
Total other	<u>702,433</u>	<u>668,219</u>
Capital outlay	<u>383,971</u>	<u>432,730</u>
Total expenditures	<u>\$ 3,491,045</u>	<u>\$ 3,516,681</u>

(Concluded)

CASCADE CHARTER TOWNSHIP

FIRE SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 2,864,149	\$ 2,708,312
Receivables		
Accounts	1,030,833	893,131
Taxes	864,899	944,402
Prepaid items	<u>12,576</u>	<u>1,875</u>
Total assets	<u>\$ 4,772,457</u>	<u>\$ 4,547,720</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 307,079	\$ 33,705
Accrued payroll and benefits	<u>17,497</u>	<u>20,963</u>
Total liabilities	<u>324,576</u>	<u>54,668</u>
Deferred inflows of resources		
Unearned revenue	<u>1,895,732</u>	<u>1,837,343</u>
Fund balances		
Nonspendable		
Prepaid items	12,576	1,875
Restricted		
Dedicated millage	<u>2,539,573</u>	<u>2,653,834</u>
Total fund balances	<u>2,552,149</u>	<u>2,655,709</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,772,457</u>	<u>\$ 4,547,720</u>

CASCADE CHARTER TOWNSHIP

**FIRE SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 1,870,405	\$ 1,818,174
Delinquent property taxes	4,947	11,302
Industrial facilities taxes	8,773	16,318
Interest and penalties on taxes	329	268
Total property taxes	<u>1,884,454</u>	<u>1,846,062</u>
Interest	30,990	22,506
Miscellaneous		
Other	7,185	46
Donations	-	100
Total miscellaneous	<u>7,185</u>	<u>146</u>
Total revenues	<u>1,922,629</u>	<u>1,868,714</u>
Expenditures		
Current		
Public safety		
Fire department		
Personnel services	1,663,053	1,641,529
Supplies	51,492	54,183
Other services and charges	222,611	195,260
Total public safety	<u>1,937,156</u>	<u>1,890,972</u>
Capital outlay	<u>489,033</u>	<u>153,733</u>
Total expenditures	<u>2,426,189</u>	<u>2,044,705</u>
Revenues over (under) expenditures	(503,560)	(175,991)
Other financing sources (uses)		
Transfers in	<u>400,000</u>	<u>400,000</u>
Net changes in fund balances	(103,560)	224,009
Fund balances, beginning of year	<u>2,655,709</u>	<u>2,431,700</u>
Fund balances, end of year	<u>\$ 2,552,149</u>	<u>\$ 2,655,709</u>

CASCADE CHARTER TOWNSHIP

**POLICE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 1,388,347	\$ 1,457,715
Receivables		
Accounts	359,820	311,686
Taxes	<u>301,901</u>	<u>329,652</u>
Total assets	<u>\$ 2,050,068</u>	<u>\$ 2,099,053</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	<u>\$ 85,174</u>	<u>\$ 173,930</u>
Deferred inflows of resources		
Unearned revenue	<u>661,721</u>	<u>641,338</u>
Fund balances		
Restricted		
Dedicated millage	<u>1,303,173</u>	<u>1,283,785</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,050,068</u>	<u>\$ 2,099,053</u>

CASCADE CHARTER TOWNSHIP

POLICE SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 645,561	\$ 634,648
Delinquent property taxes	1,727	3,945
Industrial facilities taxes	3,062	5,696
Interest and penalties on taxes	<u>115</u>	<u>94</u>
 Total property taxes	 650,465	 644,383
 Interest	 <u>12,075</u>	 <u>29,869</u>
 Total revenues	 662,540	 674,252
 Expenditures		
Current		
Public safety		
Law enforcement		
Other services and charges	<u>643,152</u>	<u>609,649</u>
 Net changes in fund balances	 19,388	 64,603
 Fund balances, beginning of year	 <u>1,283,785</u>	 <u>1,219,182</u>
 Fund balances, end of year	 <u>\$ 1,303,173</u>	 <u>\$ 1,283,785</u>

CASCADE CHARTER TOWNSHIP

IMPROVEMENT REVOLVING SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 1,151,348	\$ 1,598,471
Receivables		
Accounts	10,068	16,135
Taxes	-	-
Special assessments	3,669,668	3,706,282
Due from other funds	-	2,200
Due from other governments	<u>133,453</u>	<u>-</u>
Total assets	<u>\$ 4,964,537</u>	<u>\$ 5,323,088</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 74,272	\$ 7,076
Due to other funds	<u>-</u>	<u>14,584</u>
Total liabilities	<u>74,272</u>	<u>21,660</u>
Deferred inflows of resources		
Unavailable revenue	<u>3,659,195</u>	<u>3,705,258</u>
Fund balances		
Restricted		
Water and sewer improvements	<u>1,231,070</u>	<u>1,596,170</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,964,537</u>	<u>\$ 5,323,088</u>

CASCADE CHARTER TOWNSHIP

IMPROVEMENT REVOLVING SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Interest		
Interest on deposits	\$ 3,678	\$ 11,781
Interest on special assessments	3,081	4,201
Total interest	<u>6,759</u>	<u>15,982</u>
Miscellaneous		
Special assessments	54,912	131,631
Hookup fees	362,654	148,038
Total miscellaneous	<u>417,566</u>	<u>279,669</u>
Total revenues	<u>424,325</u>	<u>295,651</u>
Expenditures		
Debt service		
Principal	77,000	76,000
Interest and fees	2,289	4,038
Total debt service	<u>79,289</u>	<u>80,038</u>
Capital outlay	<u>710,136</u>	<u>442,301</u>
Total expenditures	<u>789,425</u>	<u>522,339</u>
Net changes in fund balances	(365,100)	(226,688)
Fund balances, beginning of year	<u>1,596,170</u>	<u>1,822,858</u>
Fund balances, end of year	<u>\$ 1,231,070</u>	<u>\$ 1,596,170</u>

CASCADE CHARTER TOWNSHIP

LIBRARY SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 2,040,988	\$ 1,992,322
Receivables		
Accounts	117,709	101,984
Taxes	<u>98,630</u>	<u>107,696</u>
Total assets	<u>\$ 2,257,327</u>	<u>\$ 2,202,002</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	<u>\$ 11,682</u>	<u>\$ 13,094</u>
Deferred inflows of resources		
Unearned revenue	<u>216,339</u>	<u>209,680</u>
Fund balances		
Restricted		
Dedicated millage	<u>2,029,306</u>	<u>1,979,228</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,257,327</u>	<u>\$ 2,202,002</u>

CASCADE CHARTER TOWNSHIP

LIBRARY SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 222,084	\$ 207,494
Delinquent property taxes	564	1,319
Industrial facilities taxes	1,000	1,861
Interest and penalties on taxes	37	31
Total property taxes	<u>223,685</u>	<u>210,705</u>
Local	32,870	32,870
Interest	<u>29,188</u>	<u>13,622</u>
Total revenues	<u>285,743</u>	<u>257,197</u>
Expenditures		
Current		
Recreation and cultural		
Library		
Supplies	3,868	2,654
Other services and charges	196,827	178,019
Total recreation and cultural	<u>200,695</u>	<u>180,673</u>
Capital outlay	<u>34,970</u>	<u>932</u>
Total expenditures	<u>235,665</u>	<u>181,605</u>
Net changes in fund balances	50,078	75,592
Fund balances, beginning of year	<u>1,979,228</u>	<u>1,903,636</u>
Fund balances, end of year	<u>\$ 2,029,306</u>	<u>\$ 1,979,228</u>

CASCADE CHARTER TOWNSHIP

PATHWAYS SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 1,155,395	\$ 955,384
Receivables		
Accounts	312,321	270,542
Taxes	<u>262,049</u>	<u>286,136</u>
Total assets	<u>\$ 1,729,765</u>	<u>\$ 1,512,062</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	<u>\$ 6,882</u>	<u>\$ 56</u>
Deferred inflows of resources		
Unearned revenue	<u>574,370</u>	<u>556,678</u>
Fund balances		
Restricted		
Dedicated millage	<u>1,148,513</u>	<u>955,328</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,729,765</u>	<u>\$ 1,512,062</u>

CASCADE CHARTER TOWNSHIP

PATHWAYS SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 589,630	\$ 550,870
Delinquent property taxes	1,499	3,424
Industrial facilities taxes	2,658	4,944
Interest and penalties on taxes	100	81
Total property taxes	<u>593,887</u>	<u>559,319</u>
Interest	<u>3,971</u>	<u>1,529</u>
Total revenues	<u>597,858</u>	<u>560,848</u>
Expenditures		
Current		
Recreation and cultural		
Parks and recreations		
Supplies	13,150	5,801
Other services and charges	21,707	7,378
Total recreation and cultural	<u>34,857</u>	<u>13,179</u>
Debt service		
Principal	287,000	250,000
Interest and fees	5,423	9,705
Total debt service	<u>292,423</u>	<u>259,705</u>
Capital outlay	<u>77,393</u>	<u>40,561</u>
Total expenditures	<u>404,673</u>	<u>313,445</u>
Net changes in fund balances	193,185	247,403
Fund balances, beginning of year	<u>955,328</u>	<u>707,925</u>
Fund balances, end of year	<u>\$ 1,148,513</u>	<u>\$ 955,328</u>

CASCADE CHARTER TOWNSHIP

**INSPECTIONS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 3,004,032	\$ 2,457,069
Receivables		
Accounts	-	14,824
Prepaid items	<u>9,445</u>	<u>654</u>
Total assets	<u>\$ 3,013,477</u>	<u>\$ 2,472,547</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 103,103	\$ 25,288
Accrued payroll and benefits	12,086	12,013
Due to other funds	<u>-</u>	<u>5,165</u>
Total liabilities	<u>115,189</u>	<u>42,466</u>
Fund balances		
Nonspendable		
Prepaid items	9,445	654
Restricted		
Inspections	<u>2,888,843</u>	<u>2,429,427</u>
Total fund balances	<u>2,898,288</u>	<u>2,430,081</u>
Total liabilities and fund balances	<u>\$ 3,013,477</u>	<u>\$ 2,472,547</u>

CASCADE CHARTER TOWNSHIP

INSPECTIONS SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Licenses and permits		
Building permits	\$ 274,865	\$ 218,578
Electrical permits	84,775	75,883
Mechanical permits	92,525	93,815
Plumbing permits	46,053	38,753
Permits - other townships	1,264,343	1,000,601
Plan reviews	150,046	80,300
Contractor registration fees	10,755	13,620
Total licenses and permits	<u>1,923,362</u>	<u>1,521,550</u>
Interest	14,821	19,323
Miscellaneous	<u>1,670</u>	<u>1,794</u>
Total revenues	<u>1,939,853</u>	<u>1,542,667</u>
Expenditures		
Current		
Public safety		
Inspections		
Personnel services	854,817	835,166
Supplies	10,424	8,611
Other services and charges	368,393	299,507
Total public safety	<u>1,233,634</u>	<u>1,143,284</u>
Capital outlay	<u>141,262</u>	<u>12,923</u>
Total expenditures	<u>1,374,896</u>	<u>1,156,207</u>
Revenues over (under) expenditures	564,957	386,460
Other financing sources (uses)		
Transfers out	<u>(96,750)</u>	<u>(85,276)</u>
Net changes in fund balances	468,207	301,184
Fund balances, beginning of year	<u>2,430,081</u>	<u>2,128,897</u>
Fund balances, end of year	<u>\$ 2,898,288</u>	<u>\$ 2,430,081</u>

CASCADE CHARTER TOWNSHIP

OPEN SPACE SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 717,643	\$ 739,275
Receivables		
Accounts	183,301	156,138
Taxes	<u>151,239</u>	<u>165,141</u>
Total assets	<u>\$ 1,052,183</u>	<u>\$ 1,060,554</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	<u>\$ 11,177</u>	<u>\$ 230</u>
Deferred inflows of resources		
Unearned revenue	<u>331,490</u>	<u>321,279</u>
Fund balances		
Restricted		
Dedicated millage	<u>709,516</u>	<u>739,045</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,052,183</u>	<u>\$ 1,060,554</u>

CASCADE CHARTER TOWNSHIP
OPEN SPACE SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Property taxes		
Current property taxes	\$ 340,297	\$ 317,927
Delinquent property taxes	865	1,976
Industrial facilities taxes	1,534	2,854
Interest and penalties on taxes	57	47
 Total property taxes	 342,753	 322,804
 Interest	 2,238	 5,958
Miscellaneous	-	1,000
 Total revenues	 344,991	 329,762
 Expenditures		
Current		
Recreation and cultural		
Parks and recreations		
Other services and charges	29,513	3,572
Debt service		
Bond costs	37,550	-
 Total expenditures	 67,063	 3,572
 Revenues over (under) expenditures	 277,928	 326,190
 Other financing sources (uses)		
Bond Issues	2,739,000	-
Payment to escrow agent	(2,754,088)	-
Transfers out	(292,369)	(349,959)
 Total other financing sources (uses)	 (307,457)	 (349,959)
 Net changes in fund balances	 (29,529)	 (23,769)
 Fund balances, beginning of year	 739,045	 762,814
 Fund balances, end of year	 \$ 709,516	 \$ 739,045

CASCADE CHARTER TOWNSHIP

**CASCADE DAM MAJOR REPAIR SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 607,054	\$ 550,472
Due from other funds	<u>10,000</u>	<u>10,000</u>
Total assets	<u>\$ 617,054</u>	<u>\$ 560,472</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ <u>-</u>	\$ <u>-</u>
Fund balances		
Committed		
Dam repairs	<u>617,054</u>	<u>560,472</u>
Total liabilities and fund balances	<u>\$ 617,054</u>	<u>\$ 560,472</u>

CASCADE CHARTER TOWNSHIP

CASCADE DAM MAJOR REPAIR SPECIAL REVENUE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Interest	\$ 11,582	\$ 1,173
Miscellaneous	<u>5,000</u>	<u>5,000</u>
Total revenues	16,582	6,173
Expenditures		
Capital outlay	<u>-</u>	<u>9,816</u>
Revenues over (under) expenditures	16,582	(3,643)
Other financing sources (uses)		
Transfers in	<u>40,000</u>	<u>40,000</u>
Net changes in fund balances	56,582	36,357
Fund balances, beginning of year	<u>560,472</u>	<u>524,115</u>
Fund balances, end of year	<u>\$ 617,054</u>	<u>\$ 560,472</u>

CASCADE CHARTER TOWNSHIP

**HAZMAT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 34,353	\$ 36,248
Total assets	<u>\$ 34,353</u>	<u>\$ 36,248</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 733	\$ -
Fund balances		
Restricted HAZMAT	<u>33,620</u>	<u>36,248</u>
Total liabilities and fund balances	<u>\$ 34,353</u>	<u>\$ 36,248</u>

CASCADE CHARTER TOWNSHIP

**HAZMAT SPECIAL REVENUE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Interest	\$ 124	\$ 159
Expenditures		
Current		
Public safety		
HAZMAT		
Other services and charges	2,266	1,964
Capital outlay	<u>486</u>	<u>8,022</u>
Total expenditures	<u>2,752</u>	<u>9,986</u>
Net changes in fund balances	(2,628)	(9,827)
Fund balances, beginning of year	<u>36,248</u>	<u>46,075</u>
Fund balances, end of year	<u>\$ 33,620</u>	<u>\$ 36,248</u>

CASCADE CHARTER TOWNSHIP

**BUILDING AUTHORITY DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ -	\$ -
Fund balances		
Assigned		
Debt service	-	-
Total fund balances	-	-
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>

CASCADE CHARTER TOWNSHIP

**BUILDING AUTHORITY DEBT SERVICE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Interest	\$ -	\$ -
Expenditures		
Debt service		
Principal	\$ 215,000	\$ 210,000
Interest and fees	<u>77,369</u>	<u>139,959</u>
Total expenditures	<u>292,369</u>	<u>349,959</u>
Revenues over (under) expenditures	(292,369)	(349,959)
Other financing sources (uses)		
Transfers in	<u>292,369</u>	<u>349,959</u>
Net changes in fund balances	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>

CASCADE CHARTER TOWNSHIP

**CEMETERY PERPETUAL CARE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and pooled investments	\$ 105,249	\$ 97,361
Due from other funds	<u> -</u>	<u> 1,575</u>
Total assets	<u>\$ 105,249</u>	<u>\$ 98,936</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 160</u>
Fund balances		
Nonspendable		
Cemetery trust	95,309	91,584
Committed		
Cemetery trust	<u> 9,940</u>	<u> 7,192</u>
Total fund balances	<u>105,249</u>	<u>98,776</u>
Total liabilities and fund balances	<u>\$ 105,249</u>	<u>\$ 98,936</u>

CASCADE CHARTER TOWNSHIP

**CEMETERY PERPETUAL CARE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Charges for services		
Cemetery care fees	\$ 3,725	\$ 4,070
Interest	<u>486</u>	<u>398</u>
Total revenues	4,211	4,468
Expenditures		
Current		
General government		
Cemetery	<u>513</u>	<u>502</u>
Revenues over (under) expenditures	3,698	3,966
Other financing sources (uses)		
Transfers in	<u>2,775</u>	<u>1,575</u>
Net changes in fund balances	6,473	5,541
Fund balances, beginning of year	<u>98,776</u>	<u>93,235</u>
Fund balances, end of year	<u>\$ 105,249</u>	<u>\$ 98,776</u>

CASCADE CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

	Trust and Agency Fund	Tax Collection Fund	Total
Assets			
Cash and pooled investments	\$ 225,118	\$ 4,544,544	\$ 4,769,662
Total assets	<u>\$ 225,118</u>	<u>\$ 4,544,544</u>	<u>\$ 4,769,662</u>
Liabilities			
Accounts payable	\$ 6	\$ 2,853,363	\$ 2,853,369
Escrow deposits	225,112	-	225,112
Due to other governments	<u>-</u>	<u>1,691,181</u>	<u>1,691,181</u>
Total liabilities	<u>\$ 225,118</u>	<u>\$ 4,544,544</u>	<u>\$ 4,769,662</u>

CASCADE CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET/STATEMENT OF NET POSITION

DECEMBER 31, 2017

	Governmental		Statement
	Fund Type		of
	General		Net Position
	Fund	Adjustments	
Assets			
Cash and pooled investments	\$ 710,879	\$ -	\$ 710,879
Receivables			
Taxes	208,806	-	208,806
Capital assets			
Non-depreciable	-	59,366	59,366
Depreciable capital assets, net	-	4,549,469	4,549,469
Total assets	<u>\$ 919,685</u>	<u>\$ 4,608,835</u>	<u>\$ 5,528,520</u>
Liabilities, deferred inflows of resources and fund balance			
Liabilities			
Accounts payable	\$ 15,671	\$ -	15,671
Accrued interest payable	-	2,591	2,591
Bonds and notes payable - current portion	-	97,000	97,000
Bonds and notes payable	-	203,000	203,000
Total liabilities	<u>15,671</u>	<u>302,591</u>	<u>318,262</u>
Deferred inflows of resources			
Unearned revenue	<u>208,806</u>	<u>-</u>	<u>208,806</u>
Fund balance			
Unassigned	<u>695,208</u>	<u>\$ (695,208)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 919,685</u>		
Net position			
Net investment in capital assets			4,308,835
Unrestricted			<u>692,617</u>
Total net position			<u>\$ 5,001,452</u>
Reconciliation of fund balances to net position:			
Fund balance of governmental fund			\$ 695,208
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds			
Add - land			59,366
Add - capital assets (net of accumulated depreciation)			4,549,469
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Deduct - debt payable			(300,000)
Deduct - accrued interest on debt payable			<u>(2,591)</u>
Net position of governmental activities			<u>\$ 5,001,452</u>

CASCADE CHARTER TOWNSHIP

**DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Fund Type		Statement of Activities
	General Fund	Adjustments	
Revenues			
Taxes	\$ 709,705	\$ -	\$ 709,705
Investment earnings	6,416	-	6,416
Miscellaneous	13,323	-	13,323
Total revenues	729,444	-	729,444
Expenditures			
Current			
General government	328,795	282,754	611,549
Debt service			
Principal	94,000	(94,000)	-
Interest	13,229	(717)	12,512
Total expenditures	436,024	188,037	624,061
Net changes in fund balance	293,420		
Change in net position			105,383
Fund balance/net position, beginning of year	401,788		4,896,069
Fund balance/net position, end of year	\$ 695,208		\$ 5,001,452
Reconciliation of change in fund balances to change in net position			
Net change in fund balance of governmental fund			\$ 293,420
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.			
Add - capital outlay			20,913
Deduct - depreciation expense			(303,667)
Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.			
Add - principal payments on debt			94,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.			
Add - decrease in accrued interest			717
Change in net position of governmental activities			\$ 105,383