

***Grand Rapids Charter Township***  
***Kent County, Michigan***  
**FINANCIAL STATEMENTS**  
*Year ended December 31, 2010*

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**SiegfriedCrandallPC**  
Certified Public Accountants & Advisors

*Grand Rapids Charter Township*  
*Kent County, Michigan*  
**FINANCIAL STATEMENTS**  
*Year ended December 31, 2010*

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## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Grand Rapids Charter Township, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of December 31, 2010, and for the year then ended, which collectively comprise the Grand Rapids Charter Township, Michigan's basic financial statements, as listed in the contents. These financial statements are the responsibility of Grand Rapids Charter Township, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and the budgetary comparison information, as listed in the contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees  
Grand Rapids Charter Township, Michigan  
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Rapids Charter Township, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Sigfried Crandall P.C.*

April 6, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Grand Rapids Charter Township**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The following discussion and analysis is intended as a narrative overview of Grand Rapids Charter Township, Michigan's operations over the fiscal year and its financial condition on December 31, 2010. Please read it in conjunction with the Township's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Township's total net assets increased \$368,505 (3 percent) as a result of this year's operations.
- Of the \$12,067,474 total net assets reported, \$3,526,150 is unrestricted, or available to be used to meet future operating and capital improvement needs.
- The General Fund's unreserved, undesignated fund balance at the end of the fiscal year was \$929,539, which represents 34 percent of the actual total General Fund expenditures for the fiscal year.

**Overview of the financial statements**

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
  - The governmental funds statements explain how general government services, like public works and public safety, were financed in the short term, as well as what remains for future spending.
  - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business. The Township's lone proprietary fund accounts for its building inspections department.

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

A comparative analysis of the basic financial statements for 2010 and 2009 is also presented.

**Grand Rapids Charter Township**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-wide statements**

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

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

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

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

**Fund financial statements**

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

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

The Township has three kinds of funds:

- *Governmental funds.* Most of the Township's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

**Grand Rapids Charter Township**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long- and short-term financial information.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the government. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Net Assets - agency funds. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

**Net assets.** Total net assets at the end of the fiscal year were \$12,067,474, an increase of 3 percent compared to the prior year. However, \$8,344,154 of this total is invested in capital assets and \$197,170 is restricted for various purposes. Consequently, unrestricted net assets were \$3,526,150, which is 29 percent of the total.

*Condensed financial information*  
*Net assets*

	<i>Governmental activities</i>	
	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 5,343,040	\$ 5,993,264
Capital assets	<u>8,344,154</u>	<u>7,365,465</u>
Total assets	<u>13,687,194</u>	<u>13,358,729</u>
Liabilities, other than long-term debt	<u>1,619,720</u>	<u>1,659,760</u>
Net assets:		
Invested in capital assets	8,344,154	7,365,465
Restricted	197,170	190,835
Unrestricted	<u>3,526,150</u>	<u>4,142,669</u>
Total net assets	<u>\$ 12,067,474</u>	<u>\$ 11,698,969</u>

**Grand Rapids Charter Township**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Changes in net assets.** The Township's total revenues are \$3,129,265 in the current fiscal year. Approximately 45 percent of the Township's revenues comes from property taxes, while state revenue sharing represents 29 percent. About 15 percent of total revenues comes from charges for services.

*Condensed financial information*  
*Changes in net assets*

	<i>Governmental activities</i>	
	<u>2010</u>	<u>2009</u>
Program revenues:		
Charges for services	\$ 473,746	\$ 405,831
Operating grants and contributions	82,283	61,235
Capital grants	20,634	32,534
General revenues:		
Property taxes	1,420,947	1,422,919
State shared revenue	900,231	861,883
Cable franchise fees	176,566	175,207
Interest income	54,858	90,118
Other		5,351
 Total revenues	 <u>3,129,265</u>	 <u>3,055,078</u>
Expenses:		
Legislative	20,867	21,005
General government	874,879	911,303
Public safety	1,346,059	1,347,474
Public works	191,120	445,552
Health and welfare	117,413	111,550
Community and economic developme	86,463	87,968
Recreation and culture	123,959	93,943
 Total expenses	 <u>2,760,760</u>	 <u>3,018,795</u>
 Increase in net assets	 <u>\$ 368,505</u>	 <u>\$ 36,283</u>

**Governmental activities.** Governmental activities increased the Township's net assets by \$368,505 in the current year compared to a \$36,283 increase in the prior year. The increase in net assets was associated with a \$74,187 increase in revenues, as compared to prior fiscal year, and a decrease in expenses of \$258,035. The increase in revenues can be attributed primarily to increases in charges for services (\$67,915) and state grants (\$38,348). Expenses decreased due to a substantial reduction in public works expenses (\$254,432) associated with lower street maintenance costs.

The cost of all governmental activities this year was \$2,760,760 compared to \$3,018,795 in the prior year. After subtracting the direct charges to those who directly benefited from the programs (\$473,746), and operating and capital grants (\$102,917), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was \$2,184,097.

### **FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

At December 31, 2010, the Township's governmental funds reported total fund balances of \$3,484,358 a decrease of \$659,490 compared to the prior year.

The fund balance of the General Fund at year end was \$929,539, which represents a decrease of \$28,136 in 2010. The fund balance decreased as the General Fund incurred significant capital outlay expenditures in the current year.

The fund balance of the Improvement Revolving Fund at year end was \$2,276,024. The fund's equity decreased by \$673,982 in the current year due to the purchase of land in the amount of \$718,218.

### **General Fund budgetary highlights**

The Township Board did not amend the budgeted revenues of the General Fund, but increased total budgeted expenditures by \$290,122 and transfers out by \$30,000. Budgeted expenditures were increased in the general government function, by \$109,622, primarily for the costs associated with repaving the parking lot at the Township hall. Public works expenditures were increased by \$228,500 for costs associated with road improvements and improvements to the Courthouse. Recreation and culture expenditures were increased by \$35,000 to cover the cost of sidewalk improvements. The \$30,000 increase in transfers out moved extra money to a nonmajor fund to finance additional costs related to pathway improvements.

The General Fund's total revenues were \$151,355 higher than budgeted as certain revenue sources differed from expectations. License and permit revenue was \$71,762 higher than planned as cable franchise fees and right-of-way permits were more than expected. In addition, state shared revenue was \$68,628 more than budgeted.

General Fund expenditures, in total, were \$161,455 less than the amounts appropriated. Public safety costs were the most notable variance as actual costs were \$74,063 less than appropriated. Fire Department expenditures were \$44,918 less than anticipated and the cost of police protection was \$29,145 less than expected.

These variances resulted in a positive budget variance of \$318,922 with a \$28,136 decrease in fund balance compared to a budgeted decrease of \$347,058.

**Grand Rapids Charter Township  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Capital assets**

At December 31, 2010, the Township had invested \$8,344,154 in various capital assets, including its land, buildings, equipment, and vehicles. This amount represents a net increase of \$978,689 in 2010.

This year's major capital asset additions included:

- Purchase of the Dykema property in the amount of \$718,218.
- Paved Knapp Court at a cost of \$184,376.
- 63<sup>rd</sup> District Court pedestrian plaza costs amounted to \$165,405.
- Paved the parking lot at the Township hall at a cost of \$87,017.
- Improved the Leffingwell pathway at a cost of \$30,041.

**Economic condition and outlook**

Grand Rapids Charter Township ended 2010 with less than expected declines in property tax revenue, state shared revenue, and building inspection fees. We saw revenue growth in franchise fees and the cell tower property lease receipts; this resulted in stable General Fund revenues for the 2010 budget year.

General Fund expenditures in 2010 were under budget in most categories, which resulted in 3.8 percent less spending than budgeted. The use of 3 percent of the undesignated fund balance in 2010 was less than expected in what we believe will be the worst budget year of the recession.

The 2011 and 2012 budget years will be positively impacted by a number of factors, including:

- a) A stable taxable value on real and personal property in Grand Rapids Charter Township
- b) An increase in constitutional state shared revenue due to an increase in sales tax revenue and the population growth in Grand Rapids Charter Township
- c) Modest growth in new construction
- d) Continued monitoring of Grand Rapids Charter Township General Fund expenditures

The Township has been able to maintain our facilities and provide for essential services and will remain committed to those primary responsibilities. Our plan is simple; provide quality essential services of police, fire, and EMS; perform our constitutional duties of elections; assessing and tax collections; ensure that we promote good land-use regulations; and provide for parks, open space, and recreational trails, all of which enhance the quality of life for our residents and greater community.

**Grand Rapids Charter Township**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Contacting the Township's financial management**

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

Grand Rapids Charter Township      Phone: (616) 361-7391  
Michael DeVries, Supervisor  
1836 East Beltline, N.E.  
Grand Rapids, MI 49525-4594

## **BASIC FINANCIAL STATEMENTS**

**Grand Rapids Charter Township**  
**STATEMENT OF NET ASSETS**  
December 31, 2010

	<u>Governmental activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,274,311
Investments	2,882,071
Receivables	1,009,989
Prepaid expenses	<u>97,462</u>
Total current assets	<u>5,263,833</u>
Noncurrent assets:	
Receivables	79,207
Capital assets not being depreciated - land	5,017,218
Capital assets, net of accumulated depreciation	<u>3,326,936</u>
Total noncurrent assets	<u>8,423,361</u>
Total assets	<u>13,687,194</u>
<b>LIABILITIES</b>	
Current liabilities:	
Payables	110,264
Deferred revenue	<u>1,509,456</u>
Total current liabilities	<u>1,619,720</u>
<b>NET ASSETS</b>	
Invested in capital assets	8,344,154
Restricted for:	
Public safety	62,293
Public works	134,877
Unrestricted	<u>3,526,150</u>
Total net assets	<u>\$ 12,067,474</u>

See notes to financial statements

**Grand Rapids Charter Township**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2010

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expenses) revenues and change in net assets</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
Governmental activities:				
Legislative	\$ 20,867	\$ -	\$ -	\$ -
General government	874,879	103,608	-	-
Public safety	1,346,059	244,437	-	-
Public works	191,120	102,586	82,283	20,634
Health and welfare	117,413	-	-	-
Community and economic development	86,463	10,500	-	-
Recreation and culture	123,959	12,615	-	-
<b>Total governmental activities</b>	<b>\$2,760,760</b>	<b>\$ 473,746</b>	<b>\$ 82,283</b>	<b>\$ 20,634</b>
General revenues:				
Property taxes				1,420,947
State shared revenue				900,231
Franchise fees				176,566
Unrestricted interest income				54,858
<b>Total general revenues</b>				<b>2,552,602</b>
Change in net assets				368,505
Net assets - beginning				11,698,969
Net assets - ending				<b>\$ 12,067,474</b>

See notes to financial statements

**Grand Rapids Charter Township**  
**BALANCE SHEET - governmental funds**

December 31, 2010

	<u>General</u>	<u>Public Safety</u>	<u>Improvement Revolving</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>ASSETS</b>					
Cash	\$ 405,394	\$ 372,442	\$ 72,525	\$ 365,004	\$ 1,215,365
Investments	682,672	-	2,199,399	-	2,882,071
Receivables	573,487	356,963	83,307	58,703	1,072,460
Total assets	<u>\$ 1,661,553</u>	<u>\$ 729,405</u>	<u>\$ 2,355,231</u>	<u>\$ 423,707</u>	<u>\$ 5,169,896</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ 88,035	\$ -	\$ -	\$ 8,840	\$ 96,875
Deferred revenue	643,979	729,405	79,207	136,072	1,588,663
Total liabilities	<u>732,014</u>	<u>729,405</u>	<u>79,207</u>	<u>144,912</u>	<u>1,685,538</u>
Fund balances:					
Unreserved, undesignated	929,539	-	2,276,024	-	3,205,563
Unreserved, reported in nonmajor - special revenue funds	-	-	-	278,795	278,795
Total fund balances	<u>929,539</u>	<u>-</u>	<u>2,276,024</u>	<u>278,795</u>	<u>3,484,358</u>
Total liabilities and fund balances	<u>\$ 1,661,553</u>	<u>\$ 729,405</u>	<u>\$ 2,355,231</u>	<u>\$ 423,707</u>	<u>\$ 5,169,896</u>
Total fund balance - total governmental funds					\$ 3,484,358
Amounts reported for <i>governmental activities</i> in the statement of net assets (page 12) are different because:					
Prepaid expenses are not reported in the funds.					97,462
Special assessments receivable are not available to pay for the current period's expenditures and, therefore, are deferred in the funds.					79,207
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.					8,344,154
Net assets of the Building Inspections Fund are included in <i>governmental activities</i> .					<u>62,293</u>
Net assets of <i>governmental activities</i>					<u>\$ 12,067,474</u>

See notes to financial statements

**Grand Rapids Charter Township**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - governmental funds**  
Year ended December 31, 2010

	<u>General</u>	<u>Public Safety</u>	<u>Improvement Revolving</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>					
Property taxes	\$ 695,093	\$ 751,285	\$ -	\$ -	\$ 1,446,378
Licenses and permits	302,437	-	-	-	302,437
State grants	909,028	-	-	-	909,028
Intergovernmental	20,634	-	-	-	20,634
Charges for services	52,886	-	-	-	52,886
Interest and rentals	37,831	-	35,887	1,173	74,891
Other	5,572	-	8,349	113,626	127,547
<b>Total revenues</b>	<u>2,023,481</u>	<u>751,285</u>	<u>44,236</u>	<u>114,799</u>	<u>2,933,801</u>
<b>EXPENDITURES</b>					
Legislative	20,867	-	-	-	20,867
General government	891,408	-	-	-	891,408
Public safety	1,063,673	-	-	-	1,063,673
Public works	365,695	-	-	178,171	543,866
Health and welfare	118,513	-	-	-	118,513
Community and economic development	91,723	-	-	-	91,723
Recreation and culture	40,487	-	-	-	40,487
Capital outlay	104,536	-	718,218	-	822,754
<b>Total expenditures</b>	<u>2,696,902</u>	<u>-</u>	<u>718,218</u>	<u>178,171</u>	<u>3,593,291</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(673,421)</u>	<u>751,285</u>	<u>(673,982)</u>	<u>(63,372)</u>	<u>(659,490)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	757,285	-	-	112,000	869,285
Transfers out	(112,000)	(751,285)	-	(6,000)	(869,285)
<b>Net other financing sources (uses)</b>	<u>645,285</u>	<u>(751,285)</u>	<u>-</u>	<u>106,000</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(28,136)</u>	<u>-</u>	<u>(673,982)</u>	<u>42,628</u>	<u>(659,490)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>957,675</u>	<u>-</u>	<u>2,950,006</u>	<u>236,167</u>	<u>4,143,848</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 929,539</u>	<u>\$ -</u>	<u>\$ 2,276,024</u>	<u>\$ 278,795</u>	<u>\$ 3,484,358</u>

See notes to financial statements

**Grand Rapids Charter Township**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - governmental funds (Continued)**  
Year ended December 31, 2010

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

Net change in fund balance - total governmental funds (page 15) \$ (659,490)

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital assets:

Assets acquired	1,248,767
Assets disposed, net	(4,200)
Provision for depreciation	(265,878)

Changes in other assets/liabilities:

Prepaid expenses	49,382
Deferred revenue	(7,287)

Net expenses of the Building Inspections Fund 7,211

Change in net assets of *governmental activities* (page 13) \$ 368,505

**Grand Rapids Charter Township**  
**STATEMENT OF NET ASSETS - proprietary fund**  
*December 31, 2010*

	<u><i>Building Inspections</i></u>
<b>ASSETS</b>	
Cash	\$ 58,946
Receivables	<u>16,736</u>
Total assets	75,682
<b>LIABILITIES</b>	
Payables	<u>13,389</u>
<b>NET ASSETS</b>	62,293
 Amounts reported for business-type activities in the government-wide statement of net assets (page 12) are different because:	
Assets and liabilities of the Building Inspections Fund have been combined with those of governmental activities.	<u>(62,293)</u>
Net assets of business-type activities	<u>\$ -</u>

See notes to financial statements

**Grand Rapids Charter Township**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND**  
**NET ASSETS - proprietary fund**  
Year ended December 31, 2010

	<u><i>Building Inspections</i></u>
<b>OPERATING REVENUES</b>	
Charges for services - licenses and permits	\$ 202,751
<b>OPERATING EXPENSES</b>	
Salaries and fringe benefits	32,732
Contracted services	<u>162,808</u>
Total operating expenses	<u>195,540</u>
<b>CHANGE IN NET ASSETS</b>	7,211
<b>NET ASSETS - BEGINNING</b>	<u>55,082</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 62,293</u>
<b>CHANGE IN NET ASSETS</b>	\$ 7,211
Amounts reported for business-type activities in the government-wide statement of activities (page 13) are different because:	
Revenues and expenses of the Building Inspections Fund have been combined with those of the governmental activities.	<u>(7,211)</u>
Change in net assets of business-type activities	<u>\$ -</u>

See notes to financial statements

**Grand Rapids Charter Township**  
**STATEMENT OF CASH FLOWS - proprietary fund**  
Year ended December 31, 2010

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	<u>Building Inspections</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 197,754
Payments to employees	(32,732)
Payments to suppliers	<u>(158,811)</u>
Net cash provided by operating activities	6,211
<b>CASH - BEGINNING</b>	<u>52,735</u>
<b>CASH - ENDING</b>	<u>\$ 58,946</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>	
Change in net assets	\$ 7,211
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in receivables	(4,997)
Increase in payables	<u>3,997</u>
Net cash provided by operating activities	<u>\$ 6,211</u>

See notes to financial statements

*Grand Rapids Charter Township*  
**STATEMENT OF FIDUCIARY NET ASSETS - agency funds**  
*December 31, 2010*

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**ASSETS**

Cash \$ 1,077,170

**LIABILITIES**

Due to other governmental units \$ 1,077,170

*See notes to financial statements*

## Grand Rapids Charter Township NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

#### *Reporting entity:*

The accompanying financial statements present the Township and its component unit, an entity for which the Township is considered to be financially accountable. Component units are normally reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the Township.

#### *Discretely presented component unit - Plainfield Avenue Corridor Improvement Authority:*

The Authority was created in 2007 under the provisions of Act 280, Public Acts of 2005 of the State of Michigan. The purpose of the Authority is to redevelop and promote economic growth within the Plainfield Avenue corridor. The Authority's revenues are primarily derived through tax increment financing. The Authority's governing body is appointed by the Township Board and its budget must be approved by the Township Board. The Authority had no financial transactions during the year; therefore, no information regarding the Authority has been included in the accompanying financial statements. Separate financial statements will not be issued for the Authority, as management believes these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the Authority.

#### *Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*Measurement focus, basis of accounting, and financial statement presentation:*

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

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

The Township reports the following major governmental funds:

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

The Improvement Revolving Fund accounts for utility improvements financed through special assessments.

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

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

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

The Township reports two fiduciary funds, its Agency and Tax Collection funds, which account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

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

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

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

*Assets, liabilities, and net assets or equity:*

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

*Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

*Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements.

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*Assets, liabilities, and net assets or equity* (continued):

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

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

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

*Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

*Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, taxes have been deferred from recognition as revenue until the following year.

The 2009 taxable valuation of the Township totaled \$886,019,546, on which ad valorem taxes levied consisted of the following:

<u>Fund</u>	<u>Millage rate</u>	<u>Purpose</u>	<u>Taxes raised</u>
General	0.7500	Operating	\$ 663,297
Public safety	0.8495	Public safety	751,285

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

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

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

<u>Fund</u>	<u>Activity</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
General	Capital outlay	\$ 99,600	\$ 104,536	\$ 4,936

**NOTE 3 - CASH AND INVESTMENTS:**

The Township's deposits and investments were reported in the basic financial statements as follows:

	<u>Governmental activities</u>	<u>Fiduciary</u>	<u>Totals</u>
Cash	\$ 1,274,311	\$ 1,077,170	\$ 2,351,481
Investments	<u>2,882,071</u>	<u>-</u>	<u>2,882,071</u>
Totals	<u>\$ 4,156,382</u>	<u>\$ 1,077,170</u>	<u>\$ 5,233,552</u>

**Deposits:**

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

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance or are uncollateralized. The Township's investment policy does not specifically address custodial credit risk for deposits. At December 31, 2010, \$1,701,336 of the Township's bank balances of \$2,447,915 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments:**

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds; and f) investment pools organized under the local government investment pool act. The Township's investments consist of holdings in the Kent County Investment Pool and the Michigan Class Investment Pool, which are nonrisk categorized, qualifying investments that are carried at cost, which approximates fair market value.

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 - RECEIVABLES:**

Receivables as of December 31, 2010, for the Township were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Interest</u>	<u>Inter-governmental</u>	<u>Totals</u>
Governmental:						
General	\$ 98,697	\$ 315,155	\$ -	\$ 1,300	\$ 158,335	\$ 573,487
Public Safety	-	356,963	-	-	-	356,963
Improvement Revolving	-	-	83,307	-	-	83,307
Nonmajor	-	-	58,703	-	-	58,703
	<u>98,697</u>	<u>672,118</u>	<u>142,010</u>	<u>1,300</u>	<u>158,335</u>	<u>1,072,460</u>
Proprietary:						
Building Inspections	-	-	-	-	16,736	16,736
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,736</u>	<u>16,736</u>
<b>Totals</b>	<u>\$ 98,697</u>	<u>\$ 672,118</u>	<u>\$ 142,010</u>	<u>\$ 1,300</u>	<u>\$ 175,071</u>	<u>\$ 1,089,196</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,207</u>

**NOTE 5 - DEFERRED REVENUE:**

Governmental funds report deferred revenue in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds may also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, several of the funds deferred recognition of revenues that were considered unearned or unavailable at December 31, 2010. The types of revenues deferred, by fund, are as follows:

<u>Fund</u>	<u>Unearned taxes</u>	<u>Unearned assessments</u>	<u>Unavailable assessments</u>	<u>Totals</u>
General	\$ 643,979	\$ -	\$ -	\$ 643,979
Public Safety	729,405	-	-	729,405
Improvement Revolving	-	-	79,207	79,207
Nonmajor governmental	-	136,072	-	136,072
	<u>\$ 1,373,384</u>	<u>\$ 136,072</u>	<u>\$ 79,207</u>	<u>\$ 1,588,663</u>
<b>Totals</b>	<u>\$ 1,373,384</u>	<u>\$ 136,072</u>	<u>\$ 79,207</u>	<u>\$ 1,588,663</u>

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2010, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 4,299,000	\$ 718,218	\$ -	\$ 5,017,218
Capital assets being depreciated:				
Infrastructure - shared road costs	394,723	184,376	-	579,099
Building and improvements	3,864,656	315,991	-	4,180,647
Equipment	439,447	30,182	-	469,629
Vehicles	804,562	-	(71,225)	733,337
Subtotal	<u>5,503,388</u>	<u>530,549</u>	<u>(71,225)</u>	<u>5,962,712</u>
Less accumulated depreciation for:				
Infrastructure - shared road costs	(42,673)	(25,773)	-	(68,446)
Buildings and improvements	(1,423,017)	(151,974)	-	(1,574,991)
Equipment	(270,185)	(29,326)	-	(299,511)
Vehicles	(701,048)	(58,805)	67,025	(692,828)
Subtotal	<u>(2,436,923)</u>	<u>(265,878)</u>	<u>67,025</u>	<u>(2,635,776)</u>
Total capital assets being depreciated, net	<u>3,066,465</u>	<u>264,671</u>	<u>(4,200)</u>	<u>3,326,936</u>
Governmental activities capital assets, net	<u>\$ 7,365,465</u>	<u>\$ 982,889</u>	<u>\$ (4,200)</u>	<u>\$ 8,344,154</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 59,470
Public safety	82,646
Public works	27,076
Recreation and culture	<u>96,686</u>
Total governmental activities	<u>\$ 265,878</u>

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 - PAYABLES:**

Payables as of December 31, 2010, for the Township were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Intergovernmental</u>	<u>Totals</u>
Governmental:				
General	\$ 19,936	\$ 13,900	\$ 54,199	\$ 88,035
Nonmajor governmental	<u>8,840</u>	<u>-</u>	<u>-</u>	<u>8,840</u>
	28,776	13,900	54,199	96,875
Proprietary:				
Building Inspections	<u>-</u>	<u>-</u>	<u>13,389</u>	<u>13,389</u>
Totals	<u>\$ 28,776</u>	<u>\$ 13,900</u>	<u>\$ 67,588</u>	<u>\$ 110,264</u>

**NOTE 8 - INTERFUND TRANSFERS:**

Interfund transfers for the year ended December 31, 2010, were as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	\$ 757,285	Public Safety	\$ 751,285
		Nonmajor governmental	<u>6,000</u>
			757,285
Nonmajor governmental	<u>112,000</u>	General	<u>112,000</u>
Totals	<u>\$ 869,285</u>	Totals	<u>\$ 869,285</u>

The transfers to the General Fund represent restricted revenues collected in the Public Safety Fund to pay for operational costs of the public safety functions accounted for in the General Fund and a reimbursement of costs from a nonmajor fund. The transfers to the nonmajor governmental funds consist of unrestricted General Fund resources that support various programs that are accounted for in other funds of the Township.

**NOTE 9 - RISK MANAGEMENT:**

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

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for most of its employees through a defined contribution plan. The plan covers all full-time employees and Grand Rapids Charter Township officials with supervisory duties. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes a percentage of each qualified employee's base salary to the plan. The Township contributes 12 percent for non-union employees and union employees. The Township's contributions are fully vested immediately. The Township made the required contributions of \$65,026 and qualified employees made voluntary contributions of \$7,911 to the plan for the year ended December 31, 2010. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

**NOTE 11 - RESTRICTED NET ASSETS:**

Net assets of the governmental activities as of December 31, 2010, are restricted for the following purposes:

Public safety - construction code inspections	<u>\$ 62,293</u>
Public works:	
Courthouse at Knapp's Corner	113,771
Lakes management	<u>21,106</u>
Total public works	<u>134,877</u>
Total	<u>\$ 197,170</u>

**NOTE 12 - CONTINGENT LIABILITY:**

In the normal course of its activities, the Township becomes a party in various legal actions. The Township is currently involved in Michigan Tax Tribunal cases, filed by property owners, which could have a significant financial impact. Because the outcome of these lawsuits is not presently determinable, the possible range of the potential cost cannot be reasonably predicted; therefore, no accrual has been made for this amount in the financial statements. The Township intends to vigorously defend its position in these cases.

**NOTE 13 - CONSTRUCTION COMMITMENT:**

At December 31, 2010, the Township had authorized a contract totaling \$379,882 to manufacture a custom rescue pumper. These costs are being funded by available resources in the General Fund. The Township has made an advance payment, in the amount of \$49,882, which is presented as a prepaid expense in the Statement of Net Assets, leaving a commitment of \$330,000.

**Grand Rapids Charter Township**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 14 - PENDING ACCOUNTING PRONOUNCEMENT:

The Township is currently evaluating the impact the following standard will have on the financial statements when adopted.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and 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 upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. 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. The Township will implement Statement No. 54 in the year beginning January 1, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Grand Rapids Charter Township**  
**BUDGETARY COMPARISON SCHEDULE - General Fund**  
Year ended December 31, 2010

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 695,751	\$ 695,751	\$ 695,093	\$ (658)
Licenses and permits	230,675	230,675	302,437	71,762
State grants	840,400	840,400	909,028	68,628
Intergovernmental	-	-	20,634	20,634
Charges for services	68,900	68,900	52,886	(16,014)
Interest and rentals	26,300	26,300	37,831	11,531
Other	10,100	10,100	5,572	(4,528)
<b>Total revenues</b>	<u>1,872,126</u>	<u>1,872,126</u>	<u>2,023,481</u>	<u>151,355</u>
<b>EXPENDITURES</b>				
Legislative	<u>22,030</u>	<u>22,030</u>	<u>20,867</u>	<u>1,163</u>
General government:				
Supervisor	76,351	76,351	64,821	11,530
Elections	58,210	58,210	29,860	28,350
Assessor	117,179	131,216	124,300	6,916
Clerk	121,148	121,148	120,803	345
Board of review	2,653	2,653	1,987	666
Treasurer	78,109	78,109	79,472	(1,363)
Hall and grounds	92,000	187,585	186,526	1,059
Cemetery	1,200	1,200	700	500
General administration	272,839	272,839	282,939	(10,100)
<b>Total general government</b>	<u>819,689</u>	<u>929,311</u>	<u>891,408</u>	<u>37,903</u>
Public safety:				
Police protection	513,100	513,100	483,955	29,145
Fire department	649,636	624,636	579,718	44,918
<b>Total public safety</b>	<u>1,162,736</u>	<u>1,137,736</u>	<u>1,063,673</u>	<u>74,063</u>
Public works:				
Road improvements and maintenance	94,000	192,500	191,950	550
Other	65,000	195,000	169,731	25,269
Street lights	4,500	4,500	4,014	486
<b>Total public works</b>	<u>163,500</u>	<u>392,000</u>	<u>365,695</u>	<u>26,305</u>
Health and welfare - ambulance	<u>122,500</u>	<u>122,500</u>	<u>118,513</u>	<u>3,987</u>

**Grand Rapids Charter Township**  
**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**  
Year ended December 31, 2010

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>EXPENDITURES (Continued)</b>				
Community and economic development:				
Planning and zoning	\$ 106,381	\$ 106,381	\$ 87,723	\$ 18,658
Economic development	4,000	4,000	4,000	-
Total community and economic development	<u>110,381</u>	<u>110,381</u>	<u>91,723</u>	<u>18,658</u>
Recreation and culture	<u>9,799</u>	<u>44,799</u>	<u>40,487</u>	<u>4,312</u>
Capital outlay	<u>157,600</u>	<u>99,600</u>	<u>104,536</u>	<u>(4,936)</u>
Total expenditures	<u>2,568,235</u>	<u>2,858,357</u>	<u>2,696,902</u>	<u>161,455</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(696,109)</u>	<u>(986,231)</u>	<u>(673,421)</u>	<u>312,810</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Public Safety Fund	751,173	751,173	751,285	112
Street Lighting Fund	-	-	6,000	6,000
Total transfers in	<u>751,173</u>	<u>751,173</u>	<u>757,285</u>	<u>6,112</u>
Transfers out:				
Leonard/Crahen/Forest Hills Pathway Fund	(40,000)	(70,000)	(70,000)	-
Street Lighting Fund	(30,000)	(30,000)	(30,000)	-
East Beltline Gateway Fund	(12,000)	(12,000)	(12,000)	-
Total transfers out	<u>(82,000)</u>	<u>(112,000)</u>	<u>(112,000)</u>	<u>-</u>
Net other financing sources	<u>669,173</u>	<u>639,173</u>	<u>645,285</u>	<u>6,112</u>
<b>NET CHANGES IN FUND BALANCES</b>	(26,936)	(347,058)	(28,136)	318,922
<b>FUND BALANCES - BEGINNING</b>	<u>957,675</u>	<u>957,675</u>	<u>957,675</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 930,739</u>	<u>\$ 610,617</u>	<u>\$ 929,539</u>	<u>\$ 318,922</u>

**Grand Rapids Charter Township**  
**BUDGETARY COMPARISON SCHEDULE - Public Safety Fund**  
 Year ended December 31, 2010

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 751,173	\$ 751,173	\$ 751,285	\$ 112
<b>OTHER FINANCING USES</b>				
Transfer out - General Fund	<u>(751,173)</u>	<u>(751,173)</u>	<u>(751,285)</u>	<u>(112)</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Grand Rapids Charter Township**

**BUDGETARY COMPARISON SCHEDULE - Improvement Revolving Fund**

Year ended December 31, 2010

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	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Interest	\$ 45,000	\$ 45,000	\$ 35,887	\$ (9,113)
Other - special assessments	<u>4,707</u>	<u>4,707</u>	<u>8,349</u>	<u>3,642</u>
Total revenues	49,707	49,707	44,236	(5,471)
<b>EXPENDITURES</b>				
Capital outlay	<u>-</u>	<u>725,000</u>	<u>718,218</u>	<u>6,782</u>
<b>NET CHANGES IN FUND BALANCES</b>	49,707	(675,293)	(673,982)	1,311
<b>FUND BALANCES - BEGINNING</b>	<u>2,950,006</u>	<u>2,950,006</u>	<u>2,950,006</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,999,713</u>	<u>\$ 2,274,713</u>	<u>\$ 2,276,024</u>	<u>\$ 1,311</u>

## SUPPLEMENTARY INFORMATION

**Grand Rapids Charter Township**  
**COMBINING BALANCE SHEET - nonmajor governmental funds**  
 December 31, 2010

	<u>Lakes Management</u>	<u>Lighting and Maintenance</u>	<u>Courthouse at Knapp's Corner</u>
<b>ASSETS</b>			
Cash	\$ 31,254	\$ 82,169	\$ 180,135
Receivables	<u>10,117</u>	<u>48,586</u>	<u>-</u>
Total assets	<u>\$ 41,371</u>	<u>\$ 130,755</u>	<u>\$ 180,135</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Payables	\$ -	\$ 8,840	\$ -
Deferred revenue	<u>20,265</u>	<u>115,807</u>	<u>-</u>
Total liabilities	20,265	124,647	-
Fund balances - unreserved, undesignated	<u>21,106</u>	<u>6,108</u>	<u>180,135</u>
Total liabilities and fund balances	<u>\$ 41,371</u>	<u>\$ 130,755</u>	<u>\$ 180,135</u>

<u>Leonard/ Crahen/ Foresthill Pathways</u>	<u>East Beltline Gateway</u>	<u>Total nonmajor governmental funds</u>
\$ 69,473	\$ 1,973	\$ 365,004
<u>-</u>	<u>-</u>	<u>58,703</u>
<u>\$ 69,473</u>	<u>\$ 1,973</u>	<u>\$ 423,707</u>
\$ -	\$ -	\$ 8,840
<u>-</u>	<u>-</u>	<u>136,072</u>
-	-	144,912
<u>69,473</u>	<u>1,973</u>	<u>278,795</u>
<u>\$ 69,473</u>	<u>\$ 1,973</u>	<u>\$ 423,707</u>

**Grand Rapids Charter Township**

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

Year ended December 31, 2010

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	<u>Lakes Management</u>	<u>Lighting and Maintenance</u>	<u>Courthouse at Knapp's Corner</u>
<b>REVENUES</b>			
Interest	\$ -	\$ 153	\$ 808
Other:			
Special assessments	21,765	80,821	-
Miscellaneous	-	10,040	-
	<hr/>	<hr/>	<hr/>
Total revenues	21,765	91,014	808
 <b>EXPENDITURES</b>			
Public works	<hr/> 23,212	<hr/> 109,143	<hr/> -
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/> (1,447)	<hr/> (18,129)	<hr/> 808
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in - General Fund	-	30,000	-
Transfers out - General Fund	<hr/> -	<hr/> (6,000)	<hr/> -
	<hr/>	<hr/>	<hr/>
Net other financing sources	-	24,000	-
 <b>NET CHANGES IN FUND BALANCES</b>	(1,447)	5,871	808
 <b>FUND BALANCES - BEGINNING</b>	<hr/> 22,553	<hr/> 237	<hr/> 179,327
 <b>FUND BALANCES - ENDING</b>	<hr/> \$ 21,106	<hr/> \$ 6,108	<hr/> \$ 180,135

<u>Leonard/ Crahen/ Foresthill Pathways</u>	<u>East Beltline Gateway</u>	<u>Total nonmajor governmental funds</u>
\$ 185	\$ 27	\$ 1,173
-	-	102,586
<u>-</u>	<u>1,000</u>	<u>11,040</u>
185	1,027	114,799
<u>33,803</u>	<u>12,013</u>	<u>178,171</u>
<u>(33,618)</u>	<u>(10,986)</u>	<u>(63,372)</u>
70,000	12,000	112,000
<u>-</u>	<u>-</u>	<u>(6,000)</u>
<u>70,000</u>	<u>12,000</u>	<u>106,000</u>
36,382	1,014	42,628
<u>33,091</u>	<u>959</u>	<u>236,167</u>
<u>\$ 69,473</u>	<u>\$ 1,973</u>	<u>\$ 278,795</u>



