



CASCADE CHARTER TOWNSHIP

KENT COUNTY, MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019



Vredeveld Haefner LLC
CPAs and Consultants

Cascade Charter Township

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INDEPENDENT AUDITORS' REPORT

June 5, 2020

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, 2019, 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, 2019, 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 9 and the information on pages 41 through 49 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 2019 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 2019 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, 2018, 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 individual fund financial statements, related to the 2018 financial statements for the year ended December 31, 2019, 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 2018 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 2018 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Uredewald 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, 2019. 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 2019 operations by \$1,119,749 (or 2.9%).
- Total expenses of the Township's programs were \$10,843,997.
- Total revenues, including all programs and general revenues, were \$11,963,746.
- At the close of the current year, the Township's governmental funds reported combined ending fund balances of \$22,229,337, a decrease of \$928,971 from the previous year.
- At the end of the current year, the unassigned fund balance for the General Fund was \$4,993,834 or 78% of total General Fund expenditures and transfers out.
- Total long-term debt of the Township decreased by \$350,579 (or 11.4%) 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*.

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, fire, police, 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.

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 \$39,140,913 at the close of the most recent fiscal year. A summary of net position is as follows:

	<u>Governmental activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$29,128,485	\$29,679,187
Capital assets	21,723,053	20,087,973
Total assets	<u>50,851,538</u>	<u>49,767,160</u>
Deferred outflows of resources - pension	<u>201,843</u>	<u>816,773</u>
Long-term liabilities outstanding	4,769,955	6,262,417
Other liabilities	828,118	749,551
Total liabilities	<u>5,598,073</u>	<u>7,011,968</u>
Deferred inflows of resources	<u>6,314,395</u>	<u>5,550,801</u>
Net position:		
Net investment in capital assets	19,048,053	17,147,973
Restricted	13,000,959	14,420,087
Unrestricted	<u>7,091,901</u>	<u>6,453,104</u>
Total net position	<u>\$39,140,913</u>	<u>\$38,021,164</u>

A portion of the Township's net position (18 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 \$1,119,749 during the current fiscal year.

Changes in Net Position

	<u>Governmental activities</u>	
	<u>2019</u>	<u>2018</u>
Revenue:		
Program revenue:		
Charges for services	\$ 2,360,766	\$ 2,876,521
Operating grants and contributions	1,089	99,077
Capital grants and contributions	800,000	28,415
General revenue:		
Property taxes	6,089,836	5,964,734
State sources	1,589,563	1,536,415
Intergovernmental	32,870	32,870
Unrestricted investment earnings	683,500	473,749
Other	406,122	582,199
Total revenue	<u>11,963,746</u>	<u>11,593,980</u>
Expenses:		
General government	2,619,681	2,883,580
Public safety	4,865,950	5,356,460
Public works	2,223,701	4,933,467
Community and economic development	558,337	700,702
Culture and recreation	520,347	1,095,391
Interest on long-term debt	55,981	69,005
Total expenses	<u>10,843,997</u>	<u>15,038,605</u>
Change in net position	1,119,749	(3,444,625)
Net position - beginning of year	<u>38,021,164</u>	<u>41,465,789</u>
Net position - end of year	<u>\$39,140,913</u>	<u>\$38,021,164</u>

Governmental Activities. During the year the Township invested \$4,865,950 or 45% of governmental activities expenses in public safety. General government expenses amounted to \$2,619,681 or 24% of governmental activities while public works, community and economic development, culture and recreation, interest on long-term debt, and other made up the remaining 31% of governmental activities expenses. The significant decrease in public works expense is the result of a change in policy in the previous year to eliminate certain assessments receivable.

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 \$22,229,337, a decrease of \$928,971 in comparison with the prior year. Of the \$22,229,337, \$8,011,844 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 \$4,993,834. 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 78% of total general fund expenditures and transfers out. The fund balance of the Township's general fund decreased by \$1,229,567 during the current fiscal year. The decrease is primarily the result of the purchase of a building and other capital purchases.

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 \$2,389,618, a decrease of \$73,597 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 \$1,404,751, an increase of \$93,341 over the prior year.

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 \$2,057,862, an increase of \$13,513 over the prior year. The increase is primarily the result of budget monitoring.

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 \$2,018,101, an increase of \$325,753 from the prior year. The increase is due to taxes collected 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 \$3,020,193, a decrease of \$360,712 over the prior year. The decrease is primarily the result of lower inspection fees than anticipated and the purchase of a new facility.

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 \$754,310 an increase of \$21,952 from the prior year.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of December 31, 2019, amounted to \$21,723,053 (net of accumulated depreciation).

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

	2019	2018
Land	\$ 9,968,143	\$ 9,966,753
Land improvements	2,101,304	2,427,629
Infrastructure	448,000	476,000
Buildings and improvements	7,143,102	5,075,528
Furniture and equipment	557,859	492,274
Vehicles	1,504,645	1,649,789
Total	\$21,723,053	\$20,087,973

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:

	2019	2018
Accrued employee benefits	\$ 104,513	\$ 104,106
Bonds payable	2,675,000	2,940,000
Other obligations payable	47,270	132,849
Total	\$2,826,783	\$3,176,955

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 several funds, funds were transferred between two line-items as the Township prepared to transition to the new chart of accounts as required, at the time, by the State of Michigan. Due to statewide issues, the chart of accounts transition was delayed, and is now being planned for implementation for the 2021 budget.
- In all funds, all individual wages line items were consolidated for uniformity. Each Fund and/or department that contains regular wages are now in one of three categories (Wages Full-Time; Wages Part-Time; Wages Casual)
- In the General Fund, the final amended budget estimated a decrease in fund balance of \$2,177,689, which was significantly larger than the original anticipated increase of \$49,647. The major amendments included:
 - The Community Stabilization Share was reduced by \$35,834 to reflect the money actually received from the State. It was also reclassified based on State Treasury requirements.
 - The interest on Investments line was increased by \$59,000 to reflect better than anticipated interest revenues.
 - The Dam Lease Payments line was increased by \$63,000 to reflect a one-time payment from the lessee of the Cascade Dam due to excess energy generation
 - The Reimbursement from Pathways line was increased by \$47,700 to reflect that one full-time Buildings and Grounds employee is now being funded by the Pathway Fund
 - The Interfund Reimbursement/Library line was increased by \$47,700 to reflect one full-time Buildings and Grounds employee being funded by the Library fund. This employee was a replacement for the cancelled Janitorial contract.
 - The Janitorial Contract line was reduced by \$8,100 to reflect that the janitorial contract was cancelled and replaced with a full-time Buildings and Grounds employee.
 - The Insect/Weed Control expense line was increased by \$46,500 to reflect a larger than anticipated Gypsy Moth Spray program
 - The Legal Fees Line-Item was increased by \$25,000 to reflect higher than usual usage to Township Legal counsel due to ongoing litigation, PFAS issues in the Township and complicated zoning cases.
 - The Spring Clean-up line was increased by \$35,000 due to storm clean-up dumpster purchase and higher than anticipated clean-up event fees.
 - The Road Overlays expense line was increased by \$1,072,000 to reflect an enhanced local road improvement program approved by the Township Board to repave approximately 10 miles of local roads.
 - The Transportation Services line was reduced by \$22,000 due to the availability of extra CDBG grant funding to help fund specialized transportation services in the Township
 - The Bus Service 28th Street line item was increased by \$49,000 to reflect the inability to negotiate a lower fee for service from ITP for the 28th Street linehaul service.
 - The Defined Contribution Plan expense line was increased by \$87,122 to separate the MERS DC from the MERS DB costs. Subsequently the Pension Plans Benefits line was reduced.
 - The Capital Outlay – Bldg Imp expense line was increased by \$1,071,800 for the remainder of improvements to the Burton Street facility approved by the Township Board as well as the purchase of the facility at 5920 Tahoe for the new Township Hall project.

- In the Fire Fund, the final amended budget estimated a decrease in fund balance of \$78,242, which was slightly larger than the originally budgeted decrease of \$58,442. The major amendments included:
 - The Community Stabilization Share was increased by \$18,642 to reflect the money actually received from the State. It was also reclassified based on State Treasury requirements.
 - The Fire Equipment Maintenance expense line was increased by \$15,000 to reflect higher than anticipated apparatus expenses, including several high-dollar repairs to Engine 8.
 - The Defined Contribution Plan expense line was increased by \$100,529 to separate the MERS DC from the MERS DB costs. Subsequently the Pension Plans Benefits line was reduced.
 - The Capital Outlay – FFE line was increased by \$54,925 for 50% of the purchase of the mobile generator as approved by the Township Board

- In the Pathways Fund, the final amended budget estimated an increase in fund balance of \$255,468, which was slightly lower than the originally budgeted increase of \$377,980. The major amendment includes:
 - The Engineering line was increased by \$135,000 to reflect costs for preparing for the expanded pathways as approved by the residents of Cascade with the 2018 millage request.

- In the Infrastructure Revolving Fund, the final amended budget estimated an increase in fund balance of \$116,500, which was slightly lower than the originally budgeted increase of \$197,000. The major amendments included:
 - The Capital Outlay – Land Imp expenditures line was increased by \$66,000 to reflect a Water/Sewer Master Plan update as approved by the Township Board

- In the Downtown Development Authority Fund, the final amended budget estimated a decrease in fund balance of \$325,809, which was higher than the original anticipated increase of \$373,191. The major amendments include:
 - The Bonds/Loan Proceeds revenue line was increased by \$800,000 for the purchase of the Tuffy Muffler Building. Subsequently, the Capital Outlay – Building Imp was increased by \$800,000 for the purchase.
 - The Bus Service 28th Street line item was increased by \$49,000 to reflect the inability to negotiate a lower fee for service from ITP for the 28th Street linehaul service.
 - The Capital Outlay – Land Imp was increased by \$650,000 for the Centennial Park improvements project that was approved by the Township Board
 - The Capital Outlay – FFE expenditures line was increased by \$30,000 for the purchase of a Bucket Truck that was approved by the Township Board.

- In the Building Fund, the final amended budget estimated a decrease in fund balance of \$258,013 which was significantly higher than the originally budgeted increase of \$174,224. The major amendments included:
 - The Defined Contribution Plan expense line was increased by \$59,839 to separate the MERS DC from the MERS DB costs. Subsequently the Pension Plans Benefits line was reduced.
 - The Capital Outlay – Building Imp line was increased by \$438,200 to reflect the Building Department portion of the purchase of 5920 Tahoe for the new Township Hall.

- In the Library Fund, the final amended budget estimated a decrease in fund balance of \$14,766 which was higher than the originally budgeted fund balance increase of \$54,366. The major amendments included:
 - A decrease in the Library Janitorial Contract expense of \$33,000 to reflect the cancellation of the janitorial contract.
 - An increase in the Library Maintenance line of \$53,120 to reflect the refresh project approved by the Township Board and increased HVAC maintenance costs.
 - An increase in the Library Maintenance/Additional line of \$47,700 to reflect the cost of one Buildings and Grounds employee being paid for by the fund

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2020 fiscal year:

- The FY 2020 General and Special Revenue Funds budget was prepared utilizing the millage rates from the FY 2019 budget with no Headlee Millage Reduction fraction applied
- For FY 2020 the Township's initial General Fund Budget anticipates a year-end fund balance increase of \$233,019. The Township continues to see an increase in real property tax revenue growth (4.17%) and state shared-revenue growth (1.9%). The FY 2020 budget does also see an increase in Personal Property Tax

Revenue (1.15%) even as the fourth year of Industrial Personal Property Tax elimination begins. Part of the loss of PPT revenues based on FY 2013 levels is offset by PPT reimbursement from the State, which is estimated at \$36,883. For FY 2020 the Township budgeted moderate capital improvement expenditures including the rebuilding of the Burton Park garage (\$320,000) and the replacement of several pieces of B&G Equipment (\$76,000)

- In the FY 2020 Special Revenue and component funds, most funds will see modest budgeted increases to fund balance including the Police Fund (\$67,779), the Pathway Fund (\$431,213), the Infrastructure Revolving Fund (\$174,400), and the Downtown Development Authority (\$275,976). There is one fund, the Fire Fund, which will see a moderate fund balance decrease (\$119,831) due to a planned spend down of fund balance.

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.

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BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Downtown Development Authority</u>
Assets		
Cash and pooled investments	\$ 22,195,158	\$ 1,144,581
Receivables		
Accounts	3,066,687	-
Taxes	3,030,530	290,326
Due from other governments	264,796	-
Prepaid items	<u>52,820</u>	<u>-</u>
Total current assets	<u>28,609,991</u>	<u>1,434,907</u>
Noncurrent assets		
Special assessments receivable	518,494	-
Capital assets		
Non-depreciable	9,968,143	658,373
Depreciable capital assets, net	<u>11,754,910</u>	<u>3,983,239</u>
Total noncurrent assets	<u>22,241,547</u>	<u>4,641,612</u>
Total assets	<u>50,851,538</u>	<u>6,076,519</u>
Deferred outflows of resources		
Pension related	<u>201,843</u>	<u>-</u>
Liabilities		
Accounts payable	392,323	142,230
Accrued payroll and benefits	108,218	-
Accrued interest payable	9,663	940
Current portion of bonds and obligations payable	<u>317,914</u>	<u>163,000</u>
Total current liabilities	<u>828,118</u>	<u>306,170</u>
Long-term liabilities		
Compensated absences	104,513	-
Net pension liability	2,261,086	-
Bonds and obligations payable	<u>2,404,356</u>	<u>740,000</u>
Total long-term liabilities	<u>4,769,955</u>	<u>740,000</u>
Total liabilities	<u>5,598,073</u>	<u>1,046,170</u>
Deferred inflows of resources		
Unavailable - taxes	5,668,506	290,326
Pension related	<u>645,889</u>	<u>-</u>
	<u>6,314,395</u>	<u>290,326</u>
Net position		
Net investment in capital assets	19,048,053	4,538,612
Restricted for		
Public safety	6,814,562	-
Public works	1,251,210	-
Culture and recreation	4,830,273	-
Cemetery trust	104,914	-
Unrestricted	<u>7,091,901</u>	<u>201,411</u>
Total net position	<u>\$ 39,140,913</u>	<u>\$ 4,740,023</u>

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

CASCADE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

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	\$ 2,619,681	\$ 496,207	\$ -	\$ 800,000	\$ (1,323,474)
Public safety	4,865,950	1,787,728	-	-	(3,078,222)
Public works	2,223,701	61,173	-	-	(2,162,528)
Community and economic development	558,337	15,658	-	-	(542,679)
Culture and recreation	520,347	-	1,089	-	(519,258)
Interest on long-term debt	55,981	-	-	-	(55,981)
Total primary government	\$ 10,843,997	\$ 2,360,766	\$ 1,089	\$ 800,000	\$ (7,682,142)
Component unit					
Downtown Development Authority	\$ 1,456,768	\$ -	\$ -	\$ -	\$ (1,456,768)
Total component unit	\$ 1,456,768	\$ -	\$ -	\$ -	\$ (1,456,768)

(Continued)

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

CASCADE CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Primary Government Governmental Activities	Component Unit Downtown Development Authority
Changes in net position		
Net (expense) revenue	\$ (7,682,142)	\$ (1,456,768)
General revenues		
Property taxes		
General purpose	2,196,596	-
Specific purpose	3,893,240	972,499
State shared revenues	1,589,563	-
Intergovernmental revenues	32,870	-
Unrestricted interest	683,500	20,151
Miscellaneous	406,122	5,210
Total general revenues and transfers	8,801,891	997,860
Change in net position	1,119,749	(458,908)
Net position, beginning of year	38,021,164	5,198,931
Net position, end of year	\$ 39,140,913	\$ 4,740,023

(Concluded)

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

CASCADE CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
BALANCE SHEET**

DECEMBER 31, 2019

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Library</u>
Assets				
Cash and pooled investments	\$ 7,601,071	\$ 2,438,836	\$ 1,542,769	\$ 2,130,532
Receivables				
Accounts	971,006	980,350	342,191	111,915
Taxes	968,292	1,082,439	377,828	123,394
Special assessments	-	-	-	-
Due from other funds	166,420	-	-	-
Due from other governments	264,796	-	-	-
Prepaid items	18,467	19,352	-	-
Total assets	<u>\$ 9,990,052</u>	<u>\$ 4,520,977</u>	<u>\$ 2,262,788</u>	<u>\$ 2,365,841</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 199,669	\$ 21,556	\$ 106,519	\$ 8,634
Accrued payroll and benefits	40,231	47,014	-	-
Due to other funds	-	-	31,499	64,036
Total liabilities	<u>239,900</u>	<u>68,570</u>	<u>138,018</u>	<u>72,670</u>
Deferred inflows of resources				
Unavailable revenue	<u>1,738,308</u>	<u>2,062,789</u>	<u>720,019</u>	<u>235,309</u>
Fund balances				
Nonspendable				
Prepaid items	18,467	19,352	-	-
Cemetery trust	-	-	-	-
Restricted				
Dedicated millage	-	2,370,266	1,404,751	2,057,862
Inspection fees	-	-	-	-
Capital improvements	-	-	-	-
Committed				
Cemetery trust	-	-	-	-
Unfunded pension liability	499,543	-	-	-
Facility improvements	2,500,000	-	-	-
Unassigned	4,993,834	-	-	-
Total fund balances	<u>8,011,844</u>	<u>2,389,618</u>	<u>1,404,751</u>	<u>2,057,862</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,990,052</u>	<u>\$ 4,520,977</u>	<u>\$ 2,262,788</u>	<u>\$ 2,365,841</u>

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

<u>Pathways</u>	<u>Inspections</u>	<u>Open Space</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 2,104,776	\$ 3,031,861	\$ 760,795	\$ 2,584,518	\$ 22,195,158
262,043	-	171,422	20,707	2,859,634
289,300	-	189,277	-	3,030,530
-	-	-	518,494	518,494
-	-	-	1,100	167,520
-	-	-	-	264,796
-	15,001	-	-	52,820
<u>\$ 2,656,119</u>	<u>\$ 3,046,862</u>	<u>\$ 1,121,494</u>	<u>\$ 3,124,819</u>	<u>\$ 29,088,952</u>
\$ 38,975	\$ 4,596	\$ 6,486	\$ 5,888	\$ 392,323
-	20,973	-	-	108,218
47,700	1,100	-	23,185	167,520
<u>86,675</u>	<u>26,669</u>	<u>6,486</u>	<u>29,073</u>	<u>668,061</u>
551,343	-	360,698	523,088	6,191,554
-	15,001	-	-	52,820
-	-	-	104,914	104,914
2,018,101	-	754,310	-	8,605,290
-	3,005,192	-	-	3,005,192
-	-	-	2,459,223	2,459,223
-	-	-	8,521	8,521
-	-	-	-	499,543
-	-	-	-	2,500,000
-	-	-	-	4,993,834
<u>2,018,101</u>	<u>3,020,193</u>	<u>754,310</u>	<u>2,572,658</u>	<u>22,229,337</u>
<u>\$ 2,656,119</u>	<u>\$ 3,046,862</u>	<u>\$ 1,121,494</u>	<u>\$ 3,124,819</u>	<u>\$ 29,088,952</u>

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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, 2019

Fund balances - total governmental funds	\$ 22,229,337
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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	9,968,143
Add - capital assets (net of accumulated depreciation)	11,754,910

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	523,048
Add - accrued interest receivable	207,053

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	201,843
Deduct - deferred inflows related to pensions	(645,889)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - compensated absences payable	(104,513)
Deduct - net pension liability	(2,261,086)
Deduct - bonds, obligations, and notes payable	(2,722,270)
Deduct - accrued interest on bonds and notes payable	(9,663)

Net position of governmental activities	<u>\$ 39,140,913</u>
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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, 2019

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Library</u>
Revenues				
Property taxes	\$ 2,196,596	\$ 2,044,093	\$ 714,083	\$ 232,358
Licenses and permits	416,923	-	-	-
State	1,625,693	-	-	-
Local	-	-	-	32,870
Charges for services	115,140	-	-	-
Interest	484,190	70,625	36,663	12,566
Miscellaneous	142,509	24,791	-	70
Total revenues	<u>4,981,051</u>	<u>2,139,509</u>	<u>750,746</u>	<u>277,864</u>
Expenditures				
Current				
General government	1,896,524	-	-	-
Public safety	-	2,521,248	625,906	-
Public works	1,457,656	-	-	-
Community and economic development	304,195	-	-	-
Culture and recreation	91,582	-	-	264,351
Other	780,656	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,397,101	89,858	-	-
Total expenditures	<u>5,927,714</u>	<u>2,611,106</u>	<u>625,906</u>	<u>264,351</u>
Revenues over (under) expenditures	<u>(946,663)</u>	<u>(471,597)</u>	<u>124,840</u>	<u>13,513</u>
Other financing sources (uses)				
Transfers in	157,096	400,000	-	-
Transfers out	(440,000)	(2,000)	(31,499)	-
Total other financing sources (uses)	<u>(282,904)</u>	<u>398,000</u>	<u>(31,499)</u>	<u>-</u>
Net changes in fund balances	(1,229,567)	(73,597)	93,341	13,513
Fund balances, beginning of year	<u>9,241,411</u>	<u>2,463,215</u>	<u>1,311,410</u>	<u>2,044,349</u>
Fund balances, end of year	<u>\$ 8,011,844</u>	<u>\$ 2,389,618</u>	<u>\$ 1,404,751</u>	<u>\$ 2,057,862</u>

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

<u>Pathways</u>	<u>Inspections</u>	<u>Open Space</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 546,536	\$ -	\$ 356,170	\$ -	\$ 6,089,836
-	1,613,692	-	-	2,030,615
-	-	-	-	1,625,693
-	-	-	-	32,870
-	-	-	8,720	123,860
26,033	66,947	12,681	31,897	741,602
-	1,900	1,089	273,107	443,466
<u>572,569</u>	<u>1,682,539</u>	<u>369,940</u>	<u>313,724</u>	<u>11,087,942</u>
-	-	-	1,076	1,897,600
-	1,512,239	-	2,137	4,661,530
-	-	-	-	1,457,656
-	-	-	-	304,195
160,267	-	26,451	-	542,651
-	-	-	-	780,656
-	-	-	265,000	265,000
-	-	-	56,537	56,537
38,849	453,115	-	72,165	2,051,088
<u>199,116</u>	<u>1,965,354</u>	<u>26,451</u>	<u>396,915</u>	<u>12,016,913</u>
<u>373,453</u>	<u>(282,815)</u>	<u>343,489</u>	<u>(83,191)</u>	<u>(928,971)</u>
-	-	-	363,537	920,633
(47,700)	(77,897)	(321,537)	-	(920,633)
(47,700)	(77,897)	(321,537)	363,537	-
325,753	(360,712)	21,952	280,346	(928,971)
1,692,348	3,380,905	732,358	2,292,312	23,158,308
<u>\$ 2,018,101</u>	<u>\$ 3,020,193</u>	<u>\$ 754,310</u>	<u>\$ 2,572,658</u>	<u>\$ 22,229,337</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, 2019

Net changes in fund balances - total governmental funds	\$ (928,971)
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Amounts reported for *governmental activities* 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	1,949,640
Add - contributed capital	800,000
Deduct - depreciation expense	(994,958)
Deduct - net book value of disposed capital assets	(119,602)

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	(16,662)
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Interest receivable is recognized when earned in the statement of activities but is reflected as revenue on the fund statement when it is received.

Add - increase in accrued interest receivable	75,804
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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	265,000
Add - principal paid on obligation payable	85,579

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	1,174,955
Deduct - decrease in deferred outflows related to pension	(614,930)
Deduct - increase in deferred inflows related to pension	(556,255)
Deduct - increase in compensated absences	(407)
Add - decrease in accrued interest	556

Change in net position of governmental activities	<u>\$ 1,119,749</u>
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The accompanying notes are an integral part of these financial statements.

CASCADE CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2019

	Agency Funds
Assets	
Cash and pooled investments	\$ <u>6,193,785</u>
Total assets	\$ <u>6,193,785</u>
Liabilities	
Accounts payable	\$ 5,347,991
Escrow deposits	193,111
Due to other governmental units	<u>652,683</u>
Total liabilities	\$ <u>6,193,785</u>

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

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CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019

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 *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.

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.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 *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).
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, 2019

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. Prepaid items are accounted for following the consumption method

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 or more than \$15,000 for land improvements and building improvements 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, 2019

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	10-25
Infrastructure	50
Buildings and improvements	5-50
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/expenses regardless of fund or activity.

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, 2019

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, 2019

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, 2019, 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, 2019, 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			
General government			
Township board	\$ 61,513	\$ 62,992	\$1,479
Clerk	102,288	105,239	2,951
Treasurer	132,522	134,732	2,210
Public works			
Drains	52,900	55,159	2,259
Culture and recreation			
Historical	22,550	23,208	658
Transfers out	441,500	441,725	225
Pathways Special Revenue Fund			
Culture and recreation	158,000	160,267	2,267
Open Space Special Revenue Fund			
Culture and recreation	24,100	26,451	2,351

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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	\$22,195,158	\$1,144,581	\$6,193,785	\$29,533,524

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

Deposits	\$23,828,290
Petty cash	438
Investments	5,704,796
Total	\$29,533,524

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, \$17,757,080 of the Township's bank balance of \$23,651,968 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	\$1,160,771	Unrated	
MI Class Investment Pool	N/A	4,544,025	AAAm	S&P
Total		\$5,704,796		

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.

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).

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

- The Kent County Investment Pool and MI Class Investment Pool 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, 2019, 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	13%	0-3
Certificates of deposits	64%	0-4
Deposits, money market accounts, and other pools	23%	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, 2019

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 9,966,753	\$ 1,390	\$ -	\$ 9,968,143
Capital assets, being depreciated				
Land improvements	8,638,939	173,630	-	8,812,569
Infrastructure	1,400,000	-	-	1,400,000
Buildings and improvements	8,994,970	2,324,583	-	11,319,553
Furniture and equipment	1,358,159	250,037	122,003	1,486,193
Vehicles	2,495,729	-	133,000	2,362,729
Total capital assets, being depreciated	22,887,797	2,748,250	255,003	25,381,044
Less accumulated depreciation for				
Land improvements	6,211,310	499,955	-	6,711,265
Infrastructure	924,000	28,000	-	952,000
Buildings and improvements	3,919,442	257,009	-	4,176,451
Furniture and equipment	865,885	96,950	34,501	928,334
Vehicles	845,940	113,044	100,900	858,084
Total accumulated depreciation	12,766,577	994,958	135,401	13,626,134
Net capital assets, being depreciated	10,121,220	1,753,292	119,602	11,754,910
Governmental Activities capital assets, net	\$20,087,973	\$1,754,682	\$119,602	\$21,723,053
Component Unit				
Capital assets, not being depreciated				
Land	\$ 59,366	\$ -	\$ -	\$ 59,366
Construction in progress	-	599,007	-	599,007
Total capital assets, not being depreciated	59,366	599,007	-	658,373
Capital assets being depreciated				
Land improvements	7,551,109	5,800	-	7,556,909
Furniture and equipment	36,392	13,654	-	50,046
Vehicles	46,528	29,900	46,528	29,900
Total capital assets, being depreciated	7,634,029	49,354	46,528	7,636,855
Less accumulated depreciation for				
Land improvements	3,337,386	300,715	-	3,638,101
Furniture and equipment	5,731	5,004	-	10,735
Vehicles	46,528	4,780	46,528	4,780
Total accumulated depreciation	3,389,645	310,499	46,528	3,653,616
Net capital assets, being depreciated	4,244,384	(261,145)	-	3,983,239
Component Unit capital assets, net	\$4,303,750	\$ 337,862	\$ -	\$4,641,612

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Governmental Activities		
General government		\$150,709
Public safety		198,531
Recreation and cultural		<u>645,718</u>
Total depreciation expense - governmental activities		<u>\$994,958</u>

5. INTERFUND TRANSACTIONS

Amounts due to and from other funds are as follows:

<u>Due to</u>	<u>Due from</u>		<u>Total</u>
	<u>General fund</u>	<u>Non-major funds</u>	
Police fund	\$ 31,499	\$ -	\$31,499
Library fund	64,036	-	64,036
Pathways fund	47,700	-	47,700
Inspections fund	-	1,100	1,100
Non-major funds	23,185	-	23,185
	<u>\$166,420</u>	<u>\$1,100</u>	<u>\$167,520</u>

Interfund balances reflect loans made from funds with cash and pooled investments to those funds requiring temporary cash flow.

Transfers in and out for the year are as follows:

<u>Transfers out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General fund</u>	<u>Fire fund</u>	<u>Non-major funds</u>	
General fund	\$ -	\$400,000	\$ 40,000	\$440,000
Fire fund	-	-	2,000	2,000
Police fund	31,499	-	-	31,499
Pathways	47,700	-	-	47,700
Inspections fund	77,897	-	-	77,897
Open space fund	-	-	321,537	321,537
	<u>\$157,096</u>	<u>\$400,000</u>	<u>\$363,537</u>	<u>\$920,633</u>

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.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

6. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2019:

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
\$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 2019	\$ 230,000	\$ -	\$230,000	\$ -	\$ -
\$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	2,710,000	-	35,000	2,675,000	274,000
\$426,769 2018 Pension conversion obligation; due in annual installments ranging from \$85,579 to \$3,356 through December 2021	132,849	-	85,579	47,270	43,914
Total Long-Term Debt	3,072,849	-	350,579	2,722,270	317,914
Accrued compensated absences	104,106	407	-	104,513	66,374
Total Governmental Activities	\$3,176,955	\$407	\$350,579	\$2,826,783	\$384,288
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	\$203,000	\$ -	\$100,000	\$103,000	\$103,000
\$800,000 Installment note payable; due in annual installments of \$60,000 to \$103,000 plus interest at 1.90-3.65% through Oct. 2020	-	800,000	-	800,000	60,000
	\$203,000	\$800,000	\$100,000	\$903,000	\$163,000

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

The annual requirements to amortize all debt outstanding (excluding accrued compensated absences) as of December 31, 2019, are as follows:

Year Ending December 31	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2020	\$ 317,914	\$ 49,238	\$163,000	\$ 25,427
2021	282,356	43,873	70,000	24,050
2022	284,000	38,412	75,000	21,775
2023	293,000	32,816	75,000	15,338
2024	297,000	27,093	80,000	16,900
2025-2029	1,248,000	48,986	440,000	44,038
Total	\$2,722,270	\$240,418	\$903,000	\$147,528

All outstanding debt of the Township is considered private placement debt.

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%.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2018):

Active plan members	26
Inactive employees entitled but not yet receiving benefits	7
Inactive employees or beneficiaries currently receiving benefits	25
Total	58

The defined benefit plan was closed to new entrants during the year ended December 31, 2018 and participants were offered a one-time incentive to convert from the defined benefit plan to the defined contribution plan.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Contributions

The Township is required to contribute at an actuarially determined rate, which for the current year was 12.51% of annual covered payroll. Contributions are determined based on participating employees. Participating employees are required to contribute 10.0% 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, 2019, with the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of December 31, 2018.

The total pension liability calculated in the December 31, 2018 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.

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			8.00%

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2018	\$11,295,374	\$7,859,333	\$3,436,041
Changes for the Year:			
Service cost	152,708	-	152,708
Interest	890,346	-	890,346
Change in benefits	(24,411)	-	(24,411)
Difference between expected and actual experience	(844,453)	-	(844,453)
Change in assumptions	-	-	-
Contributions: employer	-	176,094	(176,094)
Contributions: employee	-	110,976	(110,976)
Net investment income	-	1,065,789	(1,065,789)
Benefit payments, including refunds	(484,793)	(484,793)	-
Administrative expense	-	(18,365)	18,365
Other changes	(14,651)	-	(14,651)
Net changes	(325,254)	849,701	(1,174,955)
Balance at December 31, 2019	\$10,970,120	\$8,709,034	\$2,261,086

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	\$12,268,600	\$10,970,120	\$9,875,415
Fiduciary Net Position	8,709,034	8,709,034	8,709,034
Net Pension Liability	\$ 3,559,566	\$ 2,261,086	\$1,166,381

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2019 the employer recognized pension expense of \$172,324. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$645,889
Differences in assumptions	113,614	-
Excess (deficit) investment returns	88,229	-
Total	<u>\$201,843</u>	<u>\$645,889</u>

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

2020	\$(253,219)
2021	(391,641)
2022	200,814
2023	-
2024	-
Thereafter	-
Total	<u>\$(444,046)</u>

Defined Contribution Pension Plans

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 2019 was \$14,532.

The Township also maintains a defined contribution plan administered by MERS. Depending on hire date, the Township contributes 5 to 6 percent of each eligible employee's salary to the plan and will match an additional 5 to 6 percent of each eligible employee's salary. Plan provision and contribution requirements are established and may be amended by the Board. The Township's contribution for 2019 was \$205,726 and the employees' contribution was \$102,213.

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 expired in 2018 and was automatically be extended for an additional 18 years 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, 2019, the Cascade Dam Major Repair Fund has accumulated \$728,162.

CASCADE CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

The Township is also a lessee under an operating lease for building space. Lease expenditures for the year ended December 31, 2019 amounted to \$60,464. Future minimum lease payments for the lease is as follows:

Year Ending December 31,	Amount
2020	\$ 61,625
2021	5,228
	<u>\$66,853</u>

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 IFE 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, 2019 the Township abated property tax revenues of approximately \$39,000.

11. SUBSEQUENT EVENT

Subsequent to year-end, the Township staff worked remotely as much as possible along with meeting various other stay-safe requirements due to the COVID-19 outbreak. The effect on operations is unknown at the report date. No other such events or transactions were identified.

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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, 2019

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,235,924	\$ 2,235,924	\$ 2,196,596	\$ (39,328)
Licenses and permits	427,300	427,300	416,923	(10,377)
State	1,550,137	1,550,137	1,625,693	75,556
Charges for services	125,600	125,600	115,140	(10,460)
Interest	326,356	389,356	484,190	94,834
Miscellaneous	133,677	155,577	142,509	(13,068)
Total revenues	<u>4,798,994</u>	<u>4,883,894</u>	<u>4,981,051</u>	<u>97,157</u>
Expenditures				
Current				
General government				
Township board	60,656	61,513	62,992	(1,479)
Supervisor	65,187	155,921	152,696	3,225
Manager	129,995	13,090	6,980	6,110
Clerk	95,736	102,288	105,239	(2,951)
Treasurer	132,793	132,522	134,732	(2,210)
Assessor	244,301	249,272	236,380	12,892
Elections	14,000	17,400	15,304	2,096
Buildings and grounds	504,020	568,896	505,924	62,972
Cemetery	23,500	23,500	10,265	13,235
Administration	707,876	769,044	666,012	103,032
Public works				
Drains	52,900	52,900	55,159	(2,259)
Road construction and maintenance	406,300	1,478,300	1,169,435	308,865
Street lighting	123,000	138,000	136,976	1,024
Waste collection	61,400	96,400	96,086	314
Community and economic development				
Planning commission	360,129	354,373	299,479	54,894
Building and zoning	4,000	12,500	4,716	7,784
Culture and recreation				
Parks and recreation	75,900	75,900	68,374	7,526
Historical	10,550	22,550	23,208	(658)
Other	745,103	798,779	780,656	18,123
Capital outlay	620,000	1,706,800	1,397,101	309,699
Total expenditures	<u>4,437,346</u>	<u>6,829,948</u>	<u>5,927,714</u>	<u>902,234</u>
Revenues over (under) expenditures	<u>361,648</u>	<u>(1,946,054)</u>	<u>(946,663)</u>	<u>999,391</u>
Other financing sources (uses)				
Transfers in	124,999	172,699	157,096	(15,603)
Transfers out	(440,000)	(440,000)	(440,000)	-
Total other financing sources (uses)	<u>(315,001)</u>	<u>(267,301)</u>	<u>(282,904)</u>	<u>(15,603)</u>
Net changes in fund balances	46,647	(2,213,355)	(1,229,567)	983,788
Fund balances, beginning of year	<u>9,241,411</u>	<u>9,241,411</u>	<u>9,241,411</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,288,058</u>	<u>\$ 7,028,056</u>	<u>\$ 8,011,844</u>	<u>\$ 983,788</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,036,424	\$ 2,036,424	\$ 2,044,093	\$ 7,669
Interest	77,500	77,500	70,625	(6,875)
Miscellaneous	3,500	25,500	24,791	(709)
Total revenues	<u>2,117,424</u>	<u>2,139,424</u>	<u>2,139,509</u>	<u>85</u>
Expenditures				
Current				
Public safety	2,540,866	2,534,883	2,521,248	13,635
Capital outlay	35,000	89,925	89,858	67
Total expenditures	<u>2,575,866</u>	<u>2,624,808</u>	<u>2,611,106</u>	<u>13,702</u>
Revenues over (under) expenditures	<u>(458,442)</u>	<u>(485,384)</u>	<u>(471,597)</u>	<u>13,787</u>
Other financing sources (uses)				
Transfers in	400,000	400,000	400,000	-
Transfers out	-	(2,000)	(2,000)	-
Total other financing sources (uses)	<u>400,000</u>	<u>398,000</u>	<u>398,000</u>	<u>-</u>
Net changes in fund balances	(58,442)	(87,384)	(73,597)	13,787
Fund balances, beginning of year	<u>2,463,215</u>	<u>2,463,215</u>	<u>2,463,215</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,404,773</u>	<u>\$ 2,375,831</u>	<u>\$ 2,389,618</u>	<u>\$ 13,787</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 712,812	\$ 712,812	\$ 714,083	\$ 1,271
Interest	<u>30,000</u>	<u>30,000</u>	<u>36,663</u>	<u>6,663</u>
Total revenues	742,812	742,812	750,746	7,934
Expenditures				
Current				
Public safety	<u>670,150</u>	<u>670,150</u>	<u>625,906</u>	<u>44,244</u>
Revenues over (under) expenditures	<u>72,662</u>	<u>72,662</u>	<u>124,840</u>	<u>52,178</u>
Other financing sources (uses)				
Transfers out	<u>(31,499)</u>	<u>(31,499)</u>	<u>(31,499)</u>	<u>-</u>
Net changes in fund balances	41,163	41,163	93,341	52,178
Fund balances, beginning of year	<u>1,311,410</u>	<u>1,311,410</u>	<u>1,311,410</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,352,573</u>	<u>\$ 1,352,573</u>	<u>\$ 1,404,751</u>	<u>\$ 52,178</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 232,311	\$ 232,311	\$ 232,358	\$ 47
Local	32,869	32,869	32,870	1
Interest	10,000	10,000	12,566	2,566
Miscellaneous	-	-	70	70
Total revenues	<u>275,180</u>	<u>275,180</u>	<u>277,864</u>	<u>2,684</u>
Expenditures				
Current				
Culture and recreation	219,814	290,234	264,351	25,883
Capital outlay	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total expenditures	<u>220,814</u>	<u>291,234</u>	<u>264,351</u>	<u>26,883</u>
Net changes in fund balances	54,366	(16,054)	13,513	29,567
Fund balances, beginning of year	<u>2,044,349</u>	<u>2,044,349</u>	<u>2,044,349</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,098,715</u>	<u>\$ 2,028,295</u>	<u>\$ 2,057,862</u>	<u>\$ 29,567</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 543,980	\$ 543,980	\$ 546,536	\$ 2,556
Interest	12,000	12,000	26,033	14,033
Total revenues	<u>555,980</u>	<u>555,980</u>	<u>572,569</u>	<u>16,589</u>
Expenditures				
Current				
Culture and recreation	78,000	158,000	160,267	(2,267)
Capital outlay	100,000	100,000	38,849	61,151
Total expenditures	<u>178,000</u>	<u>258,000</u>	<u>199,116</u>	<u>58,884</u>
Revenues over (under) expenditures	377,980	297,980	373,453	75,473
Other financing sources (uses)				
Transfers out	(47,700)	(47,700)	(47,700)	-
Net changes in fund balances	330,280	250,280	325,753	75,473
Fund balances, beginning of year	<u>1,692,348</u>	<u>1,692,348</u>	<u>1,692,348</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,022,628</u>	<u>\$ 1,942,628</u>	<u>\$ 2,018,101</u>	<u>\$ 75,473</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 1,775,000	\$ 1,775,000	\$ 1,613,692	\$ (161,308)
Interest	60,000	60,000	66,947	6,947
Miscellaneous	1,000	1,000	1,900	900
Total revenues	<u>1,836,000</u>	<u>1,836,000</u>	<u>1,682,539</u>	<u>(153,461)</u>
Expenditures				
Current				
Public safety	1,534,776	1,528,813	1,512,239	16,574
Capital outlay	32,000	470,200	453,115	17,085
Total expenditures	<u>1,566,776</u>	<u>1,999,013</u>	<u>1,965,354</u>	<u>33,659</u>
Revenues over (under) expenditures	269,224	(163,013)	(282,815)	(119,802)
Other financing sources (uses)				
Transfers out	(95,000)	(95,000)	(77,897)	17,103
Net changes in fund balances	174,224	(258,013)	(360,712)	(102,699)
Fund balances, beginning of year	<u>3,380,905</u>	<u>3,380,905</u>	<u>3,380,905</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,555,129</u>	<u>\$ 3,122,892</u>	<u>\$ 3,020,193</u>	<u>\$ (102,699)</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 356,704	\$ 356,704	\$ 356,170	\$ (534)
Interest	10,400	10,400	12,681	2,281
Miscellaneous	1,000	1,000	1,089	89
Total revenues	368,104	368,104	369,940	1,836
Expenditures				
Current				
Culture and recreation	24,100	24,100	26,451	(2,351)
Revenues over (under) expenditures	344,004	344,004	343,489	(515)
Other financing sources (uses)				
Transfers out	(321,605)	(321,605)	(321,537)	68
Net changes in fund balances	22,399	22,399	21,952	(447)
Fund balances, beginning of year	732,358	732,358	732,358	-
Fund balances, end of year	<u>\$ 754,757</u>	<u>\$ 754,757</u>	<u>\$ 754,310</u>	<u>\$ (447)</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, 2019

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	\$ 232,044	\$ 269,359	\$ 301,620	\$ 324,267	\$ 152,708
Interest	672,517	697,204	813,553	830,058	890,346
Changes in benefit terms	-	-	-	-	(24,411)
Difference between expected and actual experience	-	360,728	(407,538)	13,247	(844,453)
Changes in assumptions	-	568,066	-	-	-
Benefit payments including employee refunds	(347,736)	(337,024)	(460,299)	(702,280)	(484,793)
Other	(17,508)	(58,461)	68,638	265,356	(14,651)
Net change in total pension liability	<u>539,317</u>	<u>1,499,872</u>	<u>315,974</u>	<u>730,648</u>	<u>(325,254)</u>
Total pension liability, beginning of year	<u>8,209,563</u>	<u>8,748,880</u>	<u>10,248,752</u>	<u>10,564,726</u>	<u>11,295,374</u>
Total pension liability, end of year	<u>\$ 8,748,880</u>	<u>\$ 10,248,752</u>	<u>\$ 10,564,726</u>	<u>\$ 11,295,374</u>	<u>\$ 10,970,120</u>
Plan fiduciary net position					
Contributions-employer	\$ 232,013	\$ 245,343	\$ 290,039	\$ 305,411	\$ 176,094
Contributions-employee	117,128	123,282	124,705	120,780	110,976
Net investment income	(105,931)	776,510	1,004,690	(324,408)	1,065,789
Benefit payments including employee refunds	(347,736)	(337,024)	(460,299)	(702,280)	(484,793)
Administrative expense	(15,175)	(15,315)	(15,897)	(16,413)	(18,365)
Net change in plan fiduciary net position	<u>(119,701)</u>	<u>792,796</u>	<u>943,238</u>	<u>(616,910)</u>	<u>849,701</u>
Plan fiduciary net position, beginning of year	<u>6,859,910</u>	<u>6,740,209</u>	<u>7,533,005</u>	<u>8,476,243</u>	<u>7,859,333</u>
Plan fiduciary net position, end of year	<u>\$ 6,740,209</u>	<u>\$ 7,533,005</u>	<u>\$ 8,476,243</u>	<u>\$ 7,859,333</u>	<u>\$ 8,709,034</u>
Employer net pension liability	<u>\$ 2,008,671</u>	<u>\$ 2,715,747</u>	<u>\$ 2,088,483</u>	<u>\$ 3,436,041</u>	<u>\$ 2,261,086</u>
Plan fiduciary net position as a percentage of the total pension liability	77%	74%	80%	70%	79%
Covered employee payroll	\$ 2,047,653	\$ 2,314,281	\$ 2,474,196	\$ 2,626,444	\$ 1,656,630
Employer's net pension liability as a percentage of covered employee payroll	98%	117%	84%	131%	136%

CASCADE CHARTER TOWNSHIP
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2015	2016	2017	2018	2019
Actuarial determined contributions	\$ 232,013	\$ 245,343	\$ 290,039	\$ 305,411	\$ 176,094
Contributions in relation to the actuarially determined contribution	<u>232,013</u>	<u>245,343</u>	<u>290,039</u>	<u>305,411</u>	<u>176,094</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,047,653	\$ 2,314,281	\$ 2,474,196	\$ 2,626,444	\$ 1,656,630
Contributions as a percentage of covered employee payroll	11.3%	10.6%	11.7%	11.6%	10.6%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5 year smoothed (10 years for 2014)
Inflation	2.5% (3-4% for 2014)
Salary increases	3.75% (4.5 for 2014)
Investment rate of return	7.75% (8.00 for 2014)
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 schedules are being accumulated prospectively until ten years of data is presented.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CASCADE CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2019

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Permanent</u>	
	<u>Cascade Dam Major Repair</u>	<u>Improvement Revolving</u>	<u>Hazmat</u>	<u>Building Authority</u>	<u>Cemetery Perpetual Care</u>	<u>Total</u>
Assets						
Cash and pooled investments	\$ 728,162	\$ 1,711,478	\$ 31,443	\$ -	\$ 113,435	\$ 2,584,518
Receivables						
Accounts	-	20,707	-	-	-	20,707
Special assessments	-	518,494	-	-	-	518,494
Due from other funds	-	1,100	-	-	-	1,100
Total assets	<u>\$ 728,162</u>	<u>\$ 2,251,779</u>	<u>\$ 31,443</u>	<u>\$ -</u>	<u>\$ 113,435</u>	<u>\$ 3,124,819</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 5,888	\$ -	\$ -	\$ -	\$ 5,888
Due to other funds	-	23,185	-	-	-	23,185
Total liabilities	<u>-</u>	<u>29,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,073</u>
Deferred inflows of resources						
Unavailable revenue	-	523,088	-	-	-	523,088
Fund balances						
Nonspendable						
Cemetery trust	-	-	-	-	104,914	104,914
Restricted						
Capital improvements	728,162	1,699,618	31,443	-	-	2,459,223
Committed						
Cemetery trust	-	-	-	-	8,521	8,521
Total fund balances	<u>728,162</u>	<u>1,699,618</u>	<u>31,443</u>	<u>-</u>	<u>113,435</u>	<u>2,572,658</u>
Total liabilities and fund balances	<u>\$ 728,162</u>	<u>\$ 2,251,779</u>	<u>\$ 31,443</u>	<u>\$ -</u>	<u>\$ 113,435</u>	<u>\$ 3,124,819</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds			Debt Service Fund	Permanent	Total
	Cascade Dam Major Repair	Improvement Revolving	Hazmat	Building Authority	Cemetery Perpetual Care	
Revenues						
Charges for services	\$ -	\$ -	4,000	\$ -	\$ 4,720	\$ 8,720
Interest	8,395	22,845	103	-	554	31,897
Miscellaneous	5,000	268,107	-	-	-	273,107
Total revenues	<u>13,395</u>	<u>290,952</u>	<u>4,103</u>	<u>-</u>	<u>5,274</u>	<u>313,724</u>
Expenditures						
Current						
General government	-	-	-	-	1,076	1,076
Public safety	-	-	2,137	-	-	2,137
Debt service						
Principal	-	-	-	265,000	-	265,000
Interest	-	-	-	56,537	-	56,537
Capital outlay	-	72,165	-	-	-	72,165
Total expenditures	<u>-</u>	<u>72,165</u>	<u>2,137</u>	<u>321,537</u>	<u>1,076</u>	<u>396,915</u>
Revenues over (under) expenditures	13,395	218,787	1,966	(321,537)	4,198	(83,191)
Other financing sources (uses)						
Transfers in	40,000	-	2,000	321,537	-	363,537
Total other financing sources (uses)	<u>40,000</u>	<u>-</u>	<u>2,000</u>	<u>321,537</u>	<u>-</u>	<u>363,537</u>
Net changes in fund balances	53,395	218,787	3,966	-	4,198	280,346
Fund balances, beginning of year	<u>674,767</u>	<u>1,480,831</u>	<u>27,477</u>	<u>-</u>	<u>109,237</u>	<u>2,292,312</u>
Fund balances, end of year	<u>\$ 728,162</u>	<u>\$ 1,699,618</u>	<u>\$ 31,443</u>	<u>\$ -</u>	<u>\$ 113,435</u>	<u>\$ 2,572,658</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 7,000	\$ 7,000	\$ 8,395	\$ 1,395
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total revenues	12,000	12,000	13,395	1,395
Expenditures				
Current				
General government	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Revenues over (under) expenditures	7,000	7,000	13,395	6,395
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	47,000	47,000	53,395	6,395
Fund balances, beginning of year	<u>674,767</u>	<u>674,767</u>	<u>674,767</u>	<u>-</u>
Fund balances, end of year	<u>\$ 721,767</u>	<u>\$ 721,767</u>	<u>\$ 728,162</u>	<u>\$ 6,395</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 19,500	\$ 16,000	\$ 22,845	\$ 6,845
Miscellaneous	<u>231,000</u>	<u>220,000</u>	<u>268,107</u>	<u>48,107</u>
Total revenues	250,500	236,000	290,952	54,952
Expenditures				
Capital outlay	<u>53,500</u>	<u>119,500</u>	<u>72,165</u>	<u>47,335</u>
Net changes in fund balances	197,000	116,500	218,787	102,287
Fund balances, beginning of year	<u>1,480,831</u>	<u>1,480,831</u>	<u>1,480,831</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,677,831</u>	<u>\$ 1,597,331</u>	<u>\$ 1,699,618</u>	<u>\$ 102,287</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, 2019

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 6,000	\$ 4,000	\$ 4,000	\$ -
Interest	200	200	103	(97)
Total revenues	<u>6,200</u>	<u>4,200</u>	<u>4,103</u>	<u>(97)</u>
Expenditures				
Current				
Public safety	5,000	5,000	2,137	2,863
Capital outlay	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>2,137</u>	<u>5,863</u>
Revenues over (under) expenditures	(1,800)	(3,800)	1,966	5,766
Other financing sources (uses)				
Transfers in	-	-	<u>2,000</u>	<u>2,000</u>
Net changes in fund balances	(1,800)	(3,800)	3,966	7,766
Fund balances, beginning of year	<u>27,477</u>	<u>27,477</u>	<u>27,477</u>	<u>-</u>
Fund balances, end of year	<u>\$ 25,677</u>	<u>\$ 23,677</u>	<u>\$ 31,443</u>	<u>\$ 7,766</u>

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CASCADE CHARTER TOWNSHIP

GENERAL FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 7,601,071	\$ 8,980,690
Receivables		
Accounts	971,006	739,197
Taxes	968,292	1,070,805
Due from other funds	166,420	11,378
Due from other governments	264,796	266,758
Prepaid items	<u>18,467</u>	<u>19,950</u>
Total assets	<u>\$ 9,990,052</u>	<u>\$ 11,088,778</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 199,669	\$ 111,734
Accrued payroll and benefits	40,231	27,244
Due to other funds	<u>-</u>	<u>10,000</u>
Total liabilities	<u>239,900</u>	<u>148,978</u>
Deferred inflows of resources		
Unavailable revenue	<u>1,738,308</u>	<u>1,698,389</u>
Fund balances		
Nonspendable		
Prepaid items	18,467	19,950
Committed		
Unfunded pension liability	499,543	499,543
Facility Improvements	2,500,000	2,500,000
Unassigned	<u>4,993,834</u>	<u>6,221,918</u>
Total fund balances	<u>8,011,844</u>	<u>9,241,411</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,990,052</u>	<u>\$ 11,088,778</u>

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CASCADE CHARTER TOWNSHIP

GENERAL FUND COMPARATIVE SCHEDULE OF REVENUES

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 1,491,706	\$ 1,479,951
Street lighting assessment	72,773	64,956
Delinquent property taxes	2,997	4,260
Industrial facilities taxes	10,472	10,357
Interest and penalties on taxes	16,174	12,672
Tax administration fees	602,474	571,240
Total property taxes	<u>2,196,596</u>	<u>2,143,436</u>
Licenses and permits		
Cablevision fees	416,550	410,375
Dog licenses	108	66
Other permits	265	405
Total licenses and permits	<u>416,923</u>	<u>410,846</u>
State		
Sales taxes	1,610,478	1,549,636
PA 48/Metro Authority	15,215	15,342
Other state grants	-	35,785
Total state	<u>1,625,693</u>	<u>1,600,763</u>
Charges for services		
Planning and zoning fees	15,658	30,794
Summer tax collection fees	25,830	25,763
P.A. 198 tax application fees	2,000	3,000
Yard waste bag fees	1,733	1,470
Sewer and water implementation fees	23,185	51,809
Grave openings	14,464	22,950
Passport application fees	32,270	30,470
Sale of printed materials	-	2
Total charges for services	<u>115,140</u>	<u>166,258</u>
Interest		
Interest on deposits and investments	233,333	111,884
Rental income	250,857	221,693
Total interest	<u>484,190</u>	<u>333,577</u>
Miscellaneous		
Sale of assets	8,833	-
Contributions	119,192	124,432
Park income	6,160	365
Reimbursements	2,194	-
Refunds and rebates	2,506	2,261
Other	3,624	16,940
Total miscellaneous	<u>142,509</u>	<u>143,998</u>
Total revenues	<u>\$ 4,981,051</u>	<u>\$ 4,798,878</u>

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Current		
General government		
Township board		
Personnel services	\$ 39,898	\$ 36,000
Other services and charges	23,094	18,868
Total township board	<u>62,992</u>	<u>54,868</u>
Supervisor		
Personnel services	142,991	20,000
Other services and charges	8,469	7,597
Capital outlay	1,236	111
Total supervisor	<u>152,696</u>	<u>27,708</u>
Manager		
Personnel services	-	115,073
Other services and charges	6,980	2,261
Total manager	<u>6,980</u>	<u>117,334</u>
Clerk		
Personnel services	99,222	85,958
Other services and charges	6,017	5,635
Total clerk	<u>105,239</u>	<u>91,593</u>
Treasurer		
Personnel services	127,419	135,676
Other services and charges	6,553	3,391
Capital outlay	760	2,223
Total treasurer	<u>134,732</u>	<u>141,290</u>
Assessor		
Personnel services	217,624	208,229
Supplies	253	397
Other services and charges	16,371	18,087
Capital outlay	2,132	369
Total assessor	<u>236,380</u>	<u>227,082</u>
Elections		
Personnel services	10,512	22,657
Supplies	-	13,861
Other services and charges	4,792	9,993
Total elections	<u>15,304</u>	<u>46,511</u>
Buildings and grounds		
Personnel services	309,468	272,994
Supplies	2,631	2,509
Other services and charges	184,818	189,818
Capital outlay	9,007	2,297
Total buildings and grounds	<u>505,924</u>	<u>467,618</u>
Cemetery		
Other services and charges	10,265	5,711
Administration		
Personnel services	83,125	110,151
Supplies	17,364	36,267
Other services and charges	559,207	515,912
Capital outlay	6,316	5,075
Total administration	<u>666,012</u>	<u>667,405</u>
Total general government	<u>1,896,524</u>	<u>1,847,120</u>

(Continued)

CASCADE CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Public works		
Drains		
Other services and charges	\$ 7,738	\$ 2,084
Capital outlay	<u>47,421</u>	<u>46,635</u>
Total drains	<u>55,159</u>	<u>48,719</u>
Road construction and maintenance		
Capital outlay	<u>1,169,435</u>	<u>1,417,414</u>
Street lighting		
Other services and charges	135,207	128,044
Capital outlay	<u>1,769</u>	<u>1,153</u>
Total street lighting	<u>136,976</u>	<u>129,197</u>
Waste collection		
Other services and charges	<u>96,086</u>	<u>53,099</u>
Total public works	<u>1,457,656</u>	<u>1,648,429</u>
Community and economic development		
Planning commission		
Personnel services	249,569	219,259
Supplies	1,042	669
Other services and charges	<u>48,868</u>	<u>142,161</u>
Total planning commission	299,479	362,089
Building and zoning		
Personnel services	<u>4,716</u>	<u>1,020</u>
Total community and economic development	<u>304,195</u>	<u>363,109</u>
Culture and recreation		
Parks and recreation		
Supplies	4,659	3,192
Other services and charges	63,715	64,093
Capital outlay	-	567
Total parks and recreation	<u>68,374</u>	<u>67,852</u>
Historical		
Supplies	6,000	6,000
Other services and charges	<u>17,208</u>	<u>4,544</u>
Total historical	<u>23,208</u>	<u>10,544</u>
Total culture and recreation	<u>91,582</u>	<u>78,396</u>
Other		
Employee benefits	529,199	493,547
Transportation services	<u>251,457</u>	<u>316,520</u>
Total other	<u>780,656</u>	<u>810,067</u>
Capital outlay	<u>1,397,101</u>	<u>463,712</u>
Total expenditures	<u>\$ 5,927,714</u>	<u>\$ 5,210,833</u>

(Concluded)

CASCADE CHARTER TOWNSHIP

FIRE SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 2,438,836	\$ 2,486,169
Receivables		
Accounts	980,350	778,819
Taxes	1,082,439	1,196,116
Prepaid items	<u>19,352</u>	<u>21,014</u>
Total assets	<u>\$ 4,520,977</u>	<u>\$ 4,482,118</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 21,556	\$ 11,572
Accrued payroll and benefits	<u>47,014</u>	<u>32,396</u>
Total liabilities	<u>68,570</u>	<u>43,968</u>
Deferred inflows of resources		
Unavailable revenue	<u>2,062,789</u>	<u>1,974,935</u>
Fund balances		
Nonspendable		
Prepaid items	19,352	21,014
Restricted		
Dedicated millage	<u>2,370,266</u>	<u>2,442,201</u>
Total fund balances	<u>2,389,618</u>	<u>2,463,215</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,520,977</u>	<u>\$ 4,482,118</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 2,025,482	\$ 1,927,812
Delinquent property taxes	4,012	4,694
Industrial facilities taxes	14,175	14,020
Interest and penalties on taxes	424	348
Total property taxes	<u>2,044,093</u>	<u>1,946,874</u>
Interest	70,625	63,729
Miscellaneous		
Other	<u>24,791</u>	<u>4,980</u>
Total revenues	<u>2,139,509</u>	<u>2,015,583</u>
Expenditures		
Current		
Public safety		
Fire department		
Personnel services	2,162,565	2,108,006
Supplies	109,924	106,323
Other services and charges	248,759	206,457
Total public safety	<u>2,521,248</u>	<u>2,420,786</u>
Capital outlay	<u>89,858</u>	<u>83,731</u>
Total expenditures	<u>2,611,106</u>	<u>2,504,517</u>
Revenues over (under) expenditures	<u>(471,597)</u>	<u>(488,934)</u>
Other financing sources (uses)		
Transfers in	400,000	400,000
Transfers out	<u>(2,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>398,000</u>	<u>400,000</u>
Net changes in fund balances	(73,597)	(88,934)
Fund balances, beginning of year	<u>2,463,215</u>	<u>2,552,149</u>
Fund balances, end of year	<u>\$ 2,389,618</u>	<u>\$ 2,463,215</u>

CASCADE CHARTER TOWNSHIP

POLICE SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 1,542,769	\$ 1,416,654
Receivables		
Accounts	342,191	271,846
Taxes	<u>377,828</u>	<u>417,507</u>
Total assets	<u>\$ 2,262,788</u>	<u>\$ 2,106,007</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 106,519	\$ 105,244
Due to other funds	<u>31,499</u>	<u>-</u>
Total liabilities	<u>138,018</u>	<u>105,244</u>
Deferred inflows of resources		
Unavailable revenue	<u>720,019</u>	<u>689,353</u>
Fund balances		
Restricted		
Dedicated millage	<u>1,404,751</u>	<u>1,311,410</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,262,788</u>	<u>\$ 2,106,007</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 707,587	\$ 664,645
Delinquent property taxes	1,400	1,638
Industrial facilities taxes	4,948	4,894
Interest and penalties on taxes	<u>148</u>	<u>121</u>
 Total property taxes	 714,083	 671,298
 Interest	 <u>36,663</u>	 <u>12,055</u>
 Total revenues	 750,746	 683,353
 Expenditures		
Current		
Public safety		
Law enforcement		
Other services and charges	<u>625,906</u>	<u>643,617</u>
 Revenues over (under) expenditures	 124,840	 39,736
 Other financing sources (uses)		
Transfers out	<u>(31,499)</u>	<u>(31,499)</u>
 Net changes in fund balances	 93,341	 8,237
 Fund balances, beginning of year	 <u>1,311,410</u>	 <u>1,303,173</u>
 Fund balances, end of year	 <u>\$ 1,404,751</u>	 <u>\$ 1,311,410</u>

CASCADE CHARTER TOWNSHIP

IMPROVEMENT REVOLVING SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 1,711,478	\$ 1,469,548
Receivables		
Accounts	20,707	16,283
Special assessments	518,494	539,710
Due from other funds	<u>1,100</u>	<u>-</u>
Total assets	<u>\$ 2,251,779</u>	<u>\$ 2,025,541</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 5,888	\$ 5,000
Due to other funds	<u>23,185</u>	<u>-</u>
Total liabilities	<u>29,073</u>	<u>5,000</u>
Deferred inflows of resources		
Unavailable revenue	<u>523,088</u>	<u>539,710</u>
Fund balances		
Restricted		
Water and sewer improvements	<u>1,699,618</u>	<u>1,480,831</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,251,779</u>	<u>\$ 2,025,541</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Interest		
Interest on deposits	\$ 22,016	\$ 27,759
Interest on special assessments	829	3,766
Total interest	<u>22,845</u>	<u>31,525</u>
Miscellaneous		
Special assessments	36,255	25,105
Hookup fees	231,852	517,228
Total miscellaneous	<u>268,107</u>	<u>542,333</u>
Total revenues	290,952	573,858
Expenditures		
Capital outlay	<u>72,165</u>	<u>324,097</u>
Net changes in fund balances	218,787	249,761
Fund balances, beginning of year	<u>1,480,831</u>	<u>1,231,070</u>
Fund balances, end of year	<u>\$ 1,699,618</u>	<u>\$ 1,480,831</u>

CASCADE CHARTER TOWNSHIP

LIBRARY SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 2,130,532	\$ 2,064,951
Receivables		
Accounts	111,915	88,940
Taxes	<u>123,394</u>	<u>136,354</u>
Total assets	<u>\$ 2,365,841</u>	<u>\$ 2,290,245</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 8,634	\$ 20,603
Due to other funds	<u>64,036</u>	<u>-</u>
Total liabilities	<u>72,670</u>	<u>20,603</u>
Deferred inflows of resources		
Unavailable revenue	<u>235,309</u>	<u>225,293</u>
Fund balances		
Restricted		
Dedicated millage	<u>2,057,862</u>	<u>2,044,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,365,841</u>	<u>\$ 2,290,245</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 230,237	\$ 229,756
Delinquent property taxes	457	535
Industrial facilities taxes	1,616	1,599
Interest and penalties on taxes	48	40
Total property taxes	<u>232,358</u>	<u>231,930</u>
Local	32,870	32,870
Interest	12,566	41,218
Miscellaneous		
Donations	<u>70</u>	<u>-</u>
Total revenues	<u>277,864</u>	<u>306,018</u>
Expenditures		
Current		
Recreation and cultural		
Library		
Supplies	1,832	5,291
Other services and charges	262,519	270,315
Total recreation and cultural	<u>264,351</u>	<u>275,606</u>
Capital outlay	<u>-</u>	<u>15,369</u>
Total expenditures	<u>264,351</u>	<u>290,975</u>
Net changes in fund balances	13,513	15,043
Fund balances, beginning of year	<u>2,044,349</u>	<u>2,029,306</u>
Fund balances, end of year	<u>\$ 2,057,862</u>	<u>\$ 2,044,349</u>

CASCADE CHARTER TOWNSHIP

PATHWAYS SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 2,104,776	\$ 1,726,469
Receivables		
Accounts	262,043	208,181
Taxes	<u>289,300</u>	<u>319,681</u>
Total assets	<u>\$ 2,656,119</u>	<u>\$ 2,254,331</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	\$ 38,975	\$ 34,121
Due to other funds	<u>47,700</u>	<u>-</u>
Total liabilities	<u>86,675</u>	<u>34,121</u>
Deferred inflows of resources		
Unavailable revenue	<u>551,343</u>	<u>527,862</u>
Fund balances		
Restricted		
Dedicated millage	<u>2,018,101</u>	<u>1,692,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,656,119</u>	<u>\$ 2,254,331</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 541,558	\$ 610,012
Delinquent property taxes	1,075	1,422
Industrial facilities taxes	3,789	4,248
Interest and penalties on taxes	114	106
Total property taxes	<u>546,536</u>	<u>615,788</u>
Interest	26,033	18,582
Miscellaneous	<u>-</u>	<u>6,970</u>
Total revenues	<u>572,569</u>	<u>641,340</u>
Expenditures		
Current		
Recreation and cultural		
Parks and recreations		
Supplies	12,583	5,285
Other services and charges	147,684	28,159
Total recreation and cultural	<u>160,267</u>	<u>33,444</u>
Capital outlay	<u>38,849</u>	<u>64,061</u>
Total expenditures	<u>199,116</u>	<u>97,505</u>
Revenues over (under) expenditures	373,453	543,835
Other financing sources (uses)		
Transfers out	<u>(47,700)</u>	<u>-</u>
Net changes in fund balances	325,753	543,835
Fund balances, beginning of year	<u>1,692,348</u>	<u>1,148,513</u>
Fund balances, end of year	<u>\$ 2,018,101</u>	<u>\$ 1,692,348</u>

CASCADE CHARTER TOWNSHIP

INSPECTIONS SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 3,031,861	\$ 3,418,226
Prepaid items	<u>15,001</u>	<u>14,631</u>
Total assets	<u>\$ 3,046,862</u>	<u>\$ 3,432,857</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 4,596	\$ 25,481
Accrued payroll and benefits	20,973	15,093
Due to other funds	<u>1,100</u>	<u>11,378</u>
Total liabilities	<u>26,669</u>	<u>51,952</u>
Fund balances		
Nonspendable		
Prepaid items	15,001	14,631
Restricted		
Inspections	<u>3,005,192</u>	<u>3,366,274</u>
Total fund balances	<u>3,020,193</u>	<u>3,380,905</u>
Total liabilities and fund balances	<u>\$ 3,046,862</u>	<u>\$ 3,432,857</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Licenses and permits		
Building permits	\$ 193,109	\$ 318,399
Electrical permits	75,270	101,326
Mechanical permits	87,953	100,870
Plumbing permits	43,100	48,848
Permits - other townships	1,162,480	1,433,954
Plan reviews	38,205	152,948
Contractor registration fees	13,575	6,830
Total licenses and permits	<u>1,613,692</u>	<u>2,163,175</u>
Interest	66,947	27,413
Miscellaneous	1,900	2,100
Total revenues	<u>1,682,539</u>	<u>2,192,688</u>
Expenditures		
Current		
Public safety		
Inspections		
Personnel services	1,082,630	1,065,579
Supplies	11,061	14,183
Other services and charges	418,548	483,595
Total public safety	<u>1,512,239</u>	<u>1,563,357</u>
Capital outlay	453,115	32,829
Total expenditures	<u>1,965,354</u>	<u>1,596,186</u>
Revenues over (under) expenditures	(282,815)	596,502
Other financing sources (uses)		
Transfers out	<u>(77,897)</u>	<u>(113,885)</u>
Net changes in fund balances	(360,712)	482,617
Fund balances, beginning of year	<u>3,380,905</u>	<u>2,898,288</u>
Fund balances, end of year	<u>\$ 3,020,193</u>	<u>\$ 3,380,905</u>

CASCADE CHARTER TOWNSHIP

OPEN SPACE SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 760,795	\$ 732,622
Receivables		
Accounts	171,422	136,182
Taxes	<u>189,277</u>	<u>209,154</u>
Total assets	<u>\$ 1,121,494</u>	<u>\$ 1,077,958</u>
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	<u>\$ 6,486</u>	<u>\$ 265</u>
Deferred inflows of resources		
Unavailable revenue	<u>360,698</u>	<u>345,335</u>
Fund balances		
Restricted		
Dedicated millage	<u>754,310</u>	<u>732,358</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,121,494</u>	<u>\$ 1,077,958</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Property taxes		
Current property taxes	\$ 352,916	\$ 352,074
Delinquent property taxes	701	821
Industrial facilities taxes	2,479	2,452
Interest and penalties on taxes	<u>74</u>	<u>61</u>
 Total property taxes	 356,170	 355,408
 Interest	 12,681	 11,391
Miscellaneous	<u>1,089</u>	<u>1,000</u>
 Total revenues	 369,940	 367,799
 Expenditures		
Current		
Recreation and cultural		
Parks and recreations		
Other services and charges	<u>26,451</u>	<u>18,482</u>
 Revenues over (under) expenditures	 343,489	 349,317
 Other financing sources (uses)		
Transfers out	<u>(321,537)</u>	<u>(326,475)</u>
 Net changes in fund balances	 21,952	 22,842
 Fund balances, beginning of year	 <u>732,358</u>	 <u>709,516</u>
 Fund balances, end of year	 <u>\$ 754,310</u>	 <u>\$ 732,358</u>

CASCADE CHARTER TOWNSHIP

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

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 728,162	\$ 664,767
Due from other funds	<u> -</u>	<u> 10,000</u>
Total assets	<u>\$ 728,162</u>	<u>\$ 674,767</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Fund balances		
Committed		
Dam repairs	<u> 728,162</u>	<u> 674,767</u>
Total liabilities and fund balances	<u>\$ 728,162</u>	<u>\$ 674,767</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Interest	\$ 8,395	\$ 12,713
Miscellaneous	5,000	5,000
Total revenues	<u>13,395</u>	<u>17,713</u>
Other financing sources (uses)		
Transfers in	<u>40,000</u>	<u>40,000</u>
Net changes in fund balances	53,395	57,713
Fund balances, beginning of year	<u>674,767</u>	<u>617,054</u>
Fund balances, end of year	<u>\$ 728,162</u>	<u>\$ 674,767</u>

CASCADE CHARTER TOWNSHIP

**HAZMAT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 31,443	\$ 27,477
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ -	\$ -
Fund balances		
Restricted		
HAZMAT	31,443	27,477
Total liabilities and fund balances	<u>\$ 31,443</u>	<u>\$ 27,477</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Charges for services		
HAZMAT fees	\$ 4,000	\$ -
Interest	<u>103</u>	<u>106</u>
Total revenues	<u>4,103</u>	<u>106</u>
Expenditures		
Current		
Public safety		
HAZMAT		
Other services and charges	2,137	1,267
Capital outlay	<u>-</u>	<u>4,982</u>
Total expenditures	<u>2,137</u>	<u>6,249</u>
Revenues over (under) expenditures	1,966	(6,143)
Other financing sources (uses)		
Transfers in	<u>2,000</u>	<u>-</u>
Net changes in fund balances	3,966	(6,143)
Fund balances, beginning of year	<u>27,477</u>	<u>33,620</u>
Fund balances, end of year	<u>\$ 31,443</u>	<u>\$ 27,477</u>

CASCADE CHARTER TOWNSHIP

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

DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ -	\$ -
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ -	\$ -
Fund balances		
Assigned		
Debt service	-	-
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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Interest	\$ -	\$ -
Expenditures		
Debt service		
Principal	265,000	254,000
Interest and fees	<u>56,537</u>	<u>72,475</u>
Total expenditures	<u>321,537</u>	<u>326,475</u>
Revenues over (under) expenditures	(321,537)	(326,475)
Other financing sources (uses)		
Transfers in	<u>321,537</u>	<u>326,475</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and pooled investments	\$ 113,435	\$ 109,237
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ -	\$ -
Fund balances		
Nonspendable		
Cemetery trust	104,914	100,194
Committed		
Cemetery trust	8,521	9,043
Total fund balances	<u>113,435</u>	<u>109,237</u>
Total liabilities and fund balances	<u>\$ 113,435</u>	<u>\$ 109,237</u>

CASCADE CHARTER TOWNSHIP

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

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Charges for services		
Cemetery care fees	\$ 4,720	\$ 4,885
Interest	<u>554</u>	<u>540</u>
Total revenues	5,274	5,425
Expenditures		
Current		
General government		
Cemetery	<u>1,076</u>	<u>4,437</u>
Revenues over (under) expenditures	4,198	988
Other financing sources (uses)		
Transfers in	<u>-</u>	<u>3,000</u>
Net changes in fund balances	4,198	3,988
Fund balances, beginning of year	<u>109,237</u>	<u>105,249</u>
Fund balances, end of year	<u>\$ 113,435</u>	<u>\$ 109,237</u>

CASCADE CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2019

	Trust and Agency Fund	Tax Collection Fund	Total
Assets			
Cash and pooled investments	\$ 211,193	\$ 5,982,592	\$ 6,193,785
Total assets	<u>\$ 211,193</u>	<u>\$ 5,982,592</u>	<u>\$ 6,193,785</u>
Liabilities			
Accounts payable	\$ 18,082	\$ 5,329,909	\$ 5,347,991
Escrow deposits	193,111	-	193,111
Due to other governments	<u>-</u>	<u>652,683</u>	<u>652,683</u>
Total liabilities	<u>\$ 211,193</u>	<u>\$ 5,982,592</u>	<u>\$ 6,193,785</u>

CASCADE CHARTER TOWNSHIP

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Trust and agency fund</u>			
	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2019</u>
Assets				
Cash and pooled investments	\$ 141,106	\$ 93,811	\$ 23,724	\$ 211,193
Due from other governments	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total assets	<u>\$ 141,606</u>	<u>\$ 93,811</u>	<u>\$ 24,224</u>	<u>\$ 211,193</u>
Liabilities				
Accounts payable	\$ 542	\$ 66,406	\$ 48,866	\$ 18,082
Escrow deposits	<u>141,064</u>	<u>92,444</u>	<u>40,397</u>	<u>193,111</u>
Total liabilities	<u>\$ 141,606</u>	<u>\$ 158,850</u>	<u>\$ 89,263</u>	<u>\$ 211,193</u>
	<u>Tax collection fund</u>			
Assets				
Cash and pooled investments	\$ 3,502,986	\$ 75,255,182	\$ 72,775,576	\$ 5,982,592
Total assets	<u>3,502,986</u>	<u>75,255,182</u>	<u>72,775,576</u>	<u>5,982,592</u>
Liabilities				
Accounts payable	\$ 2,124,578	\$ 77,810,912	\$ 74,605,581	\$ 5,329,909
Due to other governments	<u>1,378,408</u>	<u>57,579,294</u>	<u>58,305,019</u>	<u>652,683</u>
Total liabilities	<u>\$ 3,502,986</u>	<u>\$ 135,390,206</u>	<u>\$ 132,910,600</u>	<u>\$ 5,982,592</u>
	<u>Total agency funds</u>			
Assets				
Cash and pooled investments	\$ 3,644,092	\$ 75,348,993	\$ 72,799,300	\$ 6,193,785
Due from other governments	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total assets	<u>\$ 3,644,592</u>	<u>\$ 75,348,993</u>	<u>\$ 72,799,800</u>	<u>\$ 6,193,785</u>
Liabilities				
Accounts payable	\$ 2,125,120	\$ 77,877,318	\$ 74,654,447	\$ 5,347,991
Escrow deposits	141,064	92,444	40,397	193,111
Due to other governments	<u>1,378,408</u>	<u>57,579,294</u>	<u>58,305,019</u>	<u>652,683</u>
Total liabilities	<u>\$ 3,644,592</u>	<u>\$ 135,549,056</u>	<u>\$ 132,999,863</u>	<u>\$ 6,193,785</u>

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

DECEMBER 31, 2019

	Governmental Fund Type General Fund	Adjustments	Statement of Net Position
Assets			
Cash and pooled investments	\$ 1,144,581	\$ -	\$ 1,144,581
Receivables			
Taxes	290,326	-	290,326
Capital assets			
Non-depreciable	-	658,373	658,373
Depreciable capital assets, net	-	<u>3,983,239</u>	<u>3,983,239</u>
Total assets	<u>\$ 1,434,907</u>	<u>\$ 4,641,612</u>	<u>\$ 6,076,519</u>
Liabilities, deferred inflows of resources and fund balance			
Liabilities			
Accounts payable	\$ 142,230	\$ -	142,230
Accrued interest payable	-	940	940
Bonds and notes payable - current portion	-	163,000	163,000
Bonds and notes payable	-	<u>740,000</u>	<u>740,000</u>
Total liabilities	<u>142,230</u>	<u>903,940</u>	<u>1,046,170</u>
Deferred inflows of resources			
Unavailable revenue	<u>290,326</u>	<u>-</u>	<u>290,326</u>
Fund balance			
Unassigned	<u>1,002,351</u>	<u>\$ (1,002,351)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,434,907</u>		
Net position			
Net investment in capital assets			4,538,612
Unrestricted			<u>201,411</u>
Total net position			<u>\$ 4,740,023</u>
Reconciliation of fund balances to net position:			
Fund balance of governmental fund			\$ 1,002,351
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 and construction in progress			658,373
Add - capital assets (net of accumulated depreciation)			3,983,239
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Deduct - bonds and notes payable			(903,000)
Deduct - accrued interest			<u>(940)</u>
Net position of governmental activities			<u>\$ 4,740,023</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, 2019

	Governmental Fund Type General Fund	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 972,499	\$ -	\$ 972,499
Interest	20,151	-	20,151
Miscellaneous	<u>5,210</u>	<u>-</u>	<u>5,210</u>
Total revenues	<u>997,860</u>	<u>-</u>	<u>997,860</u>
Expenditures			
Current			
General government	1,788,283	(337,862)	1,450,421
Debt service			
Principal	100,000	(100,000)	-
Interest	<u>7,210</u>	<u>(863)</u>	<u>6,347</u>
Total expenditures	<u>1,895,493</u>	<u>(438,725)</u>	<u>1,456,768</u>
Revenues over (under) expenditures	(897,633)		
Other financing sources (uses)			
Installment note proceeds	<u>800,000</u>	<u>(800,000)</u>	-
Net changes in fund balance	(97,633)		
Change in net position			(458,908)
Fund balance/net position, beginning of year	<u>1,099,984</u>		<u>5,198,931</u>
Fund balance/net position, end of year	<u>\$ 1,002,351</u>		<u>\$ 4,740,023</u>
Reconciliation of change in fund balances to change in net position			
Net change in fund balance of governmental fund			\$ (97,633)
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			648,361
Deduct - depreciation expense			(310,499)
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 the long-term liabilities in the statement of net position.			
Add - principal payments on debt			100,000
Deduct - issuance of installment note			(800,000)
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			<u>863</u>
Change in net position of governmental activities			<u>\$ (458,908)</u>