

Township of Ada
Kent County, Michigan

FINANCIAL STATEMENTS

Year ended March 31, 2018

	<i>Page</i>
INDEPENDENT AUDITOR'S REPORT	3 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 12
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements:	
Statement of net position	13
Statement of activities	14
Fund financial statements:	
Balance sheet - governmental funds	15
Statement of revenues, expenditures, and changes in fund balances - governmental funds	16
Statement of net position - proprietary funds	17
Statement of revenues, expenses, and changes in net position - proprietary funds	18
Statement of cash flows - proprietary funds	19 - 20
Statement of fiduciary assets and liabilities - agency fund	21
Notes to financial statements	22 - 34
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	35 - 36
Public Safety Fund	37
Trails Fund	38
Parks and Land Preservation Fund	39
Parks and Recreation Fund	40
Parks, Recreation, and Land Preservation Fund	41
SUPPLEMENTARY INFORMATION	
Balance sheet - component unit	42
Statement of revenues, expenditures, and changes in fund balances - component unit	43
Budgetary comparison schedule - component unit	44

INDEPENDENT AUDITOR'S REPORT

Township Board of Trustees
Township of Ada, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Ada, Michigan, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Ada, Michigan, as of March 31, 2018, 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 listed in the 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.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Ada, Michigan's basic financial statements. The component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The component unit financial statements (supplementary information) 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Siegfried Crandall P.C.

July 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Township of Ada's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2018. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$1,515,445 (3 percent) as a result of this year's activities. The net position of the governmental activities increased by \$1,019,101, and the net position of the business-type activities increased by \$496,344.
- Of the \$31,163,064 total net position reported, \$7,461,227 (24 percent) is available to be used to meet the Township's ongoing obligations to its citizens and customers, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$3,399,933, which represents 153 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements and statements concerning the component unit. 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.
 - Governmental funds statements explain how general government services, like public safety, were financed in the short-term, as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like a business, such as the sewer and water systems and construction code inspection services.
 - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as an agent for the benefit of others to whom the resources in question belong.

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 explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2018 and 2017 is also presented.

Government-wide financial 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 Position 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 position and how it has changed. Net position (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 position 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 capital assets.

The government-wide financial statements are divided into three categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as police and fire protection and general government. Property taxes and state shared revenue finance most of these activities.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's sewer and water systems and construction code inspection operations are reported here.
- *Component unit* - The Township includes one other entity in its report - the Ada Downtown Development Authority. Although legally separate, this "component unit" is important because the Township is financially accountable for it.

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 bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and other revenues (like the public safety millage).

The Township has three types 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.
- *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-term and short-term financial information. In fact, the Township's enterprise funds are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds*. These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. 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 Assets and Liabilities. 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 position

Total net position at the end of the fiscal year was \$31,163,064. Of this total, \$20,804,494 represents an investment in capital assets and \$2,897,343 is restricted for various purposes. Consequently, unrestricted net position was \$7,461,227, or 24 percent of the total.

Condensed financial information
Net position

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 12,411,123	\$ 8,008,341	\$ 4,242,834	\$ 5,244,187	\$ 16,653,957	\$ 13,252,528
Capital assets	11,099,963	11,198,927	15,125,405	13,014,281	26,225,368	24,213,208
Total assets	23,511,086	19,207,268	19,368,239	18,258,468	42,879,325	37,465,736
Current and other liabilities	470,139	540,544	376,555	446,279	846,694	986,823
Long-term debt outstanding	7,671,706	4,316,584	3,197,861	2,514,710	10,869,567	6,831,294
Total liabilities	8,141,845	4,857,128	3,574,416	2,960,989	11,716,261	7,818,117
Net position:						
Net investment in capital assets	8,642,260	8,731,927	12,162,234	10,734,261	20,804,494	19,466,188
Restricted	2,897,343	2,002,594	-	-	2,897,343	2,002,594
Unrestricted	3,829,638	3,615,619	3,631,589	4,563,218	7,461,227	8,178,837
Total net position	\$ 15,369,241	\$ 14,350,140	\$ 15,793,823	\$ 15,297,479	\$ 31,163,064	\$ 29,647,619

Changes in net position

The Township's total revenues for the current fiscal year amounted to \$10,596,324, compared to \$9,020,324 in the prior year. Charges for services account for more than 45 percent of the Township's revenues, while property taxes account for nearly 26 percent of the total revenues. State grants accounts for about 12 percent of the Township's revenues. Capital grants accounted for more than 13 percent of total revenues in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The total cost of the Township's programs for fiscal year 2018, covering a wide range of services, totaled \$9,080,879. Nearly 42 percent of the Township's costs relates to the provision of utility services. Public works and public safety (police, fire protection, and inspections) represent 17 and 14 percent of total expenses, respectively.

*Condensed financial information
Changes in net position*

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 282,885	\$ 259,267	\$ 4,494,001	\$ 4,308,904	\$ 4,776,886	\$ 4,568,171
Operating grants and contributions	40,386	11,699	-	31,194	40,386	42,893
Capital grants and contributions	1,386,206	25,589	-	-	1,386,206	25,589
General revenues:						
Property taxes	2,744,899	2,674,054	-	-	2,744,899	2,674,054
State grants	1,269,575	1,362,431	-	-	1,269,575	1,362,431
Franchise fees	284,977	272,630	-	-	284,977	272,630
Interest	62,921	41,264	30,474	33,292	93,395	74,556
Total revenues	6,071,849	4,646,934	4,524,475	4,373,390	10,596,324	9,020,324
Expenses:						
General government	1,329,939	1,309,179	-	-	1,329,939	1,309,179
Public safety	996,859	973,124	237,661	204,777	1,234,520	1,177,901
Public works	1,527,124	842,442	-	-	1,527,124	842,442
Recreation and culture	956,378	953,780	-	-	956,378	953,780
Community and economic development	149,027	118,294	-	-	149,027	118,294
Interest and issuance costs	93,421	234,639	-	-	93,421	234,639
Sewer	-	-	1,772,030	1,765,303	1,772,030	1,765,303
Water	-	-	2,018,440	1,845,322	2,018,440	1,845,322
Total expenses	5,052,748	4,431,458	4,028,131	3,815,402	9,080,879	8,246,860
Changes in net position	\$ 1,019,101	\$ 215,476	\$ 496,344	\$ 557,988	\$ 1,515,445	\$ 773,464
Net position, end of year	\$ 15,369,241	\$ 14,350,140	\$ 15,793,823	\$ 15,297,479	\$ 31,163,064	\$ 29,647,619

Governmental activities

Governmental activities increased the Township's net position by \$1,019,101 in the current year, compared to a \$215,476 increase in the prior year. Expenses increased by \$621,290; however, revenues also increased, by \$1,424,915, enabling a larger increase in net position in the current year.

Revenues increased primarily due to a \$1,360,617 increase in capital contributions, related to the Envision Ada infrastructure improvement project. Private contributions, in the amount of \$878,045, were recognized, along with contributions from the Ada Downtown Development Authority, in the amount of \$451,942. Expenses increased due to a \$684,682 increase in public works expenses, related to costs associated with the Envision Ada project.

The following schedule shows the costs of the Township's three largest programs, as well as the net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the burden that was placed on the Township's taxpayers by each of these functions.

	<u>Total cost of services</u>	<u>Net cost of services</u>
General government	\$ 1,329,939	\$ 1,178,694
Public safety	996,859	995,221
Public works	1,527,124	132,300
Other	<u>1,198,826</u>	<u>1,037,056</u>
Totals	<u>\$ 5,052,748</u>	<u>\$ 3,343,271</u>

The total cost of governmental activities this year was \$5,052,748 compared to \$4,431,458 in the prior year. However, the amount that our taxpayers paid for these activities through general revenues was \$3,343,271. Some of the cost was paid by:

- Those who directly benefited from the programs (\$282,885), or
- Other governments and individuals that subsidized certain programs with grants and contributions (\$1,426,592).

The Township paid for the \$3,343,271 "public benefit" portion with \$4,362,372 in general revenues, such as property taxes, state grants, and interest income.

Business-type activities

Business-type activities increased the Township's net position by \$496,344 in the current year compared to an increase of \$557,988 in the prior year. Net position has increased because customer charges are sufficient to cover all operating and nonoperating costs, including depreciation.

Net position increased in the current year even though expenses increased by \$212,729 (5.6 percent), as revenues also increased, by \$151,085 (3.5 percent). Revenues increased due to a small increase in utility rates. The increase in expenses is related to an increase in costs associated with contracted services.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds

As of March 31, 2018, the Township's governmental funds reported combined ending fund balances of \$12,080,124, which represents an increase of \$4,472,245 compared to last year's balances.

The General Fund is the primary operating fund of the Township. Its fund balance at the end of the fiscal year was \$3,575,383, though unassigned fund balance amounted to \$3,399,933. Revenues exceeded expenditures by \$463,868, though net transfers out, amounting to \$173,603, caused the fund balance to increase by a net amount of \$290,265 in the current year.

In addition, these other changes in fund balances should be noted:

- The fund balance of the Public Safety Fund at the end of the fiscal year was \$865,473, an increase of \$3,414. Revenues exceeded expenditures in the current year, as revenues of \$887,030 (primarily property taxes) were sufficient to cover the fund's expenditures (\$883,616). The fund accounts for operating and capital costs of the Township's fire department and policing services.
- The fund balance of the Trails Fund at the end of the fiscal year was \$661,640, an increase of \$188,354, as revenues of \$546,163 and a \$70,000 transfer from the General Fund exceeded expenditures of \$427,809. The fund's expenditures include debt service and trail improvement and maintenance costs.
- The fund balance of the Parks and Land Preservation Fund at the end of the fiscal year was \$1,119,469, a decrease of \$13,888. The fund's revenues (\$5,817) were insufficient to cover the fund's expenditures (\$19,705) in the current year. The fund's restricted tax millage has expired, but the remaining fund balance is restricted for parks and land preservation costs.
- The fund balance of the Parks and Recreation Fund at the end of the fiscal year was \$101,871, a decrease of \$462,732. Fund balance decreased as revenues (\$2,541) were insufficient to cover expenditures (\$465,273) in the current year. The fund's restricted tax millage has expired, but the remaining fund balance is restricted for parks and recreation costs. Once the fund balance is depleted, all parks and recreation costs will be financed by the new Parks, Recreation, and Land Improvement Fund.
- The fund balance of the Parks, Recreation, and Land Improvement Fund, a new special revenue fund, at the end of the fiscal year was \$635,080. Revenues, primarily property taxes, of \$691,983 exceeded expenditures of \$1,903 and a \$55,000 transfer to the General Fund in the current year.
- The fund balance of the Envision Ada Fund, a capital project fund was \$5,121,208 at the end of the fiscal year, an increase of \$3,831,752. Bond proceeds of \$4,720,000, and a \$300,000 transfer from the General Fund, caused the fund balance to increase, though fund balance was reduced by \$834,200, as prior year bond proceeds were reallocated to the business-type activities due to a change in the project's cost estimates. The fund's resources financed infrastructure improvement costs, associated with the Envision Ada project, which amounted to \$1,536,142 in the current year. The remaining fund balance is expected to be used to finance additional infrastructure improvement costs in the subsequent year.

Proprietary funds

The Sewer Fund generated operating income of \$300,901 and net position increased by \$262,743. The increase in net position is due to the fact that user charges were set to cover the full cost of providing services. Total net position is \$7,258,773 at year end, of which \$1,950,019 is unrestricted.

The Water Fund generated operating income of \$179,558 and net position increased by \$195,437. The increase in net position is due to the fact that user charges have been set to cover the full cost of providing services. Total net position is \$8,140,102 at year end, of which \$1,286,622 is unrestricted.

General Fund budgetary highlights

The General Fund budget was amended during the current year to reduce revenues, by \$51,808, primarily to reduce property taxes. Expenditures were increased by \$282,705, primarily to increase debt service costs by \$264,530, to account for payments on bonds that were issued in the current year.

Total actual revenues were \$358,557 more than budgeted primarily because state grant revenues were \$115,539 more than planned, as state distributions were higher than expected, and intergovernmental revenues, in the amount of \$151,942, were not included in the budget. Total expenditures were \$451,603 less than the amounts appropriated, as every function was under budget.

These conditions, along with net other financing sources being \$196,397 more than budgeted, resulted in a \$1,006,557 positive budget variance, with a \$290,265 increase in fund balance compared to a budgeted decrease of \$716,292.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital assets**

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2018, amounts to \$26,225,368, net of accumulated depreciation. This investment includes a broad range of assets, including land, sewer and water facilities, buildings, and equipment.

	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>
Land and assets not being depreciated	\$ 3,379,502	\$ 424,131	\$ 3,803,633
Facilities	-	14,688,295	14,688,295
Buildings and improvements	6,927,460	4,151	6,931,611
Equipment	452,179	8,828	461,007
Vehicles	340,822	-	340,822
	<u>\$ 11,099,963</u>	<u>\$ 15,125,405</u>	<u>\$ 26,225,368</u>
Totals			

The major capital asset events during the current fiscal year included the following:

- Water system improvements amounted to \$1,802,160
- Sewer system improvements amounted to \$808,368
- Settlers Grove Park improvements, in progress at year end, amounted to \$396,303
- Election equipment, with a value of \$73,874 was acquired with the assistance of a \$56,219 state grant

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

Debt

At the end of the fiscal year, the Township had bonds outstanding in the amount of \$10,715,000, which represents a net increase of \$3,905,000. Bonds were issued to finance Envision Ada infrastructure improvements, in the amount of \$4,720,000, and debt was reduced by principal payments of \$815,000. All debt is backed by the full faith and credit of the Township.

Other noncurrent liabilities, totaling \$110,340, represent accrued compensated absences.

More detailed information about the Township's noncurrent obligations is presented in Note 7 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township's 2019 fiscal year budget does not anticipate significant changes in the amounts or composition of its major revenue sources. The Township has budgeted expenditures for the upcoming year at amounts sufficient to support its ongoing programs and activities. The Township anticipates continued construction costs related to the Envision Ada Project.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

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

George Haga, Township Supervisor
Township of Ada
7330 Thornapple River Drive
P.O. Box 370
Ada, Michigan 49301

Phone: (616) 676-9191

You may also send an e-mail to any of the addresses noted below:

George Haga
Township Supervisor
ghaga@adatownshipmi.com

Jacqueline Smith
Township Clerk
jsmith@adatownshipmi.com

Kevin Moran
Township Treasurer
kmoran@adatownshipmi.com

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

March 31, 2018

	<i>Primary government</i>			<i>Component unit</i>
	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>	<i>Ada Downtown Development Authority</i>
ASSETS				
Current assets:				
Cash	\$ 11,213,988	\$ 3,424,445	\$ 14,638,433	\$ 381,163
Investments	922,815	86,937	1,009,752	-
Receivables	274,320	726,161	1,000,481	1,715
Inventory	-	5,291	5,291	-
Total current assets	<u>12,411,123</u>	<u>4,242,834</u>	<u>16,653,957</u>	<u>382,878</u>
Noncurrent assets:				
Capital assets not being depreciated	3,379,502	424,131	3,803,633	161,794
Capital assets, net of depreciation	<u>7,720,461</u>	<u>14,701,274</u>	<u>22,421,735</u>	<u>-</u>
Total noncurrent assets	<u>11,099,963</u>	<u>15,125,405</u>	<u>26,225,368</u>	<u>161,794</u>
Total assets	<u>23,511,086</u>	<u>19,368,239</u>	<u>42,879,325</u>	<u>544,672</u>
LIABILITIES				
Current liabilities:				
Payables	359,799	376,555	736,354	2,911
Bonds payable	<u>716,850</u>	<u>158,150</u>	<u>875,000</u>	<u>-</u>
Total current liabilities	<u>1,076,649</u>	<u>534,705</u>	<u>1,611,354</u>	<u>2,911</u>
Noncurrent liabilities:				
Compensated absences	110,340	-	110,340	690
Bonds payable	<u>6,954,856</u>	<u>3,039,711</u>	<u>9,994,567</u>	<u>-</u>
Total noncurrent liabilities	<u>7,065,196</u>	<u>3,039,711</u>	<u>10,104,907</u>	<u>690</u>
Total liabilities	<u>8,141,845</u>	<u>3,574,416</u>	<u>11,716,261</u>	<u>3,601</u>
NET POSITION				
Net investment in capital assets	8,642,260	12,162,234	20,804,494	-
Restricted for:				
Public safety	865,473	-	865,473	-
Recreation and culture	2,031,870	-	2,031,870	-
Unrestricted	<u>3,829,638</u>	<u>3,631,589</u>	<u>7,461,227</u>	<u>541,071</u>
Total net position	<u>\$ 15,369,241</u>	<u>\$ 15,793,823</u>	<u>\$ 31,163,064</u>	<u>\$ 541,071</u>

See notes to financial statements

STATEMENT OF ACTIVITIES

Year ended March 31, 2018

Functions/Programs	Net (expenses) revenues and changes in net position						Component unit Ada Downtown Development Authority
	Expenses	Program revenues			Primary government		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	
Governmental activities:							
General government	\$ 1,329,939	\$ 95,026	\$ -	\$ 56,219	\$ (1,178,694)		\$ (1,178,694)
Public safety	996,859	1,638	-	-	(995,221)		(995,221)
Public works	1,527,124	52,951	11,886	1,329,987	(132,300)		(132,300)
Recreation and culture	956,378	120,815	28,500	-	(807,063)		(807,063)
Community and economic development	149,027	12,455	-	-	(136,572)		(136,572)
Interest and fees on long-term debt	93,421	-	-	-	(93,421)		(93,421)
Total governmental activities	<u>5,052,748</u>	<u>282,885</u>	<u>40,386</u>	<u>1,386,206</u>	<u>(3,343,271)</u>		<u>(3,343,271)</u>
Business-type activities:							
Sewer	1,772,030	2,018,847	-	-	\$ 246,817	246,817	246,817
Water	2,018,440	2,201,252	-	-	182,812	182,812	182,812
Inspections	237,661	273,902	-	-	36,241	36,241	36,241
Total business-type activities	<u>4,028,131</u>	<u>4,494,001</u>	<u>-</u>	<u>-</u>	<u>465,870</u>	<u>465,870</u>	<u>465,870</u>
Total primary government	<u>\$ 9,080,879</u>	<u>\$ 4,776,886</u>	<u>\$ 40,386</u>	<u>\$ 1,386,206</u>	<u>(3,343,271)</u>	<u>465,870</u>	<u>(2,877,401)</u>
Component unit:							
Downtown Development Authority	<u>\$ 623,836</u>	<u>\$ 10,115</u>	<u>\$ 757</u>	<u>\$ -</u>			<u>\$ (612,964)</u>
General revenues:							
Property taxes				2,744,899	-	2,744,899	318,918
State shared revenue				1,108,213	-	1,108,213	-
Local community stabilization share revenue				161,362	-	161,362	121,853
Franchise fees				284,977	-	284,977	-
Unrestricted interest income				62,921	30,474	93,395	3,282
Total general revenues				<u>4,362,372</u>	<u>30,474</u>	<u>4,392,846</u>	<u>444,053</u>
Changes in net position				1,019,101	496,344	1,515,445	(168,911)
Net position - beginning				<u>14,350,140</u>	<u>15,297,479</u>	<u>29,647,619</u>	<u>709,982</u>
Net position - ending				<u>\$ 15,369,241</u>	<u>\$ 15,793,823</u>	<u>\$ 31,163,064</u>	<u>\$ 541,071</u>

See notes to financial statements

	Special revenue						Capital Project	Total governmental funds
	General	Public Safety	Trails	Parks and Land Preservation	Parks and Recreation	Parks, Recreation, and Land Preservation	Envision Ada	
ASSETS								
Cash	\$ 3,282,044	\$ 208,075	\$ 656,127	\$ 1,124,419	\$ 96,970	\$ 628,537	\$ 5,217,816	\$ 11,213,988
Investments	126,910	766,374	-	-	29,531	-	-	922,815
Receivables	249,369	11,333	5,863	-	-	7,755	-	274,320
Total assets	<u>\$ 3,658,323</u>	<u>\$ 985,782</u>	<u>\$ 661,990</u>	<u>\$ 1,124,419</u>	<u>\$ 126,501</u>	<u>\$ 636,292</u>	<u>\$ 5,217,816</u>	<u>\$ 12,411,123</u>
LIABILITIES AND FUND BALANCES								
Liabilities - payables	\$ 82,940	\$ 120,309	\$ 350	\$ 4,950	\$ 24,630	\$ 1,212	\$ 96,608	\$ 330,999
Fund balances:								
Restricted for:								
Public safety	-	99,099	-	-	-	-	-	99,099
Recreation and culture	175,450	-	-	1,119,469	70,818	635,080	-	2,000,817
Arboretum	-	-	-	-	31,053	-	-	31,053
Public works	-	-	-	-	-	-	5,121,208	5,121,208
Assigned for:								
Debt service	-	-	661,640	-	-	-	-	661,640
Capital purchases	-	766,374	-	-	-	-	-	766,374
Unassigned	3,399,933	-	-	-	-	-	-	3,399,933
Total fund balances	<u>3,575,383</u>	<u>865,473</u>	<u>661,640</u>	<u>1,119,469</u>	<u>101,871</u>	<u>635,080</u>	<u>5,121,208</u>	<u>12,080,124</u>
Total liabilities and fund balances	<u>\$ 3,658,323</u>	<u>\$ 985,782</u>	<u>\$ 661,990</u>	<u>\$ 1,124,419</u>	<u>\$ 126,501</u>	<u>\$ 636,292</u>	<u>\$ 5,217,816</u>	<u>\$ 12,411,123</u>

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds \$ 12,080,124

Amounts reported for *governmental activities* in the statement of net position (page 13) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 11,099,963

Expense accruals:

Interest payable	(28,800)
Compensated absences	(110,340)

Bonds payable are not due and payable in the current period and, therefore, are not reported in the funds. (7,671,706)

Net position of *governmental activities* \$ 15,369,241

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

Year ended March 31, 2018

	Special revenue						Capital Project	Total governmental funds
	General	Public Safety	Trails	Parks and Land Preservation	Parks and Recreation	Parks, Recreation, and Land Preservation	Envision Ada	
REVENUES								
Property taxes	\$ 855,928	\$ 866,907	\$ 448,991	\$ -	\$ -	\$ 593,193	\$ -	\$ 2,765,019
Licenses and permits	284,977	-	-	-	-	-	-	284,977
State grants	1,182,734	9,804	93,256	-	-	24,167	-	1,309,961
Intergovernmental	151,942	-	-	-	-	-	300,000	451,942
Charges for services	80,659	-	-	-	-	49,569	-	130,228
Interest and rentals	66,891	8,681	2,949	5,817	2,184	22,078	17,784	126,384
Other	63,136	1,638	967	-	357	2,976	878,045	947,119
Total revenues	2,686,267	887,030	546,163	5,817	2,541	691,983	1,195,829	6,015,630
EXPENDITURES								
Current:								
General government	1,273,719	-	-	-	-	-	-	1,273,719
Public safety	-	857,569	-	-	-	-	-	857,569
Public works	386,105	-	-	-	-	-	1,536,142	1,922,247
Recreation and culture	-	-	11,759	13,280	432,748	1,903	-	459,690
Community and economic development	147,397	-	-	-	-	-	-	147,397
Debt service:								
Principal	274,558	-	390,000	-	-	-	-	664,558
Interest and fees	77,853	-	26,050	-	-	-	-	103,903
Bond issuance costs	-	-	-	-	-	-	13,735	13,735
Capital outlay	62,767	26,047	-	6,425	32,525	-	-	127,764
Total expenditures	2,222,399	883,616	427,809	19,705	465,273	1,903	1,549,877	5,570,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463,868	3,414	118,354	(13,888)	(462,732)	690,080	(354,048)	445,048
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	-	4,720,000	4,720,000
Bond premium	-	-	-	-	-	-	141,397	141,397
Reallocation of prior year bond proceeds	-	-	-	-	-	-	(834,200)	(834,200)
Transfers in	196,397	-	70,000	-	-	-	300,000	566,397
Transfers out	(370,000)	-	-	-	-	(55,000)	(141,397)	(566,397)
Net other financing sources (uses)	(173,603)	-	70,000	-	-	(55,000)	4,185,800	4,027,197
NET CHANGES IN FUND BALANCES	290,265	3,414	188,354	(13,888)	(462,732)	635,080	3,831,752	4,472,245
FUND BALANCES - BEGINNING	3,285,118	862,059	473,286	1,133,357	564,603	-	1,289,456	7,607,879
FUND BALANCES - ENDING	\$ 3,575,383	\$ 865,473	\$ 661,640	\$ 1,119,469	\$ 101,871	\$ 635,080	\$ 5,121,208	\$ 12,080,124

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 \$ 4,472,245

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Capital assets:

Assets acquired	526,627
Assets disposed, net	(8,167)
Provision for depreciation	(617,424)

Long-term debt:

Bond proceeds	(4,720,000)
Bond premium	(141,397)
Amortization of premium	7,517
Reallocation of prior year bond proceeds	834,200
Principal payments on long-term debt	664,558

Changes in other assets/liabilities:

Net decrease in prepaid expenses	(8,358)
Net increase in compensated absences	(7,400)
Net decrease in interest payable	16,700

Change in net position of governmental activities \$ 1,019,101

See notes to financial statements

Township of Ada

STATEMENT OF NET POSITION - proprietary funds

March 31, 2018

	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor fund</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash	\$ 1,706,571	\$ 1,326,662	\$ 391,212	\$ 3,424,445
Investments	-	86,937	-	86,937
Receivables	439,500	265,281	21,380	726,161
Inventory	-	5,291	-	5,291
Total current assets	<u>2,146,071</u>	<u>1,684,171</u>	<u>412,592</u>	<u>4,242,834</u>
Noncurrent assets:				
Capital assets not being depreciated	-	424,131	-	424,131
Capital assets, net of depreciation	<u>7,508,682</u>	<u>7,192,592</u>	<u>-</u>	<u>14,701,274</u>
Total noncurrent assets	<u>7,508,682</u>	<u>7,616,723</u>	<u>-</u>	<u>15,125,405</u>
Total assets	<u>9,654,753</u>	<u>9,300,894</u>	<u>412,592</u>	<u>19,368,239</u>
LIABILITIES				
Current liabilities:				
Payables	155,528	203,383	17,644	376,555
Bonds payable	<u>112,336</u>	<u>45,814</u>	<u>-</u>	<u>158,150</u>
Total current liabilities	267,864	249,197	17,644	534,705
Noncurrent liabilities - bonds payable	<u>2,128,116</u>	<u>911,595</u>	<u>-</u>	<u>3,039,711</u>
Total liabilities	<u>2,395,980</u>	<u>1,160,792</u>	<u>17,644</u>	<u>3,574,416</u>
NET POSITION				
Net investment in capital assets	5,308,754	6,853,480	-	12,162,234
Unrestricted	<u>1,950,019</u>	<u>1,286,622</u>	<u>394,948</u>	<u>3,631,589</u>
Total net position	<u>\$ 7,258,773</u>	<u>\$ 8,140,102</u>	<u>\$ 394,948</u>	<u>\$ 15,793,823</u>

See notes to financial statements

Township of Ada

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - *proprietary funds*

Year ended March 31, 2018

	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services:				
Utility charges	\$ 1,928,471	\$ 2,012,943	\$ -	\$ 3,941,414
Inspection fees	-	-	273,902	273,902
Hydrant rentals	-	78,499	-	78,499
	<u>1,928,471</u>	<u>2,091,442</u>	<u>273,902</u>	<u>4,293,815</u>
Total operating revenues				
OPERATING EXPENSES				
Personnel costs	61,463	79,244	18,539	159,246
Supplies	10,346	27,984	-	38,330
Contracted services:				
Sewage treatment	1,179,351	-	-	1,179,351
Water purchases	-	1,249,010	-	1,249,010
Inspections	-	-	219,122	219,122
Other	48,138	217,803	-	265,941
Utilities	55,045	25,299	-	80,344
Repairs and maintenance	89,872	117,547	-	207,419
Depreciation	178,707	188,677	-	367,384
Miscellaneous	4,648	6,320	-	10,968
	<u>1,627,570</u>	<u>1,911,884</u>	<u>237,661</u>	<u>3,777,115</u>
Total operating expenses				
OPERATING INCOME	<u>300,901</u>	<u>179,558</u>	<u>36,241</u>	<u>516,700</u>
NONOPERATING REVENUES (EXPENSES)				
Connection fee revenue	58,376	78,186	-	136,562
Connection fees remitted to the City of Grand Rapids	(58,376)	(78,186)	-	(136,562)
Tap and other fees	32,000	31,624	-	63,624
Interest revenue	15,926	12,625	1,923	30,474
Interest expense	(86,084)	(28,370)	-	(114,454)
	<u>(38,158)</u>	<u>15,879</u>	<u>1,923</u>	<u>(20,356)</u>
Net nonoperating revenues (expenses)				
CHANGES IN NET POSITION	262,743	195,437	38,164	496,344
NET POSITION - BEGINNING	<u>6,996,030</u>	<u>7,944,665</u>	<u>356,784</u>	<u>15,297,479</u>
NET POSITION - ENDING	<u>\$ 7,258,773</u>	<u>\$ 8,140,102</u>	<u>\$ 394,948</u>	<u>\$ 15,793,823</u>

See notes to financial statements

Township of Ada

STATEMENT OF CASH FLOWS - proprietary funds

Year ended March 31, 2018

	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,874,539	\$ 2,150,968	\$ 272,294	\$ 4,297,801
Payments to vendors and suppliers	(1,396,355)	(1,620,008)	(222,344)	(3,238,707)
Payments to employees	(40,483)	(54,624)	(14,021)	(109,128)
Net cash provided by operating activities	<u>437,701</u>	<u>476,336</u>	<u>35,929</u>	<u>949,966</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Reallocation of prior year bond proceeds	254,497	579,703	-	834,200
Connection fees	58,376	78,186	-	136,562
Connection fees paid to City of Grand Rapids	(58,376)	(78,186)	-	(136,562)
Tap and other fees	32,000	31,624	-	63,624
Acquisition of capital assets	(676,348)	(1,802,160)	-	(2,478,508)
Decrease in payables	(132,020)	-	-	(132,020)
Principal payments on capital debt	(106,373)	(44,069)	-	(150,442)
Interest payments on capital debt	(86,900)	(27,761)	-	(114,661)
Net cash used in capital and related financing activities	<u>(715,144)</u>	<u>(1,262,663)</u>	<u>-</u>	<u>(1,977,807)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net increase in investment	-	(908)	-	(908)
Interest received	15,926	12,625	1,923	30,474
Net cash provided by investing activities	<u>15,926</u>	<u>11,717</u>	<u>1,923</u>	<u>29,566</u>
NET INCREASE (DECREASE) IN CASH	(261,517)	(774,610)	37,852	(998,275)
CASH - BEGINNING	<u>1,968,088</u>	<u>2,101,272</u>	<u>353,360</u>	<u>4,422,720</u>
CASH - ENDING	<u>\$ 1,706,571</u>	<u>\$ 1,326,662</u>	<u>\$ 391,212</u>	<u>\$ 3,424,445</u>

See notes to financial statements

Township of Ada

STATEMENT OF CASH FLOWS - proprietary funds (Continued)

Year ended March 31, 2018

	<u>Sewer</u>	<u>Water</u>	<u>Nonmajor fund</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 300,901	\$ 179,558	\$ 36,241	\$ 516,700
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	178,707	188,677	-	367,384
(Increase) decrease in receivables	(53,932)	59,526	(1,608)	3,986
Increase in payables	<u>12,025</u>	<u>48,575</u>	<u>1,296</u>	<u>61,896</u>
Net cash provided by operating activities	<u>\$ 437,701</u>	<u>\$ 476,336</u>	<u>\$ 35,929</u>	<u>\$ 949,966</u>

See notes to financial statements

Township of Ada

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - *agency fund*

March 31, 2018

ASSETS

Cash \$ 4,951

LIABILITIES

Due to other governmental units \$ 4,951

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Ada, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (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:

As required by generally accepted accounting principles, these financial statements present the Township (the primary government, located in Kent County) and its component unit described below, for which the Township is financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

Discretely presented component unit - Ada Downtown Development Authority:

The Authority was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district. The Township exercises oversight responsibility over the Authority, as the component unit's governing body is appointed by the Township Supervisor and its budget must be approved by the Township Board. The Township is also obligated to provide some of its tax revenues to the Authority, through tax increment financing, which represents a financial burden on the Township. Separate financial statements for the component unit have not been issued, as management believes that these financial statements, including disclosures, contain complete information so as to constitute a fair presentation.

Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities, 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 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. Property 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.

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the 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 Public Safety Fund, a special revenue fund, accounts for all financial resources used by the Township to provide police and fire protection services. Revenues are primarily derived from property taxes.

The Trails Fund, a special revenue fund, accounts for financial resources used by the Township to construct and improve the nonmotorized pathway system. Revenues are primarily derived from property taxes.

The Parks and Land Preservation Fund, a special revenue fund, accounts for financial resources used by the Township to maintain and improve recreational facilities and preserve land. Revenues are primarily derived from property taxes.

The Parks and Recreation Fund, a special revenue fund, accounts for financial resources used by the Township for parks and recreation purposes, including the acquisition and maintenance of park property. Revenues are primarily derived from property taxes.

The Parks, Recreation, and Land Improvement Fund, a special revenue fund, accounts for financial resources used by the Township for parks and recreation purposes, and to preserve land. Revenues are primarily derived from property taxes.

The Envision Ada Fund, a capital project fund, accounts for the financial resources used by the Township to make infrastructure improvements related to the "Envision Ada" project. Resources are primarily derived from bond proceeds.

The Township reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the Township's sewage collection system.

The Water Fund accounts for the activities of the Township's water distribution system.

The Township also reports fiduciary funds, which account for assets held by the Township as an agent for individuals, private organizations, and other governments. The Township currently reports one fiduciary fund (the Tax Fund). Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Measurement focus, basis of accounting, and financial statement presentation (continued):*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services 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.

Assets, liabilities, and net position or equity:

Cash and investments - Cash consists of cash on hand, demand deposits, and highly-liquid, short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value with changes in value recognized in the operating statement of each fund. Realized and unrealized gains and losses are included in investment income.

Receivables - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to 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.

Inventory - Inventories, reported in the proprietary funds, are valued at the lower of cost or market. Cost is determined under the first-in, first-out method.

Capital assets - Capital assets, which include property, equipment, and infrastructure assets (e.g., sewer and water systems), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$3,000 (\$10,000 for infrastructure assets) 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 acquisition value as of the date received. Governments can elect to account for infrastructure assets of governmental activities either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

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

Buildings and improvements	50 years
Equipment	5 - 20 years
Vehicles	5 - 10 years
Infrastructure - utility systems	67 years

Compensated absences - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Vested compensated absences are accrued when earned in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Net position - Net position represents the difference between assets and liabilities. The Township reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, and net position or equity (continued):

Net position flow assumption - Sometimes, the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund equity - Governmental funds report restricted fund balance when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balance. Unassigned fund balance is the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. It is the Township's policy to recognize revenue from the tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

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 reportable budget variances:

<i>Entity</i>	<i>Fund</i>	<i>Function</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance</i>
Primary government	Public Safety	Public safety	\$ 815,449	\$ 857,569	\$ 42,120
		Parks, Recreation, and Land Preservation	-	55,000	55,000
		Transfer out Recreation and culture	-	1,903	1,903
Component unit	Operating	Public works	300,000	451,942	151,942
		Community and economic development	103,448	168,587	65,139

NOTE 3 - CASH AND INVESTMENTS

The components of cash and investments of the Township's funds and component unit consist of the following:

	<i>Governmental funds</i>	<i>Proprietary funds</i>	<i>Agency fund</i>	<i>Component unit</i>	<i>Totals</i>
Per financial statements:					
Cash	\$ 11,213,988	\$ 3,424,445	\$ 4,951	\$ 381,163	\$ 15,024,547
Investments	<u>922,815</u>	<u>86,937</u>	<u>-</u>	<u>-</u>	<u>1,009,752</u>
Totals	<u>\$ 12,136,803</u>	<u>\$ 3,511,382</u>	<u>\$ 4,951</u>	<u>\$ 381,163</u>	<u>\$ 16,034,299</u>
Composition:					
Cash on hand	\$ 200	\$ -	\$ -	\$ -	\$ 200
Deposits	11,213,788	3,424,445	4,951	381,163	15,024,347
Investments	<u>922,815</u>	<u>86,937</u>	<u>-</u>	<u>-</u>	<u>1,009,752</u>
Totals	<u>\$ 12,136,803</u>	<u>\$ 3,511,382</u>	<u>\$ 4,951</u>	<u>\$ 381,163</u>	<u>\$ 16,034,299</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. The Township's investment policy does not specifically address custodial credit risk for deposits. At March 31, 2018, \$14,669,367 of the Township's bank balances of \$15,169,367 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments - State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper rated within the two highest rate classifications, which mature not more than 270 days after the date of purchase; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds composed of otherwise legal investments; and f) investment pools organized under the local government investment pool act. The Township's investment policy does not address credit risk or interest rate risk for investments.

The Township's investments consist of holdings in the Kent County Investment Pool, in the amount of \$1,009,752, which is a local government investment pool established under Michigan state statutes for participating Michigan municipalities. This pool, which is a nonrisk categorized qualifying investment, is carried at fair value. The fair value of the Township's position in the pool is the same as the value of its pool shares. The fund operates like a money market fund with each share valued at \$1 and is not rated (credit risk); it is not subject to regulatory oversight and is not registered with the SEC; the Pool issues a separate report, which is available at 300 Monroe Avenue N.W., Grand Rapids, Michigan 49503-2221.

Fair value measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Kent County Investment Pool is measured at net asset value (or its equivalent) as a practical expedient, and, accordingly, has not been classified in the fair value hierarchy.

NOTE 4 - RECEIVABLES

Receivables as of March 31, 2018, for the Township's funds, and its component unit, were as follows:

<u>Fund</u>	<u>Property taxes</u>	<u>Accounts</u>	<u>Intergovern- mental</u>	<u>Totals</u>
Governmental:				
General	\$ 10,798	\$ 69,130	\$ 169,441	\$ 249,369
Public Safety	11,333	-	-	11,333
Trails	5,863	-	-	5,863
Parks, Recreation, and Land Preservation	7,755	-	-	7,755
Total governmental	<u>\$ 35,749</u>	<u>\$ 69,130</u>	<u>\$ 169,441</u>	<u>\$ 274,320</u>
Proprietary:				
Sewer	\$ -	\$ 439,500	\$ -	\$ 439,500
Water	-	265,281	-	265,281
Nonmajor	-	-	21,380	21,380
Total proprietary	<u>\$ -</u>	<u>\$ 704,781</u>	<u>\$ 21,380</u>	<u>\$ 726,161</u>
Component unit:				
Ada Downtown Development Authority	<u>\$ 1,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,715</u>

All receivables are considered fully collectible and are due within one year.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2018, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,936,749	\$ -	\$ -	\$ 2,936,749
Construction in progress	-	442,753	-	442,753
Total capital assets not being depreciated	<u>2,936,749</u>	<u>442,753</u>	<u>-</u>	<u>3,379,502</u>
Capital assets being depreciated:				
Buildings and improvements	11,388,278	10,000	-	11,398,278
Furniture, fixtures, and equipment	1,662,188	73,874	(30,000)	1,706,062
Vehicles	1,289,627	-	-	1,289,627
Subtotal	<u>14,340,093</u>	<u>83,874</u>	<u>(30,000)</u>	<u>14,393,967</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,984,873)	(485,945)	-	(4,470,818)
Furniture, fixtures, and equipment	(1,210,095)	(65,621)	21,833	(1,253,883)
Vehicles	(882,947)	(65,858)	-	(948,805)
Subtotal	<u>(6,077,915)</u>	<u>(617,424)</u>	<u>21,833</u>	<u>(6,673,506)</u>
Total capital assets being depreciated	<u>8,262,178</u>	<u>(533,550)</u>	<u>(8,167)</u>	<u>7,720,461</u>
Governmental activities capital assets, net	<u>\$ 11,198,927</u>	<u>\$ (90,797)</u>	<u>\$ (8,167)</u>	<u>\$ 11,099,963</u>
Business-type activities:				
Capital assets not being depreciated - construction in progress	\$ 132,020	\$ 424,131	\$ (132,020)	\$ 424,131
Capital assets being depreciated:				
Facilities	19,998,747	2,186,397	-	22,185,144
Buildings	41,090	-	-	41,090
Equipment	97,323	-	-	97,323
Subtotal	<u>20,137,160</u>	<u>2,186,397</u>	<u>-</u>	<u>22,323,557</u>
Less accumulated depreciation for:				
Facilities	(7,141,033)	(355,816)	-	(7,496,849)
Buildings	(35,571)	(1,368)	-	(36,939)
Equipment	(78,295)	(10,200)	-	(88,495)
Subtotal	<u>(7,254,899)</u>	<u>(367,384)</u>	<u>-</u>	<u>(7,622,283)</u>
Total capital assets being depreciated	<u>12,882,261</u>	<u>1,819,013</u>	<u>-</u>	<u>14,701,274</u>
Business-type activities capital assets, net	<u>\$ 13,014,281</u>	<u>\$ 2,243,144</u>	<u>\$ (132,020)</u>	<u>\$ 15,125,405</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Component unit:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 161,794	\$ -	\$ 161,794

Depreciation expense was charged to the Township's governmental activity functions as follows:

Governmental activities:	
General government	\$ 38,307
Public safety	120,993
Public works	100
Recreation and culture	<u>458,024</u>
Total governmental activities	<u>\$ 617,424</u>

NOTE 6 - PAYABLES

Payables as of March 31, 2018, for the Township's funds, and its component unit, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Payroll</i>	<i>Interest</i>	<i>Totals</i>
Primary government:				
Governmental funds:				
General	\$ 57,240	\$ 25,700	\$ -	\$ 82,940
Public Safety	108,369	11,940	-	120,309
Trails	-	350	-	350
Parks and Land Preservation	4,640	310	-	4,950
Parks and Recreation	16,750	7,880	-	24,630
Parks, Recreation, and Land Preservation	1,212	-	-	1,212
Envision Ada	<u>96,228</u>	<u>380</u>	<u>-</u>	<u>96,608</u>
Total governmental	<u>\$ 284,439</u>	<u>\$ 46,560</u>	<u>\$ -</u>	<u>\$ 330,999</u>
Proprietary funds:				
Sewer	\$ 121,948	\$ 1,680	\$ 31,900	\$ 155,528
Water	196,413	1,870	5,100	203,383
Nonmajor	<u>17,644</u>	<u>-</u>	<u>-</u>	<u>17,644</u>
Total proprietary	<u>\$ 336,005</u>	<u>\$ 3,550</u>	<u>\$ 37,000</u>	<u>\$ 376,555</u>
Component unit:				
Ada Downtown Development Authority	<u>\$ 971</u>	<u>\$ 1,940</u>	<u>\$ -</u>	<u>\$ 2,911</u>

NOTE 7 - NONCURRENT LIABILITIES

At March 31, 2018, noncurrent liabilities consist of the following individual items:

Governmental activities:

Bonds: \$314,600 2011 Capital improvement bonds - payable in annual installments of \$13,000 to \$26,000, plus interest at 1.5% to 4.5%; final payment due May 2028	\$ 231,400
\$1,902,460 2016 Capital improvement bonds - payable in annual installments ranging from \$70,550 to \$134,560, plus interest at 2.0% to 3.0%; final payment due March 2036	967,083
\$1,830,000 2017 General obligation refunding bonds - payable in annual installments ranging from \$440,000 to \$470,000, plus interest at 1.1% to 2.1%; final payment due May 2021	1,830,000
\$4,720,000 2017 Capital improvement bonds - payable in an annual installment ranging from \$220,000 to \$255,000, plus interest at 2.0% to 3.0%; final payment due March 2032	4,500,000
Premium - 2016 Capital improvement bonds	8,829
Premium - 2017 Capital improvement bonds	<u>134,394</u>
Total bonds	7,671,706
Accrued compensated absences	<u>110,340</u>
Total governmental activities noncurrent liabilities	<u>\$ 7,782,046</u>

Business-type activities:

Bonds: \$290,400 2011 Capital improvement bonds - payable in annual installments ranging from \$12,000 to \$24,000, plus interest at 1.5% to 4.5%; final payment due May 2028	\$ 213,600
\$2,325,000 2011 Capital improvement bonds - payable in annual installments ranging from \$75,000 to \$170,000, plus interest at 1.70% to 4.65%; final payment due May 2031	1,830,000
\$377,540 2016 Capital improvement bonds - payable in annual installments ranging from \$70,550 to \$134,560, plus interest at 2.0% to 3.0%; final payment due March 2036	1,142,917
Premium - 2016 Capital improvement bonds	<u>11,344</u>
Total business-type activities noncurrent liabilities	<u>\$ 3,197,861</u>

Component unit:

Accrued compensated absences	<u>\$ 690</u>
------------------------------	---------------

NOTE 7 - NONCURRENT LIABILITIES (Continued)

Noncurrent liability activity for the year ended March 31, 2018, is as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reallocation</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:						
Bonds:						
2007 Capital improvement bonds	\$ 390,000	\$ -	\$ -	\$ (390,000)	\$ -	\$ -
2011 CIP Bonds Series A (52%)	247,000	-	-	(15,600)	231,400	15,600
2016 Capital improvement bonds	1,831,910	-	(825,869)	(38,958)	967,083	41,250
Premium - 2016 bonds	17,674	-	(8,331)	(514)	8,829	-
2017 Refunding bonds	1,830,000	-	-	-	1,830,000	440,000
2017 CIP Bonds, Series 2	-	4,720,000	-	(220,000)	4,500,000	220,000
Premium - 2017 CIP Bonds	-	141,397	-	(7,003)	134,394	-
Total bonds	4,316,584	4,861,397	(834,200)	(672,075)	7,671,706	716,850
Compensated absences	102,940	65,766	-	(58,366)	110,340	-
Total governmental activities	<u>\$ 4,419,524</u>	<u>\$ 4,927,163</u>	<u>\$ (834,200)</u>	<u>\$ (730,441)</u>	<u>\$ 7,782,046</u>	<u>\$ 716,850</u>
Business-type activities:						
Bonds:						
2011 CIP Bonds Series A (48%)	\$ 228,000	\$ -	\$ -	\$ (14,400)	\$ 213,600	\$ 14,400
2011 CIP Bonds Series B	1,920,000	-	-	(90,000)	1,830,000	95,000
2016 Capital improvement bonds	363,090	-	825,869	(46,042)	1,142,917	48,750
Premium - 2016 bonds	3,620	-	8,331	(607)	11,344	-
Total business-type activities	<u>\$ 2,514,710</u>	<u>\$ -</u>	<u>\$ 834,200</u>	<u>\$ (151,049)</u>	<u>\$ 3,197,861</u>	<u>\$ 158,150</u>
Component Unit:						
Compensated absences	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ -</u>	<u>\$ (365)</u>	<u>\$ 690</u>	

The reallocation column represents the reclassification of bond proceeds, received in the prior year, based on a change in the allocation of estimated costs.

NOTE 7 - NONCURRENT LIABILITIES (Continued)

At March 31, 2018, debt service requirements, excluding compensated absences, were as follows:

<i>Year ended</i>	<i>Governmental activities</i>		<i>Business-type activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
<i>March 31:</i>				
2019	\$ 716,850	\$ 189,878	\$ 158,150	\$ 109,701
2020	739,450	178,641	165,550	105,341
2021	761,742	165,584	173,258	100,590
2022	771,742	148,014	178,258	95,359
2023	316,633	134,256	188,367	89,584
2024 - 2028	1,608,775	527,528	1,066,225	342,583
2029 - 2033	1,558,917	299,093	1,021,083	128,319
2034 - 2036	1,054,374	64,000	235,626	14,300
	<u>\$ 7,528,483</u>	<u>\$ 1,706,994</u>	<u>\$ 3,186,517</u>	<u>\$ 985,777</u>

All debt is secured by the full faith and credit of the Township.

NOTE 8 - PROPERTY TAXES

The 2017 taxable valuation of the Township approximated \$952,884,000, on which ad valorem taxes levied consisted of .8573 mills for operating purposes, .8998 mills for fire/police protection, .6157 mills for parks, recreation, and land preservation, and .4655 mills for trails, raising approximately \$817,000 for operating purposes, \$857,000 for fire/police protection, \$587,000 for parks, recreation, and land preservation, and \$444,000 for trails. These amounts are recognized in the fund financial statements as property tax revenue.

NOTE 9 - TAX ABATEMENTS

The Township enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the Township. Each agreement was negotiated under a state law, which allows local units to abate property taxes for a variety of economic development purposes. The abatements may be granted to local businesses located within the Township or promising to relocate within the Township. Depending on the statute referenced for a particular abatement, the Township may grant abatements of up to 50% of annual property taxes through a direct reduction of the entity's property tax bill, not to exceed twelve years. Depending on the terms of the agreement and state law, abated taxes may be subject to recapture upon default of the entity. The Township has not made any commitments as part of the agreements other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

For the fiscal year ended March 31, 2018, the Township abated property taxes totaling \$33,070 under Public Act 198 of 1974, related to industrial facilities, which represents a 50% abatement of the millage rate on certain real and personal properties.

NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN

The Township and its employees contribute to the Ada Township Group Pension Plan, a defined contribution pension plan, which is administered by a third-party administrator. The plan covers two classes of employees, as allowed under Internal Revenue Code Section 401(a). The first class of employees includes elected officials, the fire chief, and all full-time employees (40 hours per week). The second class of employees includes paid on-call firefighters.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate as described above. The Township contributes 10% of covered payroll to the first class of qualifying employees. The Township contributes an amount equal to 5% of covered payroll to the second class of qualifying employees, with a required contribution of 6.2% of compensation by all covered employees in the second class. Covered employees may voluntarily contribute up to 10% of their compensation to the Plan. For the year ended March 31, 2018, the Township and eligible employees made contributions of \$110,831 and \$32,059, respectively. At March 31, 2018, the Township reported no accrued liability as part of the contributions to the plan.

The Township's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested on the day the employee is eligible to participate in the plan, which occurs after three months of service for the first class of employees and immediately for the second class of employees.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

NOTE 11 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plans were held in trust (custodial account or annuity contract), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement No. 32, plan balances and activities are not reflected in the Township's financial statements.

NOTE 12 - INTERFUND TRANSFERS

During the year ended March 31, 2018, the General Fund transferred \$300,000 to the Envision Ada Fund, a capital project fund, to support infrastructure improvement costs incurred, and \$70,000 to the Trails Fund, to support debt service costs, for a total of \$370,000 in transfers to other funds.

The Envision Ada Fund, transferred \$141,397 to the General Fund, which represents the premium on the bonds issued during the year, which is to be used by the General Fund to make debt service payments on the bonds. The Parks, Recreation, and Land Preservation Fund also transferred \$55,000 to the General Fund, which represents that fund's share of debt service costs on the new bonds.

NOTE 13 - 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; employee health and medical claims; injuries to employees; and natural disasters. The risks of loss arising from general liability, building contents, employees' health insurance, workers' compensation, and casualty are managed through purchased commercial insurance. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

NOTE 14 - ECONOMIC DEPENDENCY

For the fiscal year ended March 31, 2018, the Township received approximately 15% of its property tax revenue and 28% percent of its sewer and water utility revenue from one industrial property owner.

NOTE 15 - COMMITMENT

At March 31, 2018, the Township had the following contractual construction commitment:

	<u>Project authorization</u>	<u>Expended through March 31, 2018</u>	<u>Committed</u>
Thornapple River Water Main Crossing	\$ 444,308	\$ 381,120	\$ 63,188
Settlers Grove Park	<u>1,364,393</u>	<u>272,557</u>	<u>1,091,836</u>
Total	<u>\$ 1,808,701</u>	<u>\$ 653,677</u>	<u>\$ 1,155,024</u>

These Envision Ada improvements are being funded through the issuance of capital improvement bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Ada

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended March 31, 2018

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 884,959	\$ 799,297	\$ 855,928	\$ 56,631
Licenses and permits	264,200	264,200	284,977	20,777
State grants	1,067,195	1,067,195	1,182,734	115,539
Intergovernmental	-	-	151,942	151,942
Charges for services	40,700	74,554	80,659	6,105
Interest and rentals	64,700	64,700	66,891	2,191
Other:				
Contributions	1,000	1,000	6,195	5,195
Special assessments	51,264	51,264	52,951	1,687
Miscellaneous	5,500	5,500	3,990	(1,510)
Total revenues	<u>2,379,518</u>	<u>2,327,710</u>	<u>2,686,267</u>	<u>358,557</u>
EXPENDITURES				
General government:				
Legislative	33,987	34,189	30,590	3,599
Supervisor	90,986	91,646	56,779	34,867
Elections	9,183	9,183	1,730	7,453
Assessor	203,556	205,056	187,162	17,894
Clerk	179,389	179,899	180,119	(220)
Board of review	2,065	2,065	1,461	604
Treasurer	201,616	176,473	167,668	8,805
Building and grounds	124,312	137,312	127,088	10,224
Cemeteries	45,151	45,851	36,418	9,433
General administration	559,284	585,157	484,704	100,453
Total general government	<u>1,449,529</u>	<u>1,466,831</u>	<u>1,273,719</u>	<u>193,112</u>
Public works:				
Road maintenance and improvements	378,985	380,622	324,873	55,749
Street lighting	48,202	48,202	61,232	(13,030)
Total public works	<u>427,187</u>	<u>428,824</u>	<u>386,105</u>	<u>42,719</u>
Community and economic development	<u>221,341</u>	<u>221,341</u>	<u>147,397</u>	<u>73,944</u>

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended March 31, 2018

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Debt service:				
Principal	\$ 100,600	\$ 320,600	\$ 274,558	\$ 46,042
Interest	61,575	106,105	77,853	28,252
Capital outlay	131,065	130,301	62,767	67,534
Total expenditures	<u>2,391,297</u>	<u>2,674,002</u>	<u>2,222,399</u>	<u>451,603</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,779)</u>	<u>(346,292)</u>	<u>463,868</u>	<u>810,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	196,397	196,397
Transfers out	<u>(370,000)</u>	<u>(370,000)</u>	<u>(370,000)</u>	<u>-</u>
Net other financing sources	<u>(370,000)</u>	<u>(370,000)</u>	<u>(173,603)</u>	<u>196,397</u>
NET CHANGES IN FUND BALANCES	<u>(381,779)</u>	<u>(716,292)</u>	<u>290,265</u>	<u>1,006,557</u>
FUND BALANCES - BEGINNING	<u>3,285,118</u>	<u>3,285,118</u>	<u>3,285,118</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,903,339</u>	<u>\$ 2,568,826</u>	<u>\$ 3,575,383</u>	<u>\$ 1,006,557</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Public Safety Fund

Year ended March 31, 2018

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 927,707	\$ 807,368	\$ 866,907	\$ 59,539
State grant	-	-	9,804	9,804
Interest	4,000	4,000	8,681	4,681
Other	1,000	1,000	1,638	638
Total revenues	<u>932,707</u>	<u>812,368</u>	<u>887,030</u>	<u>74,662</u>
EXPENDITURES				
Public safety:				
Police protection	300,000	300,000	345,962	(45,962)
Fire protection	<u>515,449</u>	<u>515,449</u>	<u>511,607</u>	<u>3,842</u>
Total public safety	815,449	815,449	857,569	(42,120)
Capital outlay	<u>88,000</u>	<u>88,000</u>	<u>26,047</u>	<u>61,953</u>
Total expenditures	<u>903,449</u>	<u>903,449</u>	<u>883,616</u>	<u>19,833</u>
NET CHANGES IN FUND BALANCES	29,258	(91,081)	3,414	94,495
FUND BALANCES - BEGINNING	<u>862,059</u>	<u>862,059</u>	<u>862,059</u>	-
FUND BALANCES - ENDING	<u>\$ 891,317</u>	<u>\$ 770,978</u>	<u>\$ 865,473</u>	<u>\$ 94,495</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Trails Fund

Year ended March 31, 2018

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 474,070	\$ 417,654	\$ 448,991	\$ 31,337
State grant	-	-	93,256	93,256
Interest and rentals	250	250	2,949	2,699
Other	-	-	967	967
Total revenues	<u>474,320</u>	<u>417,904</u>	<u>546,163</u>	<u>128,259</u>
EXPENDITURES				
Recreation and culture	43,727	43,727	11,759	31,968
Debt service:				
Principal	390,000	390,000	390,000	-
Interest and fees	<u>75,275</u>	<u>75,275</u>	<u>26,050</u>	<u>49,225</u>
Total expenditures	<u>509,002</u>	<u>509,002</u>	<u>427,809</u>	<u>81,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,682)	(91,098)	118,354	209,452
OTHER FINANCING SOURCES				
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	35,318	(21,098)	188,354	209,452
FUND BALANCES - BEGINNING	<u>473,286</u>	<u>473,286</u>	<u>473,286</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 508,604</u>	<u>\$ 452,188</u>	<u>\$ 661,640</u>	<u>\$ 209,452</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Parks and Land Preservation Fund

Year ended March 31, 2018

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Interest and rentals	\$ 1,500	\$ -	\$ 5,817	\$ 5,817
Other	<u>60,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>61,850</u>	<u>-</u>	<u>5,817</u>	<u>5,817</u>
EXPENDITURES				
Recreation and culture	27,031	27,031	13,280	13,751
Capital outlay	<u>311,139</u>	<u>311,139</u>	<u>6,425</u>	<u>304,714</u>
Total expenditures	<u>338,170</u>	<u>338,170</u>	<u>19,705</u>	<u>318,465</u>
NET CHANGES IN FUND BALANCES	(276,320)	(338,170)	(13,888)	324,282
FUND BALANCES - BEGINNING	<u>1,133,357</u>	<u>1,133,357</u>	<u>1,133,357</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 857,037</u>	<u>\$ 795,187</u>	<u>\$ 1,119,469</u>	<u>\$ 324,282</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Parks and Recreation Fund

Year ended March 31, 2018

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
State grants	\$ 1,575	\$ 1,575	\$ -	\$ (1,575)
Charges for services	63,400	-	-	-
Interest and rentals	24,725	-	2,184	2,184
Other:				
Contributions	1,000	-	-	-
Miscellaneous	3,075	-	357	357
Total revenues	<u>93,775</u>	<u>1,575</u>	<u>2,541</u>	<u>966</u>
EXPENDITURES				
Recreation and culture	456,018	456,018	432,748	23,270
Capital outlay	61,110	61,110	32,525	28,585
Total expenditures	<u>517,128</u>	<u>517,128</u>	<u>465,273</u>	<u>51,855</u>
NET CHANGES IN FUND BALANCES	(423,353)	(515,553)	(462,732)	52,821
FUND BALANCES - BEGINNING	<u>564,603</u>	<u>564,603</u>	<u>564,603</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 141,250</u>	<u>\$ 49,050</u>	<u>\$ 101,871</u>	<u>\$ 52,821</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Parks, Recreation, and Land Preservation Fund

Year ended March 31, 2018

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 620,337	\$ 552,309	\$ 593,193	\$ 40,884
State grants	-	-	24,167	24,167
Charges for services	-	63,400	49,569	(13,831)
Interest and rentals	-	26,225	22,078	(4,147)
Other:				
Contributions	-	61,350	1,159	(60,191)
Miscellaneous	-	3,075	1,817	(1,258)
Total revenues	620,337	706,359	691,983	(14,376)
EXPENDITURES				
Recreation and culture	-	-	1,903	(1,903)
EXCESS OF REVENUES OVER EXPENDITURES	620,337	706,359	690,080	(16,279)
OTHER FINANCING USES				
Transfer out	-	-	(55,000)	(55,000)
NET CHANGES IN FUND BALANCES	620,337	706,359	635,080	(71,279)
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 620,337</u>	<u>\$ 706,359</u>	<u>\$ 635,080</u>	<u>\$ (71,279)</u>

SUPPLEMENTARY INFORMATION

BALANCE SHEET - component unit

March 31, 2018

	<u>Downtown Development Authority</u>
ASSETS	
Cash	\$ 381,163
Receivables	<u>1,715</u>
Total assets	<u><u>\$ 382,878</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities - payables	\$ 2,911
Fund balance - unassigned	<u>379,967</u>
Total liabilities and fund balance	<u><u>\$ 382,878</u></u>
Total fund balance	\$ 379,967
<p>Amounts reported for the <i>component unit</i> in the statement of net position (page 13) are different because:</p>	
Capital assets used by the <i>component unit</i> are not financial resources and, therefore, are not reported in the funds.	161,794
Expense accrual - compensated absences	<u>(690)</u>
Net position (unrestricted) of the <i>component unit</i>	<u><u>\$ 541,071</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *component unit*

Year ended March 31, 2018

	<i>Downtown Development Authority</i>
REVENUES	
Property taxes	\$ 318,918
State grant	121,853
Charges for services	10,115
Interest	3,282
Other	<u>757</u>
Total revenues	<u>454,925</u>
EXPENDITURES	
Current:	
Public works	451,942
Community and economic development	168,587
Capital outlay	<u>164,411</u>
Total expenditures	<u>784,940</u>
NET CHANGES IN FUND BALANCES	(330,015)
FUND BALANCES - BEGINNING	<u>709,982</u>
FUND BALANCES - ENDING	<u>\$ 379,967</u>
Net change in fund balance	\$ (330,015)
<p>Amounts reported for the <i>component unit</i> in the statement of activities (page 14) are different because:</p>	
Capital assets:	
Add - asset acquisitions	161,794
Net increase in compensated absences	<u>(690)</u>
Change in net position of <i>component unit</i>	<u>\$ (168,911)</u>

Township of Ada

BUDGETARY COMPARISON SCHEDULE - Ada Downtown Development Authority

Operating Fund

Year ended March 31, 2018

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 363,235	\$ 363,235	\$ 316,328	\$ (46,907)
Tax increment financing	40,000	2,560	2,590	30
State grant	-	-	121,853	121,853
Charges for services	9,000	9,000	10,115	1,115
Interest	1,000	1,000	3,282	2,282
Other	-	-	757	757
Total revenues	<u>413,235</u>	<u>375,795</u>	<u>454,925</u>	<u>79,130</u>
EXPENDITURES				
Public works	300,000	300,000	451,942	(151,942)
Community and economic development	103,448	103,448	168,587	(65,139)
Capital outlay	<u>173,375</u>	<u>173,375</u>	<u>164,411</u>	<u>8,964</u>
Total expenditures	<u>576,823</u>	<u>576,823</u>	<u>784,940</u>	<u>(208,117)</u>
NET CHANGES IN FUND BALANCES	(163,588)	(201,028)	(330,015)	(128,987)
FUND BALANCES - BEGINNING	<u>709,982</u>	<u>709,982</u>	<u>709,982</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 546,394</u>	<u>\$ 508,954</u>	<u>\$ 379,967</u>	<u>\$ (128,987)</u>