

TOWNSHIP OF PERRY, MICHIGAN  
SHIAWASSEE COUNTY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019  
AND  
INDEPENDENT AUDITORS' REPORT

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## INDEPENDENT AUDITORS' REPORT

Township Board  
Township of Perry, Michigan  
Perry, Michigan

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Perry, Michigan as of and for the year ended March 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 opinion.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Perry, Michigan as of March 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining general fund and individual nonmajor special revenue fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Clark, Schafer, Hackett & Co.*

East Lansing, Michigan  
August 31, 2019

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

The following is a discussion and analysis of the Township of Perry, Michigan's (Township) financial performance and position, providing an overview of the activities for the year ended March 31, 2019. This analysis should be read in conjunction with the Report of Independent Auditors and with the Township's financial statements, which follow this section. This discussion and analysis provides comparisons with the previous year.

**Financial Highlights**

**Government-Wide**

- Total net position was \$1,125,004 (excluding component unit).
- Governmental activities net position was \$1,080,518.
- Business-type activities net position was \$44,486.
- Component unit net position was \$279,977.

**Fund Level**

- At the close of the fiscal year, the Township's governmental funds reported a combined ending fund balance of \$747,274.
- The General Fund realized \$30,252 more in revenues than anticipated for the fiscal year. The General Fund expenditures were \$89,503 less than appropriated.
- Overall, the General Fund balance increased by \$9,155 to \$636,216.

**Capital and Long-Term Debt Activities**

- The primary government issued no new debt issues for the year.
- The primary government did not add any capital improvements.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Township's annual financial report. The annual financial report of the Township consists of the following components: Report of Independent Auditors, Management's Discussion and Analysis, the Basic Financial Statements (government-wide financial statement, fund financial statements, and notes to the financial statements), Required Supplementary Information such as budget to actual comparisons for the General Fund and Major Special Revenue Funds, and Other Supplementary Information including Nonmajor Fund financial data.

**Government-Wide Financial Statements**

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the Township as a whole, and about its activities. Their purpose is to illustrate if the Township, in its entirety, is better or worse off as a result of this fiscal year's activities. These statements, which include all nonfiduciary assets and liabilities, are reported on the accrual basis of accounting, similar to a private business. This means revenues are accounted for when they are earned and expenses are accounted for when incurred, regardless of when the actual cash is received or disbursed.

The Statement of Net Position presents all of the Township's assets and liabilities, recording the difference between the two as "net position." Over time, increases or decreases in net position measure whether the Township's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Township's net position changed during the fiscal year ended March 31, 2019. All changes in net position are reported based on the period for which the underlying events gave rise to the change that occurred, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will result in cash flows only in future financial periods, such as uncollected taxes and earned but unused compensated absences.

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

Both statements report the following activities:

- **Governmental Activities** – Most of the Township's basic services are reported under this category. Taxes, charges for services, and intergovernmental revenue primarily fund these services. Most of the Township's general government departments, economic development, Township improvements, road improvements, recreation activities, and other Township-wide elected official operations are reported under these activities.
- **Business-Type Activities** – These activities operate like private businesses. The Township charges fees to recover the cost of the services provided. The Sewer Maintenance Fund is an example of these activities.
- **Discretely Presented Component Unit** – Discretely Presented Component Units are legally separate organizations for which the Board appoints a majority of the organization's policy board and there is a degree of financial accountability to the Township. One organization is included as a discretely presented component unit: the Downtown Development Authority.

As stated previously, the government-wide statements report on an accrual basis of accounting; however, the governmental funds report on a modified accrual basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

Due to the different basis of accounting between the fund statements described below and the government-wide statements, pages 17 and 19 present reconciliations between the two statement types. The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciable assets) are not reported on the fund financial statements of the governmental fund. Capital assets and depreciation expense are reported on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements, but is reported as expenditures on the fund financial statements of the governmental funds.

**Fund Financial Statements**

The fund financial statements, which begin on page 16, provide information on the Township's major funds and aggregated nonmajor funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Township uses to keep track of specific sources of funding and spending for a particular purpose. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The basic financial statements report major funds as defined by the GASB in separate columns. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues, or total expenditure/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds and where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for the Township of Perry, Michigan include the General Fund, Road Fund, Special Assessment Fund, Improvement Fund, and the Land and Building Fund.

All other funds are classified as nonmajor funds and are reported in aggregate by the applicable fund type. The Township includes detailed information on its nonmajor funds in the Other Supplementary Information section of this report.

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

The Township's funds are divided into two categories – governmental and proprietary – and use different accounting approaches:

- **Governmental Funds** – Most of the Township's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash flow in and out during the course of the fiscal year, and how the balances left at year end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the Township's programs. Governmental fund include the General Fund, as well as Special Revenue Funds (use of fund balance is committed).
- **Proprietary Funds** – Services for which the Township charges customers (whether outside the Township structure or a Township department) a fee are generally reported in proprietary funds. Proprietary funds use the same accrual basis of accounting used in the government-wide statements and by private businesses. The Township has one type of proprietary fund. Enterprise funds report activities that provide supplies and/or services to the general public. Examples of these funds are the Sewer Maintenance Funds.

**Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to obtain a full understanding of the detail provided in the government-wide and fund financial statements. The notes can be found beginning on page 27 of this report.

**Required Supplementary Information**

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes budgetary comparison schedules for the General Fund and the Major Special Revenue Funds.

**Other Supplementary Information**

Other Supplementary Information includes additional financial information related to the combining general fund statements and the Nonmajor Governmental Funds.

**Financial Analysis of the Township as a Whole**

As previously stated, the Township's combined net position of the primary government was \$1,125,004 at the end of this year's operations. The net position of the governmental activities was \$1,080,518, and the business-type activities were \$44,486.

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

**Summary of Net Position**

The following summarizes the net assets as of March 31, 2019 compared to March 31, 2018:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>March 31,</u>		<u>March 31,</u>		<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		<u>(Restated)</u>				<u>(Restated)</u>
<b>Assets</b>						
Current and other assets	\$ 752,717	\$ 700,267	\$ 44,486	\$ 39,158	\$ 797,203	\$ 739,425
Capital assets	<u>333,244</u>	<u>334,772</u>	<u>          </u>	<u>          </u>	<u>333,244</u>	<u>334,772</u>
<b>Total assets</b>	<u>1,085,961</u>	<u>1,035,039</u>	<u>44,486</u>	<u>39,158</u>	<u>1,130,447</u>	<u>1,074,197</u>
<b>Liabilities</b>						
Current	<u>5,443</u>	<u>7,801</u>	<u>          </u>	<u>          </u>	<u>5,443</u>	<u>7,801</u>
<b>Net position</b>						
Invested in capital assets – net of related debt	333,244	334,772			333,244	334,772
Unrestricted	<u>747,274</u>	<u>692,466</u>	<u>44,486</u>	<u>39,158</u>	<u>791,760</u>	<u>731,624</u>
<b>Total net position</b>	<u>1,080,518</u>	<u>1,027,238</u>	<u>44,486</u>	<u>39,158</u>	<u>1,125,004</u>	<u>1,066,396</u>
<b>Total liabilities and net position</b>	\$ <u>1,085,961</u>	\$ <u>1,035,039</u>	\$ <u>44,486</u>	\$ <u>39,158</u>	\$ <u>1,130,447</u>	\$ <u>1,074,197</u>

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

**Changes in Net Position**

The following shows changes in the Township's net assets for the year ended March 31, 2019 compared to March 31, 2018:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>March 31,</u>		<u>March 31,</u>		<u>March 31,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		<u>(Restated)</u>				<u>(Restated)</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 27,204	\$ 26,381	\$ 9,510	\$ 4,080	\$ 36,714	\$ 30,461
Operating grants and contributions	4,874	5,021			4,874	5,021
General revenues:						
Property taxes	104,033	101,522			104,033	101,522
Special assessments	72,830	71,535			72,830	71,535
State revenue sharing	289,634	281,240			289,634	281,240
Rentals and investment earnings	11,411	10,268	59	45	11,470	10,313
Miscellaneous	18,079	28,567			18,079	28,567
Total revenues	<u>528,065</u>	<u>524,534</u>	<u>9,569</u>	<u>4,125</u>	<u>537,634</u>	<u>528,659</u>
<b>Expenses</b>						
General government	245,406	237,962			245,406	237,962
Public works	199,723	168,724			199,723	168,724
Community and economic development	2,935	2,265			2,935	2,265
Health and welfare	79,225	79,190			79,225	79,190
Sewer			4,241	16,322	4,241	16,322
Total expenses	<u>527,289</u>	<u>488,141</u>	<u>4,241</u>	<u>16,322</u>	<u>531,530</u>	<u>504,463</u>
Change in net position	\$ <u>776</u>	\$ <u>36,393</u>	\$ <u>5,328</u>	\$ <u>(12,197)</u>	\$ <u>6,104</u>	\$ <u>24,196</u>

**Governmental Activities**

The result of fiscal year ended March 31, 2019, governmental activities was an increase of \$776 in net position to \$1,080,518. There was a prior period adjustment of \$52,504. Of the total governmental activities net position \$333,244 is invested in capital assets less related debt. The balance of \$747,274 is listed as unrestricted, having no legal commitment.

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

**Revenues**

The three largest revenue categories were state-shared revenue at 54.8%, property taxes and special assessments at 33.5%, and charges for services at 5.3%. The largest was state funding through the state revenue sharing program. The second largest, property taxes and special assessments, allowed the Township to levy one property tax millage and one special assessment for the year ended March 31, 2019. The millage being for general government operations at .9944 mills, which is not assigned to any particular activity; and the special assessment for ambulance service at \$35 per household, as well as other special assessments for private road maintenance and street lights. The third largest, charges for services, included an administration fee for school tax collection and cemetery interment fees.

**Expenses**

General government is the largest activity, expending approximately 46.5% of the governmental activities total on items such as financial administration, cemetery, hall, and grounds. Public works is the second largest activity, expending approximately 37.9% of the governmental activities total and includes road and drain maintenance and improvement activities. Health and welfare is the third largest activity, expending approximately 15.0% of the governmental activities total in ambulance service.

**Business-Type Activities**

During the fiscal year ended March 31, 2019, net position in business-type activities increased by \$5,328. Of the business-type activities net position, \$44,486 is listed as unrestricted, having no legal commitment.

**Financial Analysis of the Township's Major and Nonmajor Funds**

As the Township completed its fiscal year ended March 31, 2019, its governmental funds reported combined fund balances of \$747,274. This is a net increase of \$9,155. The net changes are summarized in the following chart:

	<b>General Fund</b>	<b>Special Assessment Fund</b>	<b>Nonmajor Governmental Fund</b>
<b>Fund balance 3/31/2019</b>	<b>\$ 636,216</b>	<b>\$ 46,305</b>	<b>\$ 64,753</b>
Prior period adjustment	43,922		
Fund balances 3/31/2018	<u>583,139</u>	<u>45,169</u>	<u>64,158</u>
Net change	<u>\$ 9,155</u>	<u>\$ 1,136</u>	<u>\$ 595</u>

**General Fund**

The General Fund is the chief operating fund of the Township. Unless otherwise required by statute, contractual agreement, or Board policy, all Township revenues and expenditures are recorded in the General Fund. As of March 31, 2019, the General Fund reported an unassigned fund balance of \$247,422. This amount is an increase of \$20,951 from the unassigned fund balance of \$226,471 reported as of March 31, 2018. The original budget called for a \$109,850 decrease in fund balance.

**General Fund Budgetary Highlights**

The Township's budget is a dynamic document. Although adopted prior to April 1 each year, the budget is routinely amended during the course of the year to reflect changing operational demands.

Actual General Fund revenue totaled \$449,102, \$30,252 more than the final amended budget.

Actual Township expenditures and other financing uses for the year ended March 31, 2019 were \$89,503 under budget. General Fund actual expenditures and other financing uses came in at \$439,137, and the final budgeted amount was \$528,700.

**TOWNSHIP OF PERRY, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2019**

**Special Assessment Fund**

As of March 31, 2019, the Special Assessment Fund reported a fund balance of \$46,305, an increase of \$1,136 from the prior year. Actual revenues and other financing sources were up compared to budget as they had a higher amount assessed during the year. The fund expended \$39,014, less than was budgeted.

**Capital Assets and Debt Administration**

**Capital Assets** – As of the end of the fiscal year, the Township's primary government had invested \$333,244, net of accumulated depreciation, in a broad range of capital assets (see table below). Accumulated depreciation was \$405,908 for the primary government. Depreciation charges for the fiscal year totaled \$10,110 for the primary government. Additional information related to capital assets is detailed in Note 4 of the Financial Statements. Net book value of capital assets as of March 31, 2019 was as follows:

	<b><u>Governmental Activities</u></b>
Land	\$ 210,388
Buildings, net	96,024
Cemetery equipment, net	3,080
Furniture and fixtures, net	15,303
Infrastructure, net	<u>8,449</u>
Capital assets, net	\$ <u>333,244</u>

**Long-Term Debt** – As of March 31, 2019, the Township had no debt outstanding for the primary government.

**Township of Perry, Michigan Government Economic Outlook**

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan determines the annual revenue sharing, which is outside the Township's control.

Other factors that the township is aware of:

- Property tax revenue does seem to be keeping pace with inflation.
- Utility costs are rising faster than the rate of inflation.

The Township's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2019 that also promotes and funds numerous project objectives.

The Township has deliberately made conservative estimates concerning state revenue sharing for the fiscal year 2019 due to the budget constraints at the State level. It has also estimated investment earnings conservatively anticipating a decrease in interest rates.

**Contacting the Township's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact a Township official at the Township Hall at (517) 625-4597.

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## GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

**TOWNSHIP OF PERRY, MICHIGAN**

**STATEMENT OF NET POSITION**

**MARCH 31, 2019**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
<b>ASSETS</b>				
Current Assets				
Cash	\$ 408,784	\$ 43,512	\$ 452,296	\$ 234,141
Investments	289,934		289,934	
Receivables				
Accounts		720	720	
Taxes	9,060	254	9,314	
State	44,939		44,939	
	<u>752,717</u>	<u>44,486</u>	<u>797,203</u>	<u>234,141</u>
Total Current Assets				
Non-Current Assets				
Capital assets not being depreciated	210,388		210,388	
Capital assets being depreciated, net	122,856		122,856	54,226
	<u>333,244</u>	<u></u>	<u>333,244</u>	<u>54,226</u>
Total Non-Current Assets				
<b>TOTAL ASSETS</b>	<u><u>\$ 1,085,961</u></u>	<u><u>\$ 44,486</u></u>	<u><u>\$ 1,130,447</u></u>	<u><u>\$ 288,367</u></u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 2,793	\$	\$ 2,793	\$ 8,390
Hall deposit liability	2,650		2,650	
	<u>5,443</u>	<u></u>	<u>5,443</u>	<u>8,390</u>
Total Current Liabilities				
<b>NET POSITION</b>				
Net investment in capital assets	333,244		333,244	54,226
Restricted	73,864		73,864	
Unrestricted	673,410	44,486	717,896	225,751
	<u>1,080,518</u>	<u>44,486</u>	<u>1,125,004</u>	<u>279,977</u>
<b>TOTAL NET POSITION</b>				
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 1,085,961</u></u>	<u><u>\$ 44,486</u></u>	<u><u>\$ 1,130,447</u></u>	<u><u>\$ 288,367</u></u>

See accompanying notes to financial statements.

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**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

		PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
	EXPENSES		
<b>FUNCTIONS/PROGRAMS</b>			
Primary Government			
Governmental Activities			
General government	\$ 245,406	\$ 27,204	\$
Public works	199,723		4,874
Community and economic development	2,935		
Health and welfare	79,225		
	<u>527,289</u>	<u>27,204</u>	<u>4,874</u>
Total Governmental Activities			
Business-Type Activities			
Sewer fund	4,241	9,510	
	<u>531,530</u>	<u>36,714</u>	<u>4,874</u>
Total Primary Government			
Component Unit			
Downtown Development Authority	12,534		

General Revenues  
 Taxes and penalties  
 State shared revenue  
 Interest income  
 Hall rental  
 Special assessments  
 Metro act  
 Other revenues  
 Franchise fees  
 Trailer tax  
 Unrealized gain/(loss)

Total General Revenues

Change in Net Position

Restated Net Position, April 1

Net Position, March 31

See accompanying notes to financial statements.

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
\$ (218,202)	\$	\$ (218,202)	\$
(194,849)		(194,849)	
(2,935)		(2,935)	
(79,225)		(79,225)	
<u>(495,211)</u>	<u></u>	<u>(495,211)</u>	<u></u>
	5,269	5,269	
<u>(495,211)</u>	<u>5,269</u>	<u>(489,942)</u>	<u></u>
			(12,534)
104,033		104,033	34,664
289,634		289,634	
5,636	59	5,695	221
5,775		5,775	
72,830		72,830	
4,015		4,015	
6,882		6,882	
4,811		4,811	
1,769		1,769	
602		602	
<u>495,987</u>	<u>59</u>	<u>496,046</u>	<u>34,885</u>
776	5,328	6,104	22,351
<u>1,079,742</u>	<u>39,158</u>	<u>1,118,900</u>	<u>257,626</u>
\$ <u><u>1,080,518</u></u>	\$ <u><u>44,486</u></u>	\$ <u><u>1,125,004</u></u>	\$ <u><u>279,977</u></u>

**TOWNSHIP OF PERRY, MICHIGAN**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**MARCH 31, 2019**

	<b>ASSETS</b>			
	<b>GENERAL FUND</b>	<b>SPECIAL ASSESSMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash	\$ 359,709	\$ 43,898	\$ 5,177	\$ 408,784
Investments	230,358		59,576	289,934
Receivables				
Taxes	5,905	3,155		9,060
State	44,939			44,939
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 640,911</b>	<b>\$ 47,053</b>	<b>\$ 64,753</b>	<b>\$ 752,717</b>
	<hr/>	<hr/>	<hr/>	<hr/>
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,045	\$ 748	\$	\$ 2,793
Hall deposit liability	2,650			2,650
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>4,695</b>	<b>748</b>		<b>5,443</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b>				
Restricted	73,864			73,864
Committed	252,683	46,305	64,753	363,741
Assigned	62,247			62,247
Unassigned	247,422			247,422
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUND BALANCE</b>	<b>636,216</b>	<b>46,305</b>	<b>64,753</b>	<b>747,274</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 640,911</b>	<b>\$ 47,053</b>	<b>\$ 64,753</b>	<b>\$ 752,717</b>
	<hr/>	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2019**

Total fund balance - governmental funds	\$ 747,274
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$739,152 and the accumulated depreciation is \$405,908	<u>333,244</u>
 TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$ <u><u>1,080,518</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	GENERAL	SPECIAL ASSESSMENT	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
<b>REVENUES</b>				
Taxes and penalties	\$ 104,033	\$	\$	\$ 104,033
Special assessments		72,830		72,830
State-shared revenue	289,634			289,634
Charges for services	27,204			27,204
Metro act	4,015			4,015
Trailer tax	1,769			1,769
Contributions			4,874	4,874
Rebates				
Interest income	5,606	25	5	5,636
Hall rental	5,775			5,775
Franchise fees	4,811			4,811
Unrealized gain (loss) on investments			602	602
Other revenues	6,255	627		6,882
<b>TOTAL REVENUES</b>	<b>449,102</b>	<b>73,482</b>	<b>5,481</b>	<b>528,065</b>
<b>EXPENDITURES</b>				
General government	236,906			236,906
Public works	181,381	12,251	5,636	199,268
Health and welfare	17,975	60,095		78,070
Community and economic development	2,935			2,935
<b>TOTAL EXPENDITURES</b>	<b>439,197</b>	<b>72,346</b>	<b>5,636</b>	<b>517,179</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,905</b>	<b>1,136</b>	<b>(155)</b>	<b>10,886</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in			750	750
Operating transfer out	(750)			(750)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(750)</b>		<b>750</b>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>9,155</b>	<b>1,136</b>	<b>595</b>	<b>10,886</b>
<b>RESTATED FUND BALANCE, APRIL 1</b>	<b>627,061</b>	<b>45,169</b>	<b>64,158</b>	<b>736,388</b>
<b>FUND BALANCE, MARCH 31</b>	<b>\$ 636,216</b>	<b>\$ 46,305</b>	<b>\$ 64,753</b>	<b>\$ 747,274</b>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

Net changes in fund balance - total governmental funds	\$ 10,886
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 depreciated over their estimated useful lives.	
Less: current year depreciation	<u>(10,110)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>776</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - SEWER FUND**  
**MARCH 31, 2019**

ASSETS

CURRENT ASSETS

Cash	\$ 43,512
Receivables	
Accounts	720
Taxes	<u>254</u>
TOTAL ASSETS	<u>\$ 44,486</u>

NET POSITION

NET POSITION

Unrestricted	<u>\$ 44,486</u>
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See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND - SEWER FUND**  
**FOR THE YEAR ENDED MARCH 31, 2019**

OPERATING REVENUES	
Charges for services	\$ <u>9,510</u>
OPERATING EXPENSE	
Public works	<u>4,241</u>
OPERATING INCOME (LOSS)	<u>5,269</u>
NONOPERATING REVENUE (LOSS)	
Interest income	<u>59</u>
CHANGE IN NET POSITION	5,328
NET POSITION APRIL 1, 2018	<u>39,158</u>
NET POSITION MARCH 31, 2019	\$ <u><u>44,486</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - SEWER FUND**  
**FOR THE YEAR ENDED MARCH 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 9,574
Payments to suppliers	<u>(4,241)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>5,333</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Investment income - Interest	<u>59</u>
NET DECREASE IN CASH	5,392
CASH APRIL 1	<u>38,120</u>
CASH MARCH 31	<u><u>\$ 43,512</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH FROM OPERATING ACTIVITIES	
Operating income	\$ 5,269
Changes in assets	
Receivables	<u>64</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 5,333</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**BALANCE SHEET**  
**FIDUCIARY FUNDS - CURRENT TAX**  
**MARCH 31, 2019**

ASSETS

ASSETS

Cash

\$           

LIABILITIES

LIABILITIES

Due to other funds

\$           

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 234,141
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**NON CURRENT ASSETS**

Capital assets being depreciated, net	54,226
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TOTAL ASSETS	\$ <u>288,367</u>
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**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$ <u>8,390</u>
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**NET POSITION**

Net investment in capital assets	54,226
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Unrestricted	<u>225,751</u>
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TOTAL NET POSITION	<u>279,977</u>
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TOTAL LIABILITIES AND NET POSITION	\$ <u>288,367</u>
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See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

FUNCTIONS/PROGRAMS Component Unit	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
Downtown Development Authority	\$ <u>12,534</u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>(12,534)</u>
General Revenues				
Property taxes				34,664
Interest				<u>221</u>
Total General Revenues				<u>34,885</u>
CHANGE IN NET POSITION				22,351
NET POSITION, APRIL 1				<u>257,626</u>
NET POSITION, MARCH 31				\$ <u><u>279,977</u></u>

See accompanying notes to financial statements.

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**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township operates under an elected Township Board, which consists of five members. The Township provides services to its more than 4,000 residents in many areas including public safety, fire protection, planning, and general and administrative services.

The accounting policies of the Township of Perry, Michigan, conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

**A. Reporting Entity**

The Township has considered all potential component units in evaluating how to define the Township for financial reporting purposes. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*. The basic criteria include the appointment of a voting majority of the governing board of the unit, legal separation of the Township and the component unit, fiscal independence of the unit, whether exclusion of the unit would make the Township's financial statements misleading, and whether there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township.

The financial entity of the Township of Perry, Michigan includes all funds and account groups of the Township.

**B. Discretely Presented Component Unit**

**Downtown Development Authority**

The Downtown Development Authority, which was established pursuant to the provisions of Michigan Law (MCL 397.210), is governed by nine board members. Board members are appointed by the Township Board. The Downtown Development Authority is fiscally dependent upon the Township because the Board approves its budget, levies taxes, and must approve any debt issuance.

**C. Joint Venture**

**Perry – Morrice Cooperative Recycling Program (ended during fiscal year 2018/2019)**

The Township of Perry, Michigan, along with the City of Perry, Shiawassee County, and the Village of Morrice, has entered into an agreement to create and operate a cooperative recycling program for the benefit of the residents of the area. The program is governed by an advisory panel consisting of two representatives from each municipality. Appointments, terms, and compensation are at the sole discretion of the individual municipality. The program has been reported as a fund in the Township's financial statements due to the Township agreeing to administer the financial aspects. Each participating municipality made an initial contribution based on population (Township of Perry 54.6%, City of Perry 31.8%, and Village of Morrice 13.6%) totaling \$5,000.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**D. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government of the Township of Perry, Michigan. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for services. The primary government of the Township of Perry is reported separately from certain legally separate component units for which the Township of Perry the primary government, is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**E. Measurement Focus, Basis of Accounting, and Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. In the individual fund statements and schedules, the proprietary funds and fiduciary fund financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences, and claims and judgments are recorded only when payment is due.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Measurement Focus, Basis of Accounting, and Financial Statements - Continued**

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township of Perry, Michigan.

The Township reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Resources are considered available if they are collected during the current fiscal year or soon enough thereafter to be used in payment of current year liabilities - defined as expected to be received within sixty (60) days of year end.

The Township of Perry, Michigan reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those to be accounted for in another fund.
- Special Assessment Fund is used to account for monies received and disbursed for maintenance of the street lights, Thornapple Road maintenance, and ambulance services.

The Township of Perry, Michigan reports the following nonmajor governmental funds:

- The Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemetery.
- The Recycling Program Fund is used to account for monies received and disbursed for the operation of a cooperative recycling program.

The Township of Perry, Michigan reports the following major proprietary funds:

- The Sewer Fund accounts for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration and operations.

All proprietary funds are accounted for using the accrual basis of accounting. The revenues are recognized as they are incurred.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

E. Measurement Focus, Basis of Accounting, and Financial Statements - Concluded

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from provided services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expense for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the Township of Perry, Michigan reports the following fund types:

- The Agency Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, State, County, and Township Funds.

F. Cash and Investments

The Township's cash is considered to be cash on hand, demand deposits, and non-negotiable certificates of deposit with an original maturity of three months or less. All investments are stated at fair market value.

G. Receivables

Receivables have been recognized for all significant amounts due the Township for charges for services, special assessments, and other various receivables. No allowances have been made for uncollectible amounts, because if they remain unpaid, most delinquent receivables can be added to the tax roll and become a lien against the property.

H. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan for various payments.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are not recorded in the governmental funds. Instead, capital assets are reflected as expenditures in the governmental funds. Capital assets are defined by the Township of Perry, Michigan as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**I. Capital Assets - Concluded**

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated fair market value on the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets used is charged as an expense against their operations in government-wide statements and all proprietary financial statements. Accumulated depreciation is reported on the government-wide and proprietary statement of net position. The straight-line depreciation method is applied over the estimated useful life of capital assets.

The straight-line depreciation method is used for all depreciable capital assets. The estimated useful lives for capital assets are displayed in the table below:

ASSET CLASS	DEPRECIABLE LIFE
Land	n/a
Buildings	40 years
Cemetery equipment	7-15 years
Office equipment	7 years
Furniture and fixtures	5-7 years
Infrastructure	5-30 years

**J. Long-Term Liabilities**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and balance sheet 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/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet 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/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

At the end of the current fiscal year, there was no deferred inflows or outflows.

**L. Fund Balance**

*Fund Equity*

The Township has implemented GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned and unassigned.

The following classifications describe the relative strength of the spending constraints:

1. Non-spendable fund balance (such as inventory, prepaid expenditures or long-term receivables) – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
2. Restricted fund balance – Amounts constrained to specific purposes by their providers (such as taxpayers, grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**L. Fund Balance – Concluded**

3. Committed fund balance – Amounts constrained to specific purposes by the Township itself, using its highest level of decision making authority (Board Township). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
4. Assigned fund balance – Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
5. Unassigned fund balance – Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

The Township would typically use restricted fund balance first, followed by committed resources and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of those classified funds.

**M. Net Position**

In the government-wide financial statements, net position is divided into three components.

- Invested in Capital Assets, Net of Related Debt – This category consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted Net Assets – Net assets are considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organization such as federal or state laws.
- Unrestricted – All other net assets are reported in this category.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Concluded**

N. Budgets and Budgetary Accounting

Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for those budgetary funds are adopted at the activity level, as shown in the combining and individual fund financial statements.

During the fiscal year, the Township did incur expenditures in budgetary funds which were in excess of the amount appropriated.

The Township's appropriation resolution is generally passed during the March preceding the year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions state the purpose and amount of the budget changes. The Township Supervisor has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next fiscal year.

O. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Statement of Cash Flows

In the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are defined as cash equivalents.

Q. Comparative Data

Comparative data for the prior year has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**MARCH 31, 2019**

**NOTE 2:      PROPERTY TAXES**

The 2018 property tax revenue includes property taxes levied principally on December 1, 2017, and substantially collected in February, 2019. The total 2019 levy for the Township was \$87,255 for general operating purposes.

The Township is authorized by Municipal Finance Law of the State to levy taxes up to \$1.00 per \$1,000 of assessed valuation for general governmental operating purposes.

Although the local governmental unit's 2018 ad valorem tax is levied and collectible of December 1, 2018, it is the local governmental unit's policy to recognize revenue from the current tax levy in the subsequent year or the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2018 taxable valuation of the local governmental unit totaled an estimated \$97,774,641, on which Ad valorem taxes levied consisted of .9944 mills for local governmental operating purposes. These amounts are recognized in the respective General Fund financial statements as property tax revenue.

Pertinent tax dates are as follows:

Lien date	12/01/18
Levy date	12/01/18
Due date without penalty	02/14/19
Collection date	07/01/18 – 02/28/19

**NOTE 3:      CASH AND INVESTMENTS**

Act 196, P. A. 1997, authorizes the Township to deposit and invest in the following:

1. Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State, under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be depository of surplus funds belonging to the State under section 5 or 6 of Act 105, P.A. 1855, as amended (MCL 21.145 and 21.146).
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

NOTE 3: **CASH AND INVESTMENTS - Continued**

4. The United States government or federal agency obligation repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual fund composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

	BOOK BALANCE	BANK BALANCE	FDIC/SIPC INSURED
Cash deposits	\$ 675,636	\$ 788,944	\$ 250,000
Investments	289,934	289,934	289,934
Undeposited funds	<u>10,801</u>	<u>          </u>	<u>          </u>
	<u>\$ 976,371</u>	<u>\$ 1,078,878</u>	<u>\$ 539,934</u>

Financial Statement Presentation:

	CASH AND CASH EQUIVALENTS	INVESTMENTS (CERTIFICATES OF DEPOSIT)	INVESTMENTS (MARKETABLE SECURITIES)	TOTAL
Governmental funds	\$ 408,784	\$ 230,358	\$ 59,576	\$ 698,718
Proprietary funds	43,512			43,512
Component units	<u>234,141</u>	<u>          </u>	<u>          </u>	<u>234,141</u>
	<u>\$ 686,437</u>	<u>\$ 230,358</u>	<u>\$ 59,576</u>	<u>\$ 976,371</u>

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of March 31, 2019, the carrying amount of the Township's deposits were \$976,371 and the bank balance was \$1,078,878, of which \$539,934 was covered by federal depository insurance or Securities Investor Protection Corp. The remaining balance of \$538,944 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

NOTE 3: **CASH AND INVESTMENTS** - Continued

Investments

As of March 31, 2019, the carrying amounts and market values for the investments were as follows:

INVESTMENT TYPE	CARRYING AMOUNT	WEIGHTED AVERAGE MATURITY	RATING	PERCENTAGE
--------------------	--------------------	---------------------------------	--------	------------

Insured or registered for which the securities are held by the Township's agent in the Township's name:

U.S. Treasury Bonds	\$ <u>59,576</u>	11 years	Not Rated	100%
---------------------	------------------	----------	-----------	------

Fair Value Measurements

The Township is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayments speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Township's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

NOTE 3: **CASH AND INVESTMENTS** – Concluded

The Township has the following recurring fair value measurements as of March 31, 2019:

**ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS**

Fair Value Measurement Using			
Balance March 31, 2019	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
\$ <u>59,576</u>	\$ <u>59,576</u>	\$ _____	\$ _____

Interest Rate Risk

The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township made no investments that have interest rate risk during the current fiscal year.

Credit Risk

Statutes limit investments as stated above. The Township's investment policy limits its investment choices beyond the statute. The Township's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The authority to make investment decisions has been granted to the Treasurer.

Concentration of Credit Risk

State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

NOTE 4: **CAPITAL ASSETS**

A summary of changes in governmental capital assets are as follows:

	RESTATED BALANCE, APRIL 1	ADDITIONS	DELETIONS	BALANCE, MARCH 31
Capital assets not being depreciated				
Land	\$ <u>210,388</u>	\$ _____	\$ _____	\$ <u>210,388</u>
Capital assets being depreciated				
Buildings and improvements	335,905			335,905
Cemetery equipment	42,509			42,509
Furniture and fixtures	136,710			136,710
Public infrastructure	<u>13,640</u>	_____	_____	<u>13,640</u>
Total capital assets being depreciated	<u>528,764</u>	_____	_____	<u>528,764</u>
Less: accumulated depreciation				
Buildings and improvements	234,321	5,560		239,881
Cemetery equipment	38,274	1,155		39,429
Furniture and fixtures	118,467	2,940		121,407
Public infrastructure	<u>4,736</u>	<u>455</u>	_____	<u>5,191</u>
Total accumulated depreciation	<u>395,798</u>	<u>10,110</u>	_____	<u>405,908</u>
Total capital assets being depreciated - net	<u>132,966</u>	<u>10,110</u>	_____	<u>122,856</u>
NET CAPITAL ASSETS	\$ <u>343,354</u>	\$ ( <u>10,110</u> )	\$ _____	\$ <u>333,244</u>

Depreciation expense for the governmental activities was charged to the following functions and activities of the primary government:

GOVERNMENTAL ACTIVITY	AMOUNT
General government	\$ 8,500
Public works	455
Health and welfare	<u>1,155</u>
Total	\$ <u>10,110</u>

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2019

**NOTE 4: CAPITAL ASSETS – Concluded**

A summary of changes in component unit assets are as follows:

	BALANCE, APRIL 1	ADDITIONS	DELETIONS	BALANCE, MARCH 31
Capital assets not being depreciated				
Street lights	\$ <u>59,731</u>	\$ _____	\$ _____	\$ <u>59,731</u>
Less: accumulated depreciation				
Street lights	<u>3,811</u>	<u>1,694</u>	_____	<u>5,505</u>
NET CAPITAL ASSETS	\$ <u>55,920</u>	\$ ( <u>1,694</u> )	\$ _____	\$ <u>54,226</u>

**NOTE 5: OPERATING TRANSFERS**

FUND TRANSFERRED FROM	AMOUNT	FUND TRANSFERRED TO	PURPOSE
General fund	\$ 750	Cemetery	For cash flow purposes

**NOTE 6: INTERFUND RECEIVABLES AND PAYABLES**

The following is a summary of the interfund receivables and payables as of March 31, 2019:

DUE FROM	DUE TO
Trust and Agency \$ <u>18,284</u>	General \$ <u>18,284</u>

Interfund loans were made for cash flow purposes and were combined with cash balances for the fund financial statements.

**NOTE 7: 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. It is the policy of the Township to purchase commercial insurance for most risks of loss to which it is exposed.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS – Continued  
MARCH 31, 2019

**NOTE 8:      DEFINED CONTRIBUTION PENSION PLAN**

Plan Description

The Township started a defined contribution pension plan on July 1, 1991 for all officials and employees that earn greater than \$600 and are not temporary employees, such as, but not limited to, election workers. The plan is administered by the Township through Municipal Retirement System (MRS), an agent multiple-employer defined contribution pension plan that covers all employees of the Township, unless specifically exempted, with more than one year of service. MRS is authorized and operated under State law, Act 135 of the Public Acts of 1945 as amended. The system provides retirement, disability and death benefits to plan members and their beneficiaries. The current plan is a defined contribution plan requiring contributions by the Township of 15% of each employee's base salary.

Annual Pension Cost

For the year ended March 31, 2019, the Township's pension contribution of \$16,449 for the plan was equal to the Township's required contribution.

**NOTE 9:      UPCOMING ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued which will address accounting and financial reporting for certain asset retirement obligations – legally enforceable liabilities associated with retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the Township.

GASB Statement No. 84, *Fiduciary Activities*, was issued which will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. We do not expect this standard to have any significant effect on the Township.

GASB Statement No. 87, *Leases*, was issued which will establish a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivable and deferred inflows of resources. We do not expect this standard to have any significant effect on the Township.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, was issued which will provide guidance on note disclosures related to debt, including direct borrowing and direct placements. It also clarified which liabilities governments should include when disclosing information related to debt. We do not expect this standard to have any significant effect on the Township.

**TOWNSHIP OF PERRY, MICHIGAN**  
NOTES TO FINANCIAL STATEMENTS – Continued  
MARCH 31, 2019

NOTE 10: **DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS**

	GENERAL FUND	SPECIAL ASSESSMENT	OTHER GOVERNMENTAL FUND	TOTAL
<b>FUND BALANCES</b>				
Restricted for				
Roads	\$ 73,864	\$	\$	\$ 73,864
Committed for				
Roads	40,936			40,936
Improvement	110,688			110,688
Land and Building	101,059			101,059
Special Assessments		46,305		46,305
Cemetery			64,753	64,753
Assigned				
Investment	62,247			62,247
Unassigned	<u>247,422</u>	<u>          </u>	<u>          </u>	<u>247,422</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 636,216</u>	<u>\$ 46,305</u>	<u>\$ 64,753</u>	<u>\$ 747,274</u>

NOTE 11: **EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

P.A. 621 of 1978, section 18(1), as amended, 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 budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2019, the Township did incur expenditures in certain budgetary funds that were in excess of the amounts appropriated.

	BUDGET	ACTUAL	VARIANCE
General government			
Cemetery	\$ 52,600	\$ 53,192	\$ ( 592 )
Special Assessment			
Clifford Field Lights	3,400	3,473	( 73 )
Rose Blvd Lights	1,800	1,839	( 39 )
Light at Large	675	855	( 180 )

**TOWNSHIP OF PERRY, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS – Concluded**  
**MARCH 31, 2019**

**NOTE 12:      RESTATEMENT**

The financial statements have been restated to correctly apply a State of Michigan ruling for revenue recognition of state shared revenue. As a result of this restatement the beginning fund balance of the general fund increased from \$583,139 to \$627,061, an increase of \$43,922.

The government wide financial statements were affected by the same restatement mentioned above. In addition, fixed assets were purchased directly by a grant in the prior period but they were not capitalized. The change to net position, net of depreciation was \$8,582. The beginning net position increased from \$1,027,238 to \$1,079,742, an increase of \$52,504, as a result of the above mentioned items.

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## REQUIRED SUPPLEMENTARY INFORMATION

**TOWNSHIP OF PERRY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL**

**GENERAL FUND**

**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<b>REVENUES</b>				
Taxes and penalties	\$ 98,250	\$ 98,250	\$ 104,033	\$ 5,783
State-shared revenue	275,000	275,000	289,634	14,634
Charges for services	20,700	20,700	27,204	6,504
Metro Act	3,000	3,000	4,015	1,015
Trailer tax	1,600	1,600	1,769	169
Franchise fees	4,500	4,500	4,811	311
Other revenues	2,150	2,150	6,255	4,105
Interest	2,650	2,650	5,606	2,956
Hall rental	11,000	11,000	5,775	(5,225)
<b>TOTAL REVENUES</b>	<u>418,850</u>	<u>418,850</u>	<u>449,102</u>	<u>30,252</u>
<b>EXPENDITURES</b>				
Township board	5,800	5,800	3,000	2,800
Supervisor	19,800	19,800	18,757	1,043
Elections	16,200	16,200	10,039	6,161
Audit	6,000	6,000	5,100	900
Tax preparation	9,500	9,500	8,850	650
Assessor	21,600	21,600	19,106	2,494
Legal	5,300	5,300	989	4,311
Clerk	31,200	31,200	28,122	3,078
Board of review	1,450	1,450	1,315	135
Treasurer	31,200	31,200	25,900	5,300
Building and grounds	37,250	37,250	23,792	13,458
Cemetery	52,600	52,600	53,192	(592)
General government	74,750	74,750	38,744	36,006
Emergency services	20,000	20,000	17,975	2,025
Planning Commission	3,600	3,600	1,626	1,974
Drains at large	15,000	15,000	13,954	1,046
Roads	170,950	170,950	167,427	3,523
Engineering	5,000	5,000		5,000
Recycling	1,500	1,500	1,309	191
<b>Total Expenditures</b>	<u>528,700</u>	<u>528,700</u>	<u>439,197</u>	<u>89,503</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUE OVER EXPENDITURES</b>	(109,850)	(109,850)	9,905	119,755

**TOWNSHIP OF PERRY, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**BUDGET AND ACTUAL - Concluded**

**GENERAL FUND**

**FOR THE YEAR ENDED MARCH 31, 2019**

OTHER FINANCING

SOURCES (USES)

Operating transfer in

Operating transfer out

30,000

30,000

(30,750)

(30,750)

TOTAL OTHER

FINANCING SOURCES (USES)

(750)

(750)

EXCESS OF REVENUES AND

OTHER SOURCES OVER

EXPENDITURES AND

OTHER USES

(109,850)

(109,850)

9,155

119,005

RESTATED FUND BALANCE, APRIL 1

627,061

627,061

627,061

FUND BALANCE, MARCH 31

\$ 517,211

\$ 517,211

\$ 636,216

\$ 119,005

**TOWNSHIP OF PERRY, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL ASSESSMENT FUND**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<b>REVENUES</b>				
Special assessments	\$ 70,800	\$ 70,800	\$ 72,830	\$ 2,030
Interest	10	10	25	15
Other revenue	<u>550</u>	<u>550</u>	<u>627</u>	<u>77</u>
Total revenues	<u>71,360</u>	<u>71,360</u>	<u>73,482</u>	<u>2,122</u>
<b>EXPENDITURES</b>				
Thornapple Drive	8,000	8,000	3,612	4,388
Clifford Fields lights	3,400	3,400	3,473	(73)
Bennet Drive lights	2,600	2,600	2,472	128
Rose Blvd lights	1,800	1,800	1,839	(39)
Lansing Road lights	5,000	5,000		5,000
Lights at large	675	675	855	(180)
Ambulance	62,000	62,000	60,095	1,905
Contingency	<u>27,885</u>	<u>27,885</u>		<u>27,885</u>
Total Expenditures	<u>111,360</u>	<u>111,360</u>	<u>72,346</u>	<u>39,014</u>
<b>EXCESS (DEFICIENCY)</b> <b>OF REVENUES OVER</b> <b>EXPENDITURES</b>	<u>(40,000)</u>	<u>(40,000)</u>	<u>1,136</u>	<u>41,136</u>
<b>FUND BALANCE, APRIL 1</b>	<u>45,169</u>	<u>45,169</u>	<u>45,169</u>	
<b>FUND BALANCE, MARCH 31</b>	<u>\$ 5,169</u>	<u>\$ 5,169</u>	<u>\$ 46,305</u>	<u>\$ 41,136</u>

## COMBINING STATEMENTS

**TOWNSHIP OF PERRY, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**MARCH 31, 2019**

**ASSETS**

	GENERAL FUND	LAND AND BUILDING	ROAD FUND	IMPROVEMENT FUND	TOTAL
<b>ASSETS</b>					
Cash	\$ 182,990	\$ 43,636	\$ 114,800	\$	\$ 341,426
Investments	62,247	57,423		110,688	230,358
Taxes receivable	5,905				5,905
Due from other funds	18,283				18,283
Due from State	44,939				44,939
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 314,364</u>	<u>\$ 101,059</u>	<u>\$ 114,800</u>	<u>\$ 110,688</u>	<u>\$ 640,911</u>

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>					
Accounts payable	\$ 2,045	\$	\$	\$	\$ 2,045
Deposit payable	2,650				2,650
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>4,695</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>4,695</u>
<b>FUND BALANCE</b>					
Restricted			73,864		73,864
Committed		101,059	40,936	110,688	252,683
Assigned	62,247				62,247
Unassigned	247,422				247,422
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCE</b>	<u>309,669</u>	<u>101,059</u>	<u>114,800</u>	<u>110,688</u>	<u>636,216</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 314,364</u>	<u>\$ 101,059</u>	<u>\$ 114,800</u>	<u>\$ 110,688</u>	<u>\$ 640,911</u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	GENERAL FUND	LAND AND BUILDING	ROAD FUND	IMPROVEMENT FUND	TOTAL
<b>REVENUES</b>					
Taxes and penalties	\$ 104,033	\$	\$	\$	\$ 104,033
State-shared revenue	289,634				289,634
Charges for services	27,204				27,204
Metro Act	4,015				4,015
Trailer tax	1,769				1,769
Interest	3,797	332	114	1,363	5,606
Hall rental	5,775				5,775
Franchise fees	4,811				4,811
Other revenues	6,255				6,255
<b>TOTAL REVENUES</b>	<u>447,293</u>	<u>332</u>	<u>114</u>	<u>1,363</u>	<u>449,102</u>
<b>EXPENDITURES</b>					
Township board	3,000				3,000
Supervisor	18,757				18,757
Elections	10,039				10,039
Audit	5,100				5,100
Tax preparation	8,850				8,850
Assessor	19,106				19,106
Legal	989				989
Clerk	28,122				28,122
Board of review	1,315				1,315
Treasurer	25,900				25,900
Building and grounds	23,792				23,792
Cemetery	53,192				53,192
General government	38,744				38,744
Emergency services	17,975				17,975
Planning Commission	1,626				1,626
Drains at large	13,954				13,954
Roads	167,427				167,427
Recycling	1,309				1,309
<b>TOTAL EXPENDITURES</b>	<u>439,197</u>	<u></u>	<u></u>	<u></u>	<u>439,197</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	8,096	332	114	1,363	9,905
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfer in (out)	(30,750)	10,000	20,000		(750)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(22,654)	10,332	20,114	1,363	9,155
<b>RESTATED FUND BALANCE, APRIL 1</b>	<u>332,323</u>	<u>90,727</u>	<u>94,686</u>	<u>109,325</u>	<u>627,061</u>
<b>FUND BALANCE, MARCH 31</b>	<u>\$ 309,669</u>	<u>\$ 101,059</u>	<u>\$ 114,800</u>	<u>\$ 110,688</u>	<u>\$ 636,216</u>

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## NONMAJOR SPECIAL REVENUE FUND

A Special Revenue Fund is used to finance particular activities and is created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities with some special form of continuing revenues.

The Special Revenue Fund of the Township is: Cemetery and Recycling Program Funds.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NONMAJOR SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**MARCH 31, 2019**

	ASSETS		
	CEMETERY FUND	RECYCLING PROGRAM FUND	TOTAL
ASSETS			
Cash	\$ <u>64,753</u>	\$ <u>          </u>	\$ <u>64,753</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>
FUND BALANCE			
Committed	<u>64,753</u>	<u>          </u>	<u>64,753</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>64,753</u>	\$ <u>          </u>	\$ <u>64,753</u>

See accompanying notes to financial statements.

**TOWNSHIP OF PERRY, MICHIGAN**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	CEMETERY FUND	RECYCLING PROGRAM FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES			
Contributions	\$	\$ 4,874	\$ 4,874
Rebates			
Grants			
Interest income	4	1	5
Unrealized gain (loss) on investments	602		602
	<u>606</u>	<u>4,875</u>	<u>5,481</u>
TOTAL REVENUES	<u>606</u>	<u>4,875</u>	<u>5,481</u>
EXPENDITURES			
Public works		5,636	5,636
	<u>606</u>	<u>(761)</u>	<u>(155)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	606	(761)	(155)
OTHER FINANCING SOURCES			
Operating transfer in	750		750
	<u>750</u>	<u>761</u>	<u>595</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,356	(761)	595
FUND BALANCE, APRIL 1	<u>63,397</u>	<u>761</u>	<u>64,158</u>
FUND BALANCE, MARCH 31	\$ <u><u>64,753</u></u>	\$ <u><u>761</u></u>	\$ <u><u>64,753</u></u>

See accompanying notes to financial statements.