

*Spring Lake Township*  
*Ottawa County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended March 31, 2017*

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## INDEPENDENT AUDITOR'S REPORT

Township Board of Trustees  
Spring Lake Township, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Spring Lake Township, Michigan, as of and for the year ended March 31, 2017, 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 from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Spring Lake Township, Michigan, as of March 31, 2017, 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.

### **Correction of an Error**

As described in Note 19 to the financial statements, the Township recorded a prior period adjustment to correct its method of accounting for intangible capital assets of the governmental activities. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the schedule of funding progress for the postemployment healthcare plan, 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 Spring Lake Township, Michigan's basic financial statements. The combining nonmajor governmental fund financial statements and schedules of debt retirement and annual interest requirements and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements and schedules of debt retirement and annual interest requirements (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.

*Sigfried Crandall P.C.*

July 11, 2017

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

Our discussion and analysis of Spring Lake Township's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2017. Please read it in conjunction with the Township's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$696,177 (3 percent) as a result of this year's activities. The net position of the governmental activities increased by \$971,826, while the net position of the business-type activities decreased by \$275,649.
- Of the \$24,823,121 total net position reported, \$5,453,108 (22 percent) is available to be used at the Board's discretion, 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 \$1,158,472, which represents 46 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 additional information. 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.
  - 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 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 2017 and 2016 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 deferred outflows of resources, 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 deferred outflows of resources, 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 two categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as fire protection and general government. Property taxes and state grants 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 are reported here.

### **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 property taxes collected to improve and maintain the Township's bike paths).

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 (one type of proprietary fund) 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 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 \$24,823,121. Of this total, \$18,535,053 represents a net investment in capital assets and \$834,960 is restricted for various purposes. Consequently, unrestricted net position was \$5,543,108 or 22 percent of the total.

## Condensed financial information

## Net position

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 3,099,963	\$ 6,133,892	\$ 3,894,600	\$ 3,761,926	\$ 6,994,563	\$ 9,895,818
Capital assets	<u>11,814,777</u>	<u>8,283,819</u>	<u>18,557,805</u>	<u>19,241,300</u>	<u>30,372,582</u>	<u>27,525,119</u>
Total assets	<u>14,914,740</u>	<u>14,417,711</u>	<u>22,452,405</u>	<u>23,003,226</u>	<u>37,367,145</u>	<u>37,420,937</u>
Deferred charge on refunding	-	-	<u>14,795</u>	<u>18,494</u>	<u>14,795</u>	<u>18,494</u>
Current and other liabilities	<u>390,860</u>	<u>714,310</u>	<u>315,635</u>	<u>283,650</u>	<u>706,495</u>	<u>997,960</u>
Long-term debt	<u>3,491,718</u>	<u>3,643,065</u>	<u>7,913,227</u>	<u>8,671,462</u>	<u>11,404,945</u>	<u>12,314,527</u>
Total liabilities	<u>3,882,578</u>	<u>4,357,375</u>	<u>8,228,862</u>	<u>8,955,112</u>	<u>12,111,440</u>	<u>13,312,487</u>
Net position:						
Net investment in capital assets	<u>8,323,059</u>	<u>7,014,950</u>	<u>10,211,994</u>	<u>10,588,332</u>	<u>18,535,053</u>	<u>17,603,282</u>
Restricted	<u>834,960</u>	<u>1,249,004</u>	-	<u>99,167</u>	<u>834,960</u>	<u>1,348,171</u>
Unrestricted	<u>1,874,143</u>	<u>1,796,382</u>	<u>3,578,965</u>	<u>3,379,109</u>	<u>5,453,108</u>	<u>5,175,491</u>
Total net position	<u>\$ 11,032,162</u>	<u>\$ 10,060,336</u>	<u>\$ 13,790,959</u>	<u>\$ 14,066,608</u>	<u>\$ 24,823,121</u>	<u>\$ 24,126,944</u>

The 2016 column reflects restated amounts for capital assets and the related net position, net investment in capital assets, as a result of a prior period adjustment recorded in fiscal year 2017. Both amounts were reduced by \$1,652,351, for the effect of correcting the method of accounting used for intangible capital assets.

## Changes in net position

The Township's total revenues amounted to \$8,440,405 in the current year compared to \$7,570,945 in the prior year. Nearly 51 percent of the Township's revenues comes from charges for services. Property taxes and state shared revenue represent 17 and 12 percent of the Township's total revenues, respectively. Capital grants and contributions represent 7 percent of the Township's revenues in the current year.

The total cost of the Township's programs, covering a wide range of services, totaled \$7,744,228 in the current year compared to \$8,061,515 in the prior year. More than 49 percent of the Township's costs relates to the provision of sewer and water utility services. Public safety expenses represent 14 percent of the Township's total costs, while recreation and culture expenses accounted for 17 percent of the total, in the current year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Condensed financial information  
Changes in net position

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 1,518,398	\$ 1,523,392	\$ 2,757,656	\$ 2,520,694	\$ 4,276,054	\$ 4,044,086
Operating grants and contributions	20,256	9,878	295,511	63,849	315,767	73,727
Capital grants and contributions	178,247	423,672	413,303	354,268	591,550	777,940
General revenues:						
Property taxes	1,393,069	1,454,406	-	-	1,393,069	1,454,406
State shared revenue	982,760	932,660	-	-	982,760	932,660
Franchise fees	215,441	216,497	-	-	215,441	216,497
Unrestricted interest	29,874	28,659	50,595	42,970	80,469	71,629
Gain on sale of capital assets	470,354	-	15,967	-	486,321	-
Other	98,974	-	-	-	98,974	-
Total revenues	<u>4,907,373</u>	<u>4,589,164</u>	<u>3,533,032</u>	<u>2,981,781</u>	<u>8,440,405</u>	<u>7,570,945</u>
Expenses:						
General government	834,975	941,029	-	-	834,975	941,029
Public safety	1,099,411	933,621	-	-	1,099,411	933,621
Public works	260,828	1,170,077	-	-	260,828	1,170,077
Community and economic development	178,562	187,551	-	-	178,562	187,551
Health and welfare	171,434	172,799	-	-	171,434	172,799
Recreation and culture	1,282,759	1,155,959	-	-	1,282,759	1,155,959
Interest on long-term debt	107,578	201,861	-	-	107,578	201,861
Sewer	-	-	1,950,584	1,527,672	1,950,584	1,527,672
Water	-	-	1,858,097	1,770,946	1,858,097	1,770,946
Total expenses	<u>3,935,547</u>	<u>4,762,897</u>	<u>3,808,681</u>	<u>3,298,618</u>	<u>7,744,228</u>	<u>8,061,515</u>
Excess (deficiency) of revenues over expenses before special item	971,826	(173,733)	(275,649)	(316,837)	696,177	(490,570)
Special item - gain on sale of Township hall	-	160,685	-	-	-	160,685
Changes in net position	<u>\$ 971,826</u>	<u>\$ (13,048)</u>	<u>\$ (275,649)</u>	<u>\$ (316,837)</u>	<u>\$ 696,177</u>	<u>\$ (329,885)</u>
Net position, end of year	<u>\$ 11,032,162</u>	<u>\$ 10,060,336</u>	<u>\$ 13,790,959</u>	<u>\$ 14,066,608</u>	<u>\$ 24,823,121</u>	<u>\$ 24,126,944</u>

The 2016 column reflects restated amounts as a result of a prior period adjustment recorded in fiscal year 2017. Public works expenses were increased by \$904,839 related to the restatement of 2016 balances for the effect of correcting the method of accounting used for intangible capital assets. Public works costs previously capitalized, in the amount of \$1,010,379 were expensed, and depreciation expense was reduced by \$105,540.

**Governmental activities**

Governmental activities increased the Township's net position by \$971,826 in the current year compared to a decrease of \$13,048 in the prior year. Revenues, other than the special item which amounted to \$160,685 in the prior year, were \$318,209 higher, and expenses decreased by \$827,350, causing the net position to increase in the current year. The increase in revenues was primarily the result of the recognition of a substantial gain from assets sales, in the amount of \$470,354, in the current year. Expenses were much lower due to a \$909,249 decrease in public works expenses in the current year, as the Township incurred road improvement expenses of \$1,010,379 in the prior year.

The total cost of governmental activities this year was \$3,935,547. After subtracting the direct charges to those who directly benefited from the programs (\$1,518,398), operating grants (\$20,256), and capital grants (\$178,247), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$2,218,646.

**Business-type activities**

Business-type activities decreased the Township's net position by \$275,649 in the current year compared to a \$316,837 decrease in the prior year. Though revenues rose by \$551,251, net position continued to decline in the current year, as expenses increased by \$510,063. Revenues increased due to the recognition of a \$295,511 state operating grant and higher charges for services. Expenses rose due to increases in engineering costs, associated with the grant (\$252,410), and higher system operation and maintenance costs.

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

**Governmental funds**

At March 31, 2017, the Township's governmental funds reported combined ending fund balances of \$2,767,894, a decrease of \$2,413,487 in comparison with the prior year.

The General Fund is the primary operating fund of the Township. At March 31, 2017, total fund balance was \$1,212,867, of which \$1,158,472 was unassigned. Total fund balance increased by \$464,682 because it recognized proceeds from the sale of capital assets, in the amount of \$893,700, though that was offset by a \$353,004 transfer to another fund. The transfer was used to fund the final costs associated with the construction of a new fire station during the year.

The Fire Fund, a special revenue fund, established to account for the use of a township-wide special assessment district to finance fire protection costs, has a fund balance at year end of \$457,443, which represents an increase of \$67,971. Revenues, in the amount of \$814,112 (primarily assessments), were sufficient to cover the costs of the fire department in the current year, which amounted to \$548,241. The fund also transferred \$197,900 to the Fire Replacement Capital Project Fund to support the capital acquisitions for the Fire Department in the current year.

The LTGO 2015 Bond Capital Project Fund, established in fiscal year 2016 to account for resources used to construct a fire station, has no fund balance at year end as it spent all its available resources. The fund used its fund balance, along with interest of \$4,628 and a \$353,004 transfer from the General Fund, to complete the construction of a fire station during the year. Total capital outlay expenditures amounted to \$2,656,308.

**Proprietary funds**

The Sewer Fund experienced a decrease in net position of \$374,003, as rates are not set to cover the full cost of operations, which includes depreciation expense. The depreciation provision amounted to \$453,178 in the current year. Total net position is \$6,245,236 at year end, of which \$255,364 is unrestricted.

The Water Fund experienced an increase in net position of \$98,354, as revenues exceeded expenses, including depreciation and interest, in the current year. Total net position is \$7,545,723 at year end, of which \$2,876,222 is unrestricted.

**General Fund budgetary highlights**

The Township amended the budget of the General Fund to reflect changes in anticipated revenue and expenditure levels. Total budgeted revenues were increased by \$89,500 to reflect revenues that were more than originally anticipated. Total budgeted expenditures were increased by \$568,900, including a \$418,900 increase in capital outlay expenditures associated with costs that were not included in the original budget. The budget was also amended to add \$904,000 for proceeds from sales of capital assets, to include an \$181,000 transfer from the Cemetery Fund which represented a reimbursement for cemetery improvements, and add a \$350,000 transfer to the capital project fund that was used to fund the construction of a fire station.

Total revenues were \$137,111 more than budgeted, primarily because state grants were \$73,266 higher than expected. State grants included a \$69,647 distribution from the State, which was intended to make up for losses in personal property taxes. As the program was new, this grant was not included in the budget.

Total expenditures were \$84,775 less than the amounts appropriated as every functional area was less than appropriated and there were no significant variances. These variances, along with proceeds from sales of capital assets being \$10,300 less than budgeted and transfers out being \$3,004 more than budgeted, resulted in a \$208,582 positive budget variance, due to a \$464,682 increase in fund balance compared to a budgeted increase of \$256,100.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

At March 31, 2017, the Township's net investment in capital assets amounts to \$30,372,582 (net of accumulated depreciation). Governmental capital assets amount to \$11,814,777 and business-type capital assets totaled \$18,557,805. These investments include a broad range of assets, including land, buildings, equipment, and sewer and water infrastructure.

	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>
Land	\$ 1,946,989	\$ 50,900	\$ 1,997,889
Construction in progress	687,953	-	687,953
Land improvements	3,194,913	-	3,194,913
Utility infrastructure	-	17,640,328	17,640,328
Buildings and improvements	4,721,942	178,731	4,900,673
Machinery and equipment	1,262,980	687,846	1,950,826
	<u>\$ 11,814,777</u>	<u>\$ 18,557,805</u>	<u>\$ 30,372,582</u>
Totals			

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

- Construction of Fire Station #1 was completed during the year with costs totaling \$2,658,245
- A fire truck was acquired, along with accessories, at a cost of \$523,765
- Bike path improvements were made at a cost of \$340,455, which were in progress at year end
- 30 SCB airpaks were purchased for \$194,891
- Improvements were made at the cemetery at a cost of \$180,106
- Water system improvements amounted to \$140,591
- Restrooms were constructed at Rycenga Park at a cost of \$108,284
- Two mowers were purchased for \$36,681
- Proceeds from the sale of capital assets amounted to \$893,700. The former fire station was sold for \$364,495, \$307,205 was received from the Village, related to the prior year sale of the Township Hall, and land was sold for \$210,354.

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 total long-term bonds and contracts outstanding in the amount of \$11,404,945, compared to a total of \$12,314,527 at the end of the prior year. The Township's full faith and credit has been pledged to repay all long-term debt.

The Township did not issue debt during the current year. The Township's contractual obligations were reduced by \$473,695 when the County refunded one of its bonds. Long-term obligations were also reduced by principal payments, in the amount of \$429,540, that were made in a timely manner, and amortization of a bond premium, in the amount of \$6,347.

Other long-term obligations represent accrued compensated absences and accrued other postemployment healthcare benefits in the amounts of \$11,058, and \$309,541, respectively.

More detailed information about the Township's long-term 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 continues to see growth with new planned unit developments (PUDs). These new developments increase the tax base, improve and clean up previously unoccupied lots, and will increase the desire to live in the Township. They offer diverse housing and walkable areas that are centrally located to highways, businesses, bike paths, trails, and area schools.

In fiscal year 2016/17, the Township completed the new fire station at the corner of M104 and Fruitport Road. The new station was built to LEED silver standards. The Township issued bonds in fiscal year 2016 to finance the construction and there was no tax increase to support the costs.

The Township continues to collaborate with surrounding municipalities to continue an efficient and cost-productive operation. Collaboration efforts include shared office space with the Village of Spring Lake, Fire Department mutual-aid agreements with surrounding municipalities, shared DPW Director, Planner, and equipment with the Village of Spring Lake, and shared accountants with the City of Grand Haven.

The Township expects to be able to use current revenues to provide essential services and maintain fund balances through the next fiscal year. The fiscal year 2018 budget does not anticipate significant changes in the amounts or composition of major revenue sources, and budgeted expenditures are expected to be sufficient to support ongoing programs and activities.

**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:

Gordon Gallagher, Manager  
Spring Lake Township  
106 South Buchanan Street  
Spring Lake, MI 49456

Phone: (616) 844-2113  
E-mail: [ggallagher@springlaketwp.org](mailto:ggallagher@springlaketwp.org)

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**

March 31, 2017

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 2,539,384	\$ 2,276,452	\$ 4,815,836
Receivables, net	408,299	730,789	1,139,088
Prepaid expenses	64,645	19,106	83,751
Total current assets	<u>3,012,328</u>	<u>3,026,347</u>	<u>6,038,675</u>
Noncurrent assets:			
Receivables	87,635	868,253	955,888
Land and construction in progress	2,634,942	50,900	2,685,842
Depreciable capital assets, net	9,179,835	18,506,905	27,686,740
Total noncurrent assets	<u>11,902,412</u>	<u>19,426,058</u>	<u>31,328,470</u>
Total assets	<u>14,914,740</u>	<u>22,452,405</u>	<u>37,367,145</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on bond refunding	-	14,795	14,795
<b>LIABILITIES</b>			
Current liabilities:			
Payables	226,325	159,571	385,896
Bonds and contracts payable	145,000	143,675	288,675
Total current liabilities	<u>371,325</u>	<u>303,246</u>	<u>674,571</u>
Noncurrent liabilities:			
Compensated absences	8,286	2,772	11,058
Other postemployment obligation, net	156,249	153,292	309,541
Bonds and contracts payable	3,346,718	7,769,552	11,116,270
Total noncurrent liabilities	<u>3,511,253</u>	<u>7,925,616</u>	<u>11,436,869</u>
Total liabilities	<u>3,882,578</u>	<u>8,228,862</u>	<u>12,111,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount on bond refunding	-	447,379	447,379
<b>NET POSITION</b>			
Net investment in capital assets	8,323,059	10,211,994	18,535,053
Restricted for:			
Public safety	82,954	-	82,954
Public works	325,643	-	325,643
Capital projects	426,363	-	426,363
Unrestricted	1,874,143	3,578,965	5,453,108
Total net position	<u>\$ 11,032,162</u>	<u>\$ 13,790,959</u>	<u>\$ 24,823,121</u>

See notes to financial statements

## STATEMENT OF ACTIVITIES

Year ended March 31, 2017

Functions /Programs	Expenses	Program revenues			Net (expenses) revenues and changes in net position		Totals
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	
Governmental activities:							
General government	\$ 834,975	\$ 379,546	\$ -	\$ -	\$ (455,429)		\$ (455,429)
Public safety	1,099,411	953,297	-	47,829	(98,285)		(98,285)
Public works	260,828	152,264	8,659	-	(99,905)		(99,905)
Community and economic development	178,562	33,291	3,920	-	(141,351)		(141,351)
Health and welfare	171,434	-	-	-	(171,434)		(171,434)
Recreation and culture	1,282,759	-	7,677	130,418	(1,144,664)		(1,144,664)
Interest on long-term debt	107,578	-	-	-	(107,578)		(107,578)
Total governmental activities	<u>3,935,547</u>	<u>1,518,398</u>	<u>20,256</u>	<u>178,247</u>	<u>(2,218,646)</u>		<u>(2,218,646)</u>
Business-type activities:							
Sewer	1,950,584	975,421	295,511	288,446		\$ (391,206)	(391,206)
Water	<u>1,858,097</u>	<u>1,782,235</u>	<u>-</u>	<u>124,857</u>		<u>48,995</u>	<u>48,995</u>
Total business-type activities	<u>3,808,681</u>	<u>2,757,656</u>	<u>295,511</u>	<u>413,303</u>		<u>(342,211)</u>	<u>(342,211)</u>
Totals	<u>\$ 7,744,228</u>	<u>\$ 4,276,054</u>	<u>\$ 315,767</u>	<u>\$ 591,550</u>	<u>(2,218,646)</u>	<u>(342,211)</u>	<u>(2,560,857)</u>
General revenues:							
Property taxes					1,393,069	-	1,393,069
State shared revenue					982,760	-	982,760
Franchise fees					215,441	-	215,441
Local community stabilization share revenue					69,647	-	69,647
Unrestricted interest					29,874	50,595	80,469
Gain on sale of capital assets					470,354	15,967	486,321
Miscellaneous					29,327	-	29,327
Total general revenues					<u>3,190,472</u>	<u>66,562</u>	<u>3,257,034</u>
Changes in net position					971,826	(275,649)	696,177
Net position - beginning					<u>10,060,336</u>	<u>14,066,608</u>	<u>24,126,944</u>
Net position - ending					<u>\$ 11,032,162</u>	<u>\$ 13,790,959</u>	<u>\$ 24,823,121</u>

See notes to financial statements

**BALANCE SHEET - governmental funds**

March 31, 2017

	<u>General</u>	<u>Fire</u>	<u>LTGO 2015 Bond Capital Project</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>	
<b>ASSETS</b>						
Cash	\$ 990,912	\$ 447,765	\$ -	\$ 1,100,707	\$ 2,539,384	
Receivables, net	461,482	20,808	-	13,644	495,934	
Prepays	54,395	10,250	-	-	64,645	
Total assets	<u>\$ 1,506,789</u>	<u>\$ 478,823</u>	<u>\$ -</u>	<u>\$ 1,114,351</u>	<u>\$ 3,099,963</u>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Payables	\$ 141,078	\$ 21,380	\$ -	\$ 16,767	\$ 179,225	
Deferred inflows of resources:						
Unavailable sale proceeds	42,795	-	-	-	42,795	
Unavailable assessment revenue	105,451	-	-	-	105,451	
Unavailable cost reimbursement	4,000	-	-	-	4,000	
Unavailable interest revenue	598	-	-	-	598	
Total deferred inflows of resources	<u>152,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,844</u>	
Fund balances:						
Nonspendable - prepaids	54,395	10,250	-	-	64,645	
Restricted for:						
Public works	-	-	-	325,643	325,643	
Public safety	-	83,050	-	-	83,050	
Capital outlay	-	-	-	427,471	427,471	
Assigned for:						
General government (cemetery)	-	-	-	344,470	344,470	
Public safety	-	364,143	-	-	364,143	
Unassigned	<u>1,158,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,158,472</u>	
Total fund balances	<u>1,212,867</u>	<u>457,443</u>	<u>-</u>	<u>1,097,584</u>	<u>2,767,894</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,506,789</u>	<u>\$ 478,823</u>	<u>\$ -</u>	<u>\$ 1,114,351</u>	<u>\$ 3,099,963</u>	
Reconciliation of the balance sheet to the statement of net position:						
Total fund balance - total governmental funds					\$ 2,767,894	
Amounts reported for <i>governmental activities</i> in the statement of net position (page 12) are different because:						
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.						11,814,777
Certain assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						152,844
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:						
Bonds and notes payable					(3,491,718)	
Interest payable					(47,100)	
Compensated absences					(8,286)	
Other postemployment obligation, net					<u>(156,249)</u>	
Net position of <i>governmental activities</i>					<u>\$ 11,032,162</u>	

See notes to financial statements

Spring Lake Township

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

Year ended March 31, 2017

	<u>General</u>	<u>Fire</u>	<u>LTGO 2015 Bond Capital Project</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>					
Property taxes	\$ 590,015	\$ -	\$ -	\$ 1,079,033	\$ 1,669,048
Licenses and permits	373,645	-	-	-	373,645
Federal grants	7,390	8,758	-	14,962	31,110
State grants	1,061,066	-	-	-	1,061,066
Charges for services	113,614	-	-	9,765	123,379
Interest	33,887	497	4,628	3,706	42,718
Other	107,794	804,857	-	252,682	1,165,333
	<u>2,287,411</u>	<u>814,112</u>	<u>4,628</u>	<u>1,360,148</u>	<u>4,466,299</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	857,497	-	-	-	857,497
Public safety	353,069	548,241	-	-	901,310
Public works	142,460	-	-	118,135	260,595
Community and economic development	178,562	-	-	-	178,562
Health and welfare	-	-	-	171,434	171,434
Recreation and culture	326,385	-	-	614,337	940,722
Capital outlay	425,727	-	2,656,308	1,120,606	4,202,641
Debt service:					
Principal	145,000	-	-	-	145,000
Interest and fees	115,725	-	-	-	115,725
	<u>2,544,425</u>	<u>548,241</u>	<u>2,656,308</u>	<u>2,024,512</u>	<u>7,773,486</u>
Total expenditures					
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>(257,014)</u>	<u>265,871</u>	<u>(2,651,680)</u>	<u>(664,364)</u>	<u>(3,307,187)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sales of capital assets	893,700	-	-	-	893,700
Transfers in	181,000	-	353,004	197,900	731,904
Transfers out	(353,004)	(197,900)	-	(181,000)	(731,904)
	<u>721,696</u>	<u>(197,900)</u>	<u>353,004</u>	<u>16,900</u>	<u>893,700</u>
Net other financing sources (uses)					
<b>NET CHANGES IN FUND BALANCES</b>					
	464,682	67,971	(2,298,676)	(647,464)	(2,413,487)
<b>FUND BALANCES - BEGINNING</b>					
	<u>748,185</u>	<u>389,472</u>	<u>2,298,676</u>	<u>1,745,048</u>	<u>5,181,381</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 1,212,867</u>	<u>\$ 457,443</u>	<u>\$ -</u>	<u>\$ 1,097,584</u>	<u>\$ 2,767,894</u>

See notes to financial statements

**Spring Lake Township**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *governmental funds***  
**(Continued)**

*Year ended March 31, 2017*

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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) \$ (2,413,487)

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

Capital assets:

Add - capital asset acquisitions	4,111,495
Deduct - provision for depreciation	(464,396)
Deduct - asset dispositions	(116,141)

Long-term debt:

Add - principal repayments	145,000
Add - premium amortization	6,347

Changes in other liabilities:

Decrease in accrued interest payable	1,800
Decrease in deferred inflows of resources	(348,864)
Decrease in compensated absences	361
Decrease in net other postemployment obligation	<u>49,711</u>

Change in net position of *governmental activities* \$ 971,826

**STATEMENT OF NET POSITION - proprietary funds**

March 31, 2017

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 43,832	\$ 2,232,620	\$ 2,276,452
Receivables	375,622	355,167	730,789
Due from other funds	-	100,000	100,000
Prepaid expenses	13,029	6,077	19,106
	<u>432,483</u>	<u>2,693,864</u>	<u>3,126,347</u>
Total current assets			
Noncurrent assets:			
Receivables	93,909	774,344	868,253
Land	50,900	-	50,900
Depreciable capital assets, net	9,133,046	9,373,859	18,506,905
	<u>9,277,855</u>	<u>10,148,203</u>	<u>19,426,058</u>
Total noncurrent assets			
	<u>9,710,338</u>	<u>12,842,067</u>	<u>22,552,405</u>
Total assets			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on bond refunding	-	14,795	14,795
	<u>-</u>	<u>14,795</u>	<u>14,795</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	116,405	43,166	159,571
Due to other funds	100,000	-	100,000
Bonds and contracts payable	143,675	-	143,675
	<u>360,080</u>	<u>43,166</u>	<u>403,246</u>
Total current liabilities			
Noncurrent liabilities:			
Compensated absences	970	1,802	2,772
Other postemployment obligation, net	53,653	99,639	153,292
Bonds and contracts payable	3,050,399	4,719,153	7,769,552
	<u>3,105,022</u>	<u>4,820,594</u>	<u>7,925,616</u>
Total noncurrent liabilities			
	<u>3,465,102</u>	<u>4,863,760</u>	<u>8,328,862</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount on bond refunding	-	447,379	447,379
	<u>-</u>	<u>447,379</u>	<u>447,379</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,989,872	4,222,122	10,211,994
Unrestricted	255,364	3,323,601	3,578,965
	<u>6,245,236</u>	<u>7,545,723</u>	<u>13,790,959</u>
Total net position			

See notes to financial statements

Spring Lake Township

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

Year ended March 31, 2017

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 902,470	\$ 1,620,059	\$ 2,522,529
Other	<u>72,951</u>	<u>162,176</u>	<u>235,127</u>
Total operating revenues	<u>975,421</u>	<u>1,782,235</u>	<u>2,757,656</u>
<b>OPERATING EXPENSES</b>			
Personnel costs	167,286	355,654	522,940
Sewage treatment	631,293	-	631,293
Water distribution	-	546,017	546,017
Repairs and maintenance	22,832	57,811	80,643
Administration	118,600	135,600	254,200
Contracted services	343,241	64,810	408,051
Utilities	59,175	11,020	70,195
Other	58,751	53,231	111,982
Depreciation	<u>453,178</u>	<u>380,687</u>	<u>833,865</u>
Total operating expenses	<u>1,854,356</u>	<u>1,604,830</u>	<u>3,459,186</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(878,935)</u>	<u>177,405</u>	<u>(701,530)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Debt service charges	203,872	-	203,872
Interest revenue	8,002	42,593	50,595
State grant	295,511	-	295,511
Gain on sale of capital assets	9,201	6,766	15,967
Write-down of local unit debt financing	-	(33,917)	(33,917)
Interest expense	<u>(96,228)</u>	<u>(219,350)</u>	<u>(315,578)</u>
Net nonoperating revenues (expenses)	<u>420,358</u>	<u>(203,908)</u>	<u>216,450</u>
<b>LOSS BEFORE CONTRIBUTIONS</b>	<u>(458,577)</u>	<u>(26,503)</u>	<u>(485,080)</u>
<b>CONTRIBUTIONS</b>			
Connection fees	33,218	65,797	99,015
Special assessments	<u>51,356</u>	<u>59,060</u>	<u>110,416</u>
Total contributions	<u>84,574</u>	<u>124,857</u>	<u>209,431</u>
<b>CHANGES IN NET POSITION</b>	(374,003)	98,354	(275,649)
<b>NET POSITION - BEGINNING</b>	<u>6,619,239</u>	<u>7,447,369</u>	<u>14,066,608</u>
<b>NET POSITION - ENDING</b>	<u>\$ 6,245,236</u>	<u>\$ 7,545,723</u>	<u>\$ 13,790,959</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - proprietary funds**

Year ended March 31, 2017

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 893,424	\$ 1,761,348	\$ 2,654,772
Payments to suppliers	(1,303,878)	(968,209)	(2,272,087)
Payments to employees	(96,316)	(219,231)	(315,547)
Net cash provided by (used in) operating activities	<u>(506,770)</u>	<u>573,908</u>	<u>67,138</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State grants	295,511	-	295,511
Increase in due to other funds	100,000	-	100,000
Increase in due from other funds	-	(100,000)	(100,000)
Net cash provided by (used in) noncapital financing activities	<u>395,511</u>	<u>(100,000)</u>	<u>295,511</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt service charges	203,872	-	203,872
Connection fees	33,218	65,797	99,015
Collection of special assessment principal	44,464	49,783	94,247
Collection on notes receivable	-	18,691	18,691
Proceeds from sale of capital assets	9,201	6,766	15,967
Acquisition of capital assets	(9,779)	(140,591)	(150,370)
Principal payments on capital debt	(137,430)	(147,110)	(284,540)
Interest payments on capital debt	(96,838)	(241,967)	(338,805)
Net cash provided by (used in) capital and related financing activities	<u>46,708</u>	<u>(388,631)</u>	<u>(341,923)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>8,002</u>	<u>42,730</u>	<u>50,732</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(56,549)	128,007	71,458
<b>CASH - BEGINNING</b>	<u>100,381</u>	<u>2,104,613</u>	<u>2,204,994</u>
<b>CASH - ENDING</b>	<u>\$ 43,832</u>	<u>\$ 2,232,620</u>	<u>\$ 2,276,452</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - proprietary funds (Continued)**

Year ended March 31, 2017

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (878,935)	\$ 177,405	\$ (701,530)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	453,178	380,687	833,865
Increase in receivables	(81,997)	(20,887)	(102,884)
Decrease in prepaid expenses	1,582	3,510	5,092
Decrease in payables	(30,872)	(23,031)	(53,903)
Increase in compensated absences	101	187	288
Increase in other postemployment obligation, net	<u>30,173</u>	<u>56,037</u>	<u>86,210</u>
Net cash provided by (used in) operating activities	<u>\$ (506,770)</u>	<u>\$ 573,908</u>	<u>\$ 67,138</u>

**Noncash capital and related financing activities:**

Ottawa County refunded its 2010 bonds, which reduced the Township's related contractual obligation by \$473,695. The reduction has been classified as a deferred inflow that will be amortized over the remaining life of the Township's contractual obligation.

In connection with this event, the Township reduced the amount due from Crockery Township for its share of the contractual obligation (\$33,917).

**Spring Lake Township**

**STATEMENT OF ASSETS AND LIABILITIES - agency funds**

March 31, 2017

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**ASSETS**

Cash \$ 66,489

**LIABILITIES**

Due to other governmental units \$ 44,866

Escrow deposits 21,623

Total liabilities \$ 66,489

*See notes to financial statements*

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

The accounting policies of Spring Lake Township, 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 only the Township (located in Ottawa County), as management has determined that there are no other entities for which the Township is financially accountable.

*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. 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 property tax 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. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

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

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

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 Fire Fund, a special revenue fund, accounts for the financial resources used for fire department operations and capital costs. Revenues are derived primarily from a Township-wide special assessment.

The LTGO 2015 Bond Capital Project Fund, a capital projects fund, accounts for financial resources used to build a new fire station. Resources are derived primarily 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 two fiduciary funds (the Tax Collection Fund and the Escrow Fund). Agency 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 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 sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or equity:*

*Cash* - Cash is considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*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 accounting periods and are recorded as prepaid items in the fund statements and the government-wide financial statements.

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

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or equity (continued):*

*Capital assets* - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., sewer and water systems and bike paths), are reported in the applicable governmental or business-type activities column 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 \$10,000 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 acquisition value as of the date received. 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 prospectively, beginning April 1, 2004.

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

Buildings and improvements	15 - 40 years
Bike paths	15 - 25 years
Machinery and equipment	5 - 20 years
Vehicles	5 - 30 years
Sewer and water systems	30 - 50 years

*Deferred outflows of resources* - The statements of net position of the business-type activities and proprietary funds include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenses) until then. The Township has one item that qualifies for reporting in this category, a deferred charge on bond refunding. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is being amortized over the life of the refunding debt as a component of interest expense.

*Compensated absences* - It is the Township's policy to permit employees to accumulate earned but unused 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.

*Deferred inflows of resources* - The statements of net position of the business-type activities and proprietary funds and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element represents an increase in equity that applies to a future period. The related revenues will not be recognized until a future event occurs. The Township has one item that qualifies for reporting in this category in the statements of net position of the business-type activities and proprietary funds that relates to a deferred amount on bond refunding. A deferred amount on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is being amortized over the life of the refunded debt as a component of interest expense over the remaining life of the debt. The Township has a number of items that are included in this category in the governmental funds balance sheet: unavailable sale proceeds, assessments, cost reimbursements, and interest, which are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year), and are deferred and recognized as an inflow of resources in the period that the revenues become available.

*Net position* - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. 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 and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets;

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

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or equity (continued):*

*Net position - (continued) (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 and deferred inflows of resources 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.

*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 nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported 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 Township’s general and special revenue funds. The budget document presents information by fund, function, activity, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

*Excess of expenditures over appropriations* - The following schedule includes reportable budget variances:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
General	General government	Cemetery	\$ 185,500	\$ 190,586	\$ 5,086
		Public safety	167,200	176,253	9,053
	Public works	Drain maintenance	48,000	56,292	8,292
Fire	Other financing uses	Transfers out	194,900	197,900	3,000

**NOTE 3 - CASH**

Cash, as presented in the accompanying financial statements, as of March 31, 2017, was as follows:

	<u>Governmental funds</u>	<u>Proprietary funds</u>	<u>Agency funds</u>	<u>Totals</u>
Cash on hand	\$ 300	\$ -	\$ -	\$ 300
Deposits with financial institutions	<u>2,539,084</u>	<u>2,276,452</u>	<u>66,489</u>	<u>4,882,025</u>
Totals	<u>\$ 2,539,384</u>	<u>\$ 2,276,452</u>	<u>\$ 66,489</u>	<u>\$ 4,882,325</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, 2017, \$3,126,358 of the Township's bank balances of \$5,126,358 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**NOTE 4 - RECEIVABLES**

Receivables as of March 31, 2017, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Property taxes</u>	<u>Accounts</u>	<u>Interest</u>	<u>Assessments</u>	<u>Intergovern- mental</u>	<u>Totals</u>
Governmental:						
General	\$ 37,359	\$ 79,820	\$ 1,510	\$ 105,451	\$ 237,342	\$ 461,482
Fire	-	-	-	20,808	-	20,808
Nonmajor funds	<u>13,054</u>	<u>-</u>	<u>590</u>	<u>-</u>	<u>-</u>	<u>13,644</u>
Total governmental funds	<u>\$ 50,413</u>	<u>\$ 79,820</u>	<u>\$ 2,100</u>	<u>\$ 126,259</u>	<u>\$ 237,342</u>	<u>\$ 495,934</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,635</u>	<u>\$ -</u>	<u>\$ 87,635</u>
Proprietary:						
Sewer	\$ -	\$ 329,653	\$ -	\$ 108,909	\$ 30,969	\$ 469,531
Water	-	<u>300,713</u>	<u>23,259</u>	<u>99,098</u>	<u>706,441</u>	<u>1,129,511</u>
Total proprietary funds	<u>\$ -</u>	<u>\$ 630,366</u>	<u>\$ 23,259</u>	<u>\$ 208,007</u>	<u>\$ 737,410</u>	<u>\$ 1,599,042</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,007</u>	<u>\$ 687,246</u>	<u>\$ 868,253</u>

All receivables are considered fully collectible.

## NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Change in Classification</u>	<u>Ending balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,003,671	\$ 23,141	\$ (79,823)	\$ -	\$ 1,946,989
Construction in progress	<u>1,422,263</u>	<u>628,845</u>	<u>-</u>	<u>(1,363,155)</u>	<u>687,953</u>
Total capital assets not being depreciated	<u>3,425,934</u>	<u>651,986</u>	<u>(79,823)</u>	<u>(1,363,155)</u>	<u>2,634,942</u>
Capital assets being depreciated:					
Land improvements	7,415,525	22,895	-	-	7,438,420
Buildings and improvements	1,433,926	2,651,165	(158,565)	1,363,155	5,289,681
Machinery and equipment	<u>1,847,781</u>	<u>785,449</u>	<u>(179,011)</u>	<u>-</u>	<u>2,454,219</u>
Subtotal	<u>10,697,232</u>	<u>3,459,509</u>	<u>(337,576)</u>	<u>1,363,155</u>	<u>15,182,320</u>
Less accumulated depreciation for:					
Land improvements	(4,008,987)	(234,520)	-	-	(4,243,507)
Buildings and improvements	(584,859)	(115,276)	132,396	-	(567,739)
Machinery and equipment	<u>(1,245,501)</u>	<u>(114,600)</u>	<u>168,862</u>	<u>-</u>	<u>(1,191,239)</u>
Subtotal	<u>(5,839,347)</u>	<u>(464,396)</u>	<u>301,258</u>	<u>-</u>	<u>(6,002,485)</u>
Total capital assets being depreciated, net	<u>4,857,885</u>	<u>2,995,113</u>	<u>(36,318)</u>	<u>1,363,155</u>	<u>9,179,835</u>
Governmental activities capital assets, net	<u>\$ 8,283,819</u>	<u>\$ 3,647,099</u>	<u>\$ (116,141)</u>	<u>\$ -</u>	<u>\$ 11,814,777</u>

The beginning balance column reflects restated amounts as discussed in Note 19 to the financial statements.

Sometimes, the Township records capitalizable costs, as part of current expenditure functions, for purposes of administrative control. In fiscal year 2017, capitalizable costs of \$7,759 and \$17,752 were reported within the general government and recreation and culture functions, respectively, in the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 15).

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

Governmental activities:	
General government	\$ 22,992
Public safety	198,254
Recreation and culture	<u>243,150</u>
Total governmental activities	<u>\$ 464,396</u>

## NOTE 5 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 50,900	\$ -	\$ -	\$ 50,900
Capital assets being depreciated:				
Buildings	295,874	27,941	-	323,815
Machinery and equipment	2,391,548	114,855	(5,662)	2,500,741
Sewer system	15,554,474	-	-	15,554,474
Water system	17,724,238	7,574	-	17,731,812
Subtotal	<u>35,966,134</u>	<u>150,370</u>	<u>(5,662)</u>	<u>36,110,842</u>
Less accumulated depreciation for:				
Buildings	(134,732)	(10,352)	-	(145,084)
Machinery and equipment	(1,702,722)	(115,835)	5,662	(1,812,895)
Sewer system	(6,521,996)	(386,205)	-	(6,908,201)
Water system	(8,416,284)	(321,473)	-	(8,737,757)
Subtotal	<u>(16,775,734)</u>	<u>(833,865)</u>	<u>5,662</u>	<u>(17,603,937)</u>
Total capital assets being depreciated, net	<u>19,190,400</u>	<u>(683,495)</u>	<u>-</u>	<u>18,506,905</u>
Business-type activities capital assets, net	<u>\$ 19,241,300</u>	<u>\$ (683,495)</u>	<u>\$ -</u>	<u>\$ 18,557,805</u>

## NOTE 6 - PAYABLES

Payables as of March 31, 2017, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Intergovern- mental</u>	<u>Interest</u>	<u>Totals</u>
Governmental:					
General	\$ 73,214	\$ 12,936	\$ 54,928	\$ -	\$ 141,078
Fire	5,852	15,528	-	-	21,380
Nonmajor funds	<u>16,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,767</u>
Total governmental funds	<u>\$ 95,833</u>	<u>\$ 28,464</u>	<u>\$ 54,928</u>	<u>\$ -</u>	<u>\$ 179,225</u>
Proprietary:					
Sewer	\$ 43,451	\$ 1,718	\$ 64,236	\$ 7,000	\$ 116,405
Water	<u>9,752</u>	<u>4,113</u>	<u>29,301</u>	<u>-</u>	<u>43,166</u>
Total proprietary funds	<u>\$ 53,203</u>	<u>\$ 5,831</u>	<u>\$ 93,537</u>	<u>\$ 7,000</u>	<u>\$ 159,571</u>

**NOTE 7 - LONG-TERM OBLIGATIONS:**

## Governmental activities:

## Bonds payable:

\$3,500,000 2015 General obligation bonds - payable in annual installments ranging from \$145,000 to \$225,000, plus interest at 3.00%; final payment due May 2035	\$ 3,355,000
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2015 General obligation bond premium	<u>136,718</u>
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Total bonds	3,491,718
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Compensated absences	<u>8,286</u>
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Total governmental activities	<u><u>\$ 3,500,004</u></u>
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## Business-type activities:

## Contracts payable:

\$992,635 2010 Ottawa County water system refunding bonds - payable in annual installments ranging from \$15,579 to \$124,636, plus interest at 2.000% to 2.625%; final payment due May 2021	\$ 458,482
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\$840,000 2011 Ottawa County sewage disposal bonds - payable in annual installments ranging from \$20,000 to \$80,000, plus interest at 3.50% to 4.50%; final payment due March 2031	800,000
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\$577,680 2013 Grand Haven - Spring Lake Sewer Authority bonds - payable in annual installments ranging from \$16,185 to \$52,290, plus interest at 2.0% to 4.7%; final payment due July 2032	544,065
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\$5,197,708 2016 Ottawa County water supply system refunding bonds - payable in annual installments ranging from \$46,593 to \$408,983, plus interest at 4.60%; final payment due May 2034	4,260,671
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## Bonds payable:

\$2,337,414 2011 Sewer capital improvement bonds - payable in annual installments ranging from \$97,405 to \$140,009, plus interest at 2.50%; final payment due April 2032	<u>1,850,009</u>
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Total contracts and bonds payable	7,913,227
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Compensated absences	<u>2,772</u>
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Total business-type activities	<u><u>\$ 7,915,999</u></u>
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## NOTE 7 - LONG-TERM OBLIGATIONS (Continued)

Long-term obligation activity for the year ended March 31, 2017, was as follows:

	<i>Beginning balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
Governmental activities:					
Bonds - 2015 General obligation bonds	\$ 3,500,000	\$ -	\$ (145,000)	\$ 3,355,000	\$ 145,000
Premium - 2015 General obligation bonds	143,065	-	(6,347)	136,718	-
Total bonds	3,643,065	-	(151,347)	3,491,718	145,000
Compensated absences	8,647	48,064	(48,425)	8,286	-
Total governmental activities	<u>\$ 3,651,712</u>	<u>\$ 48,064</u>	<u>\$ (199,772)</u>	<u>\$ 3,500,004</u>	<u>\$ 145,000</u>
Business-type activities:					
Contracts with Ottawa County:					
2010 Water refunding bonds	\$ 556,410	\$ -	\$ (97,928)	\$ 458,482	\$ -
2011 Wastewater bonds	820,000	-	(20,000)	800,000	20,000
2013 Sewer Authority bonds	561,495	-	(17,430)	544,065	18,675
2016 Water refunding bonds	4,783,548	-	(522,877)	4,260,671	-
Bonds payable - 2011 Sewer capital improvement bonds	1,950,009	-	(100,000)	1,850,009	105,000
Total contracts and bonds	8,671,462	-	(758,235)	7,913,227	<u>\$ 143,675</u>
Compensated absences	2,484	15,348	(15,060)	2,772	-
Total business-type activities	<u>\$ 8,673,946</u>	<u>\$ 15,348</u>	<u>\$ (773,295)</u>	<u>\$ 7,915,999</u>	-

The 2016 Water refunding bonds contract replaced the 2009 Water bonds, which was refunded by the County during the current year. The refunding reduced the Township's obligation by \$473,695 (which is included in the reduction amount of \$522,877). The reduction has been recorded as a deferred inflow of resources, as discussed below.

At March 31, 2017, debt service requirements, with the exception of compensated absences, are as follows:

<i>Year ended March 31,</i>	<i>Governmental activities</i>		<i>Business-type activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2018	\$ 145,000	\$ 110,875	\$ 38,675	\$ 188,404
2019	150,000	106,450	297,363	325,917
2020	150,000	101,950	332,697	303,666
2021	155,000	97,375	324,733	280,544
2022	155,000	92,725	395,847	270,335
2023 - 2027	820,000	391,250	2,366,199	1,123,784
2028 - 2032	925,000	257,300	2,655,412	615,082
2033 - 2037	855,000	69,700	1,502,301	97,475
Totals	<u>\$ 3,355,000</u>	<u>\$ 1,227,625</u>	<u>\$ 7,913,227</u>	<u>\$ 3,205,207</u>

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

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

In connection with debt refunding in a prior year, the Township has recognized the difference between the reacquisition price and the net carrying amount of the refunded debt (\$14,795 at March 31, 2017) as a deferred outflow of resources. The deferred charge on refunding is being amortized as a component of interest expense (\$3,698 in 2017) over the remaining life of the new debt, through 2021. In connection with debt refunding in the current year, the Township has recognized the difference between the reacquisition price and the net carrying amount of the refunded debt (\$447,379 at March 31, 2017) as a deferred inflow of resources. The deferred amount on refunding is being amortized as a component of interest expense (\$26,316 in 2017) over the remaining life of the new debt, through 2034.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS***Plan description:*

The Spring Lake Township Retiree Healthcare Plan is a single-employer, defined benefit healthcare plan administered by the Township, which provides medical insurance benefits to eligible retirees and their spouses. Eligible recipients include retirees and their spouses at April 1, 2007, and all full-time employees employed at April 1, 2007, who have reached age 62 and have worked at least 20 years for the Township upon their retirement from the Township. Employees hired after April 1, 2007, receive no postemployment health benefits. The Plan was established by the Township and can be amended at its discretion. The plan does not issue a separate stand-alone financial statement.

*Funding policy:*

The Township has elected to provide postemployment health benefits to retirees of the Township. The Township pays the full cost of coverage of these benefits for retirees and their spouses on a pay-as-you-go basis. Currently, ten retirees are eligible for postemployment health benefits. The Township obtains healthcare coverage through private insurers. The Township has the authority to establish the funding policy for the Plan and to amend the obligations of both the Township and members. Active members are not obligated to make contributions to the Plan at this time. For the year ended March 31, 2017, the Township contributed \$17,235 to the Plan.

*Annual OPEB cost and net OPEB obligation:*

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The Township has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

*Annual OPEB cost and net OPEB obligation (continued):*

The following schedule shows the components of the Township's annual OPEB cost for the year ended March 31, 2017, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation:

Annual required contribution (ARC)	\$ 64,874
Interest on net OPEB obligation	12,287
Adjustment to annual required contribution	<u>(23,427)</u>
Annual OPEB cost (expense)	53,734
Contributions made	<u>(17,235)</u>
Increase in net OPEB obligation	36,499
Net OPEB obligation - beginning of year	<u>273,042</u>
Net OPEB obligation - end of year	<u>\$ 309,541</u>

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Three-year trend information is as follows:

<i>Fiscal year ended</i>	<i>Annual OPEB cost</i>	<i>Contributions</i>	<i>Percentage of annual OPEB cost contributed</i>	<i>Net OPEB obligation</i>
3/31/2015	\$ 50,140	\$ 26,768	53%	\$ 237,720
3/31/2016	52,651	17,329	33%	273,042
3/31/2017	53,734	17,235	32%	309,541

*Funded status and funding progress:*

As of March 31, 2017, the most recent valuation date, the plan had not been funded, resulting in an unfunded actuarial accrued liability (UAAL) of \$923,798. The covered payroll (annual payroll of active employees covered by the plan) was \$559,969 and the ratio of the UAAL to the covered payroll was 165%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial methods and assumptions:*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

*Marital status* - Marital status of members at the calculation date was assumed to continue throughout retirement.

*Mortality* - Life expectancies were based on mortality tables from the National Vital Statistics Reports, Vol. 53, No. 6. The Life Tables for U.S. Males and Females, 2004 version, were used.

*Turnover* - Non-group-specific, age-based turnover data from GASB Statement No. 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The following simplifying assumptions were made:

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services.

*Health insurance premium* - 2010 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

*Inflation rate* - The expected long-term inflation assumption of 2.8% was based on an average of the previous five years of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), as displayed in *The 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds* for an intermediate growth scenario.

**NOTE 9 - INTERFUND BALANCES AND TRANSFERS**

At March 31, 2017 the Sewer Fund owes the Water Fund \$100,000, related to a short-term loan that will be repaid in fiscal year 2018.

During fiscal year 2017, the Fire Fund transferred \$197,900 to the Fire Replacement Fund for future capital acquisitions for the Fire Department. In addition, the Cemetery Fund transferred \$181,000 to the General Fund to reimburse the General Fund for costs associated with cemetery improvements.

**NOTE 10 - TAX REVENUE**

The 2016 taxable valuation of the Township approximated \$710,648,000, on which ad valorem taxes levied consisted of the following:

<i>Fund</i>	<i>Millage</i>	<i>Millage rate</i>	<i>Revenues raised</i>
General	Operating	0.4500	\$ 320,000
Bike Path	Bike Path	0.4875	346,000
Nonmajor funds	Museum	0.2487	177,000
Nonmajor funds	Harbor Transit	0.5800	412,000
Nonmajor funds	Aging Council	0.2487	177,000

These amounts are recognized in the fund financial statements as property tax revenue.

**NOTE 11 - 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 70% 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, 2017, the Township abated property taxes totaling \$278,106 under Public Act 198 of 1974, related to industrial facilities, summarized as follows:

<u>Purpose</u>	<u>State statute</u>	<u>Percentage of taxes abated</u>	<u>Township taxes abated</u>
Real property taxes	PA 198 of 1974	50%	\$ 72,868
Personal property taxes	PA 198 of 1974	70%	<u>205,238</u>
Total taxes abated			<u>\$ 278,106</u>

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN**

The Township and its employees contribute to the Township of Spring Lake Group Pension Plan, a defined contribution pension plan, which is administered by a third-party administrator. Each full-time employee and firefighter is eligible to participate in the Plan. The members of the Township Board, with the exception of the Clerk, are ineligible to participate in the Plan.

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. Contributions to the Plan are discretionary. Each year, the Township Board may make a contribution to the Plan and will determine the amount of any contribution, though no contribution is required. In fiscal year 2016, the Township contributed 10% of covered payroll of qualifying employees. Employees are not permitted to make contributions to the Plan. For the year ended March 31, 2017, the Township incurred pension expense in the amount of \$95,483. At March 31, 2017, 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 after two years of service. Any forfeitures shall be used to reduce the administrative expenses of the Plan or reduce the employer contribution for the plan year.

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 13 - OPERATING LEASE**

In 2015, the Township began leasing office facilities from the Village of Spring Lake under a five (5) year operating lease. The agreement provides that after two and one-half (2.5) years, and every twelve (12) months thereafter, the lease shall automatically extend one year, unless terminated by either party. Written notice to terminate must be provided thirty (30) months prior to the termination date. The total costs associated with this lease were \$45,744 during the fiscal year ended March 31, 2017. The future minimum lease payments for this lease are as follows:

<u>Year ended</u> <u>March 31,</u>	<u>Amount</u>
2018	\$ 45,744
2019	45,744
2020	45,744
2021	45,744
2022	<u>45,744</u>
	<u>\$ 228,720</u>

**NOTE 14 - CONSTRUCTION CODE ACT**

A summary of construction code enforcement transactions for the year ended March 31, 2017, is as follows:

Cumulative excess revenues, beginning of year	<u>\$ -</u>
Revenues	\$ 145,434
Expenses	<u>176,555</u>
Deficiency of revenues over expenses	<u>\$ (31,121)</u>
Cumulative excess revenues, end of year	<u>\$ -</u>

**NOTE 15 - JOINT VENTURES**

The Township is a member of the Grand Haven - Spring Lake Sewer Authority (the Authority). The purpose of the Authority is to acquire, own, improve, enlarge, extend, and operate a sewage disposal system. The participating communities (the Cities of Grand Haven and Ferrysburg, the Townships of Spring Lake and Grand Haven, the Village of Spring Lake, and the County of Ottawa) pay a set rate to the Authority to process waste. In the current year, the Township paid \$631,293 to the Authority for sewage treatment. Payables of the Sewer Fund include \$64,236 due to the Authority. Complete financial statements can be obtained at Grand Haven City Hall (519 Washington Street).

The Township is also a member of the Northwest Ottawa Water System (NOWS). The purpose of NOWS is to acquire, construct, finance, operate, and maintain a water production facility. The participating communities (the Cities of Grand Haven and Ferrysburg, the Townships of Spring Lake and Grand Haven, the Village of Spring Lake, and the County of Ottawa) pay for water at a rate that is estimated to cover operation, maintenance, replacement, and debt service. In the current year, the Township paid \$546,017 to the plant to purchase water. Payables of the Water Fund include \$29,301 due to NOWS. Complete financial statements can be obtained at Grand Haven City Hall (519 Washington Street).

The governing documents of the Authority and NOWS do not explicitly convey an equity interest to its members. The Township is unaware of any indication that either joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause a benefit or burden on the Township in the near future.

**NOTE 16 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, property and casualty, workers’ compensation, and employee medical claims. The risks of loss arising from general liability up to \$5,000,000, property losses, workers’ compensation, and employee medical costs 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 17 - CONSTRUCTION COMMITMENT**

At year end, the Township has a construction contract, in the amount of \$379,388, for improvements to a non-motorized trail. Costs incurred on the project through March 31, 2017, amounted to \$319,721, leaving a commitment of \$59,667. The project is being funded by available funds within the Township’s Bike Path Fund.

**NOTE 18 - PENDING ACCOUNTING PRONOUNCEMENT**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending March 31, 2019. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses/expenditures related to other postemployment benefits (OPEB). For defined benefit OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the fiscal year beginning April 1, 2018.

**NOTE 19 - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment has been recorded in fiscal year 2017 to correct the method of accounting used for intangible capital assets that resulted in a restatement of opening net position of governmental activities. Net position of governmental activities, as of March 31, 2016, included in the government-wide financial statements, represents a restated balance as presented below.

	<u>Net position</u> <u>Governmental</u> <u>activities</u>
Beginning of year, as previously reported	\$ 11,712,687
Prior period adjustment - overstatement of intangible capital assets	<u>(1,652,351)</u>
Beginning of year, as restated	<u>\$ 10,060,336</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Spring Lake Township

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 559,900	\$ 561,900	\$ 590,015	\$ 28,115
Licenses and permits	372,600	386,500	373,645	(12,855)
Federal grants	11,000	6,900	7,390	490
State grants	985,200	987,800	1,061,066	73,266
Charges for services	119,000	119,000	113,614	(5,386)
Interest and rentals	8,500	22,000	33,887	11,887
Other	4,600	66,200	107,794	41,594
Total revenues	<u>2,060,800</u>	<u>2,150,300</u>	<u>2,287,411</u>	<u>137,111</u>
<b>EXPENDITURES</b>				
General government:				
Legislative	19,600	21,600	19,989	1,611
Supervisor	46,700	61,700	63,942	(2,242)
Manager	156,800	163,100	161,502	1,598
Elections	32,200	30,800	27,714	3,086
Assessor	242,100	251,000	236,101	14,899
Clerk	159,800	167,000	169,590	(2,590)
Finance	162,000	167,400	164,519	2,881
Treasurer	37,700	39,900	37,275	2,625
Cemetery	179,500	185,500	190,586	(5,086)
General administration	87,500	119,500	102,079	17,421
Fund administration fees	(315,800)	(315,800)	(315,800)	-
Total general government	<u>808,100</u>	<u>891,700</u>	<u>857,497</u>	<u>34,203</u>
Public safety:				
Police protection	167,200	167,200	176,253	(9,053)
Code inspections	170,600	190,300	176,816	13,484
Total public safety	<u>337,800</u>	<u>357,500</u>	<u>353,069</u>	<u>4,431</u>

Spring Lake Township

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>EXPENDITURES</b>				
Public works:				
Road maintenance	\$ 135,300	\$ 95,300	\$ 86,168	\$ 9,132
Drain maintenance	8,000	48,000	56,292	(8,292)
Total public works	<u>143,300</u>	<u>143,300</u>	<u>142,460</u>	<u>840</u>
Community and economic development	<u>207,000</u>	<u>187,000</u>	<u>178,562</u>	<u>8,438</u>
Recreation and culture	<u>278,800</u>	<u>345,000</u>	<u>326,385</u>	<u>18,615</u>
Capital outlay	<u>25,000</u>	<u>443,900</u>	<u>425,727</u>	<u>18,173</u>
Debt service - principal	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Debt service - interest	<u>115,300</u>	<u>115,800</u>	<u>115,725</u>	<u>75</u>
Total expenditures	<u>2,060,300</u>	<u>2,629,200</u>	<u>2,544,425</u>	<u>84,775</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>500</u>	<u>(478,900)</u>	<u>(257,014)</u>	<u>221,886</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sales of capital assets	-	904,000	893,700	(10,300)
Transfers in	-	181,000	181,000	-
Transfers out	-	(350,000)	(353,004)	(3,004)
Total other financing sources (uses)	<u>-</u>	<u>735,000</u>	<u>721,696</u>	<u>(13,304)</u>
<b>NET CHANGES IN FUND BALANCES</b>	500	256,100	464,682	208,582
<b>FUND BALANCES - BEGINNING</b>	<u>748,185</u>	<u>748,185</u>	<u>748,185</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 748,685</u>	<u>\$ 1,004,285</u>	<u>\$ 1,212,867</u>	<u>\$ 208,582</u>

Spring Lake Township

**BUDGETARY COMPARISON SCHEDULE - Fire Fund**

Year ended March 31, 2017

	<i><b>Original budget</b></i>	<i><b>Final budget</b></i>	<i><b>Actual</b></i>	<i><b>Variance with final budget positive (negative)</b></i>
<b>REVENUES</b>				
Federal grants	\$ -	\$ -	\$ 8,758	\$ 8,758
Interest	100	100	497	397
Other:				
Special assessments	760,000	760,000	798,324	38,324
Miscellaneous	<u>700</u>	<u>700</u>	<u>6,533</u>	<u>5,833</u>
Total revenues	760,800	760,800	814,112	53,312
<b>EXPENDITURES</b>				
Public safety	<u>557,500</u>	<u>557,500</u>	<u>548,241</u>	<u>9,259</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	203,300	203,300	265,871	62,571
<b>OTHER FINANCING USES</b>				
Transfers out - Fire Replacement Fund	<u>(194,900)</u>	<u>(194,900)</u>	<u>(197,900)</u>	<u>(3,000)</u>
<b>NET CHANGES IN FUND BALANCES</b>	8,400	8,400	67,971	59,571
<b>FUND BALANCES - BEGINNING</b>	<u>389,472</u>	<u>389,472</u>	<u>389,472</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 397,872</u></u>	<u><u>\$ 397,872</u></u>	<u><u>\$ 457,443</u></u>	<u><u>\$ 59,571</u></u>

**Spring Lake Township**

**SCHEDULE OF FUNDING PROGRESS FOR THE POSTEMPLOYMENT HEALTHCARE PLAN**

*Year ended March 31, 2017*

<i>Valuation date, March 31,</i>	<i>Actuarial liability (AAL) (a)</i>	<i>Actuarial value of assets (b)</i>	<i>Unfunded AAL (UAAL) (a-b)</i>	<i>Funded ratio (b/a)</i>	<i>Covered payroll (c)</i>	<i>UAAL as a percentage of covered payroll ((a-b)/c)</i>
2010	\$ 914,084	\$ -	\$ 914,084	0%	\$ 497,316	184%
2011	803,663	-	803,663	0%	518,269	155%
2012	816,172	-	816,172	0%	524,239	156%
2013	966,799	-	966,799	0%	521,641	185%
2014	1,540,396	-	1,540,396	0%	545,532	282%
2015	827,353	-	827,353	0%	545,340	152%
2016	834,808	-	834,808	0%	581,323	144%
2017	923,798	-	923,798	0%	559,969	165%

**SUPPLEMENTARY INFORMATION**

Spring Lake Township

**COMBINING BALANCE SHEET - nonmajor governmental funds**

March 31, 2017

	<i>Special revenue funds</i>					<i>Capital project</i>	<i>Totals</i>	
	<i>Bike Path</i>	<i>Street Lighting</i>	<i>Museum</i>	<i>Harbor Transit</i>	<i>Aging Council</i>	<i>Cemetery</i>		<i>Fire Replacement</i>
<b>ASSETS</b>								
Cash	\$ 423,972	\$ 331,747	\$ -	\$ -	\$ -	\$ 343,880	\$ 1,108	\$ 1,100,707
Receivables	9,197	3,857	-	-	-	590	-	13,644
Total assets	<u>\$ 433,169</u>	<u>\$ 335,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,470</u>	<u>\$ 1,108</u>	<u>\$ 1,114,351</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities - payables	\$ 6,806	\$ 9,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,767
Fund balances:								
Restricted for:								
Public works	-	325,643	-	-	-	-	-	325,643
Capital replacement	426,363	-	-	-	-	-	1,108	427,471
Assigned for cemetery	-	-	-	-	-	344,470	-	344,470
Total fund balances	<u>426,363</u>	<u>325,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,470</u>	<u>1,108</u>	<u>1,097,584</u>
Total liabilities and fund balances	<u>\$ 433,169</u>	<u>\$ 335,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,470</u>	<u>\$ 1,108</u>	<u>\$ 1,114,351</u>

Spring Lake Township

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

- nonmajor governmental funds

Year ended March 31, 2017

	<i>Special revenue funds</i>					<i>Capital project</i>		<i>Totals</i>
	<i>Bike Path</i>	<i>Street Lighting</i>	<i>Museum</i>	<i>Harbor Transit</i>	<i>Aging Council</i>	<i>Cemetery</i>	<i>Fire Replacement</i>	
<b>REVENUES</b>								
Property taxes	\$ 336,974	\$ -	\$ 171,409	\$ 399,216	\$ 171,434	\$ -	\$ -	\$ 1,079,033
Federal grant	-	-	-	-	-	-	14,962	14,962
Charges for services	-	-	-	-	-	9,765	-	9,765
Interest	310	549	-	-	-	1,680	1,167	3,706
Other	100,418	152,264	-	-	-	-	-	252,682
<b>Total revenues</b>	<b>437,702</b>	<b>152,813</b>	<b>171,409</b>	<b>399,216</b>	<b>171,434</b>	<b>11,445</b>	<b>16,129</b>	<b>1,360,148</b>
<b>EXPENDITURES</b>								
Current:								
Public works	-	118,135	-	-	-	-	-	118,135
Health and welfare	-	-	-	-	171,434	-	-	171,434
Recreation and culture	43,712	-	171,409	399,216	-	-	-	614,337
Capital outlay	386,987	-	-	-	-	-	733,619	1,120,606
<b>Total expenditures</b>	<b>430,699</b>	<b>118,135</b>	<b>171,409</b>	<b>399,216</b>	<b>171,434</b>	<b>-</b>	<b>733,619</b>	<b>2,024,512</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,003</b>	<b>34,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,445</b>	<b>(717,490)</b>	<b>(664,364)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	197,900	197,900
Transfers out	-	-	-	-	-	(181,000)	-	(181,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(181,000)</b>	<b>197,900</b>	<b>16,900</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>7,003</b>	<b>34,678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(169,555)</b>	<b>(519,590)</b>	<b>(647,464)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>419,360</b>	<b>290,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>514,025</b>	<b>520,698</b>	<b>1,745,048</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 426,363</b>	<b>\$ 325,643</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 344,470</b>	<b>\$ 1,108</b>	<b>\$ 1,097,584</b>

Spring Lake Township

**COMBINING STATEMENT OF ASSETS AND LIABILITIES - agency funds**

March 31, 2017

	<u>Tax Collection</u>	<u>Escrow</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 44,866	\$ 21,623	\$ 66,489
<b>LIABILITIES</b>			
Delinquent tax collections due to local units:			
Spring Lake Schools	\$ 5,400	\$ -	\$ 5,400
Ottawa Area ISD	4,241	-	4,241
Ottawa County	3,972	-	3,972
Council on Aging	192	-	192
Tri-cities Museum	192	-	192
Harbor Transit	447	-	447
Spring Lake Library	1,693	-	1,693
Spring Lake Township	1,735	-	1,735
Due to State of Michigan	26,994	-	26,994
Escrow deposits	-	21,623	21,623
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	\$ 44,866	\$ 21,623	\$ 66,489

*Spring Lake Township*

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$992,635 2010 OTTAWA COUNTY WATER SYSTEM REFUNDING BONDS**

*March 31, 2017*

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>May 1</i>	<i>November 1</i>			
2018	\$ -	\$ 5,539	5/1/17	\$ -	\$ 5,539
2019	5,539	4,362	5/1/18	104,605	114,506
2020	4,362	3,110	5/1/19	111,282	118,754
2021	3,110	1,637	5/1/20	117,959	122,706
2022	1,635	-	5/1/21	124,636	126,271
	<u>\$ 14,646</u>	<u>\$ 14,648</u>		<u>\$ 458,482</u>	<u>\$ 487,776</u>

*Spring Lake Township*

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$840,000 2011 OTTAWA COUNTY SEWAGE DISPOSAL BONDS**

*March 31, 2017*

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>September 1</i>	<i>March 1</i>			
2018	\$ 15,930	\$ 15,930	3/1/18	\$ 20,000	\$ 51,860
2019	15,580	15,580	3/1/19	20,000	51,160
2020	15,230	15,230	3/1/20	50,000	80,460
2021	14,355	14,355	3/1/21	55,000	83,710
2022	13,393	13,393	3/1/22	55,000	81,786
2023	12,430	12,430	3/1/23	55,000	79,860
2024	11,454	11,454	3/1/24	60,000	82,908
2025	10,344	10,344	3/1/25	60,000	80,688
2026	9,144	9,144	3/1/26	65,000	83,288
2027	7,803	7,803	3/1/27	65,000	80,606
2028	6,462	6,462	3/1/28	70,000	82,924
2029	4,975	4,975	3/1/29	70,000	79,950
2030	3,487	3,487	3/1/30	75,000	81,974
2031	1,800	1,800	3/1/31	80,000	83,600
	<u>\$ 142,387</u>	<u>\$ 142,387</u>		<u>\$ 800,000</u>	<u>\$ 1,084,774</u>

Spring Lake Township

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$2,337,414 2011 SEWER CAPITAL IMPROVEMENT BONDS**

March 31, 2017

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>October 1</i>	<i>April 1</i>			
2018	\$ 23,125	\$ 23,125	4/1/18	\$ 105,000	\$ 151,250
2019	21,813	21,813	4/1/19	105,000	148,626
2020	20,500	20,500	4/1/20	110,000	151,000
2021	19,125	19,125	4/1/21	115,000	153,250
2022	17,688	17,688	4/1/22	115,000	150,376
2023	16,250	16,250	4/1/23	120,000	152,500
2024	14,750	14,750	4/1/24	120,000	149,500
2025	13,250	13,250	4/1/25	125,000	151,500
2026	11,688	11,688	4/1/26	125,000	148,376
2027	10,125	10,125	4/1/27	130,000	150,250
2028	8,500	8,500	4/1/28	130,000	147,000
2029	6,875	6,875	4/1/29	135,000	148,750
2030	5,188	5,188	4/1/30	135,000	145,376
2031	3,500	3,500	4/1/31	140,000	147,000
2032	1,750	1,750	4/1/32	140,009	143,509
	<u>\$ 194,127</u>	<u>\$ 194,127</u>		<u>\$ 1,850,009</u>	<u>\$ 2,238,263</u>

Spring Lake Township

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$577,680 2013 GRAND HAVEN - SPRING LAKE SEWER AUTHORITY BONDS**

March 31, 2017

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>July 1</i>	<i>January 1</i>			
2018	\$ 7,352	\$ 7,165	7/1/17	\$ 18,675	\$ 33,192
2019	7,165	6,953	7/1/18	21,165	35,283
2020	6,953	6,729	7/1/19	22,410	36,092
2021	6,729	6,493	7/1/20	23,655	36,877
2022	6,493	6,231	7/1/21	26,145	38,869
2023	6,231	5,957	7/1/22	27,390	39,578
2024	5,957	5,621	7/1/23	29,880	41,458
2025	5,621	5,136	7/1/24	32,370	43,127
2026	5,136	4,631	7/1/25	33,615	43,382
2027	4,631	4,090	7/1/26	36,105	44,826
2028	4,090	3,511	7/1/27	38,595	46,196
2029	3,511	2,895	7/1/28	41,085	47,491
2030	2,895	2,241	7/1/29	43,575	48,711
2031	2,241	1,531	7/1/30	47,310	51,082
2032	1,531	784	7/1/31	49,800	52,115
2033	785	-	7/1/32	52,290	53,075
	<u>\$ 77,321</u>	<u>\$ 69,968</u>		<u>\$ 544,065</u>	<u>\$ 691,354</u>

**Spring Lake Township**

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$3,500,000 2015 GENERAL OBLIGATION BONDS**

March 31, 2017

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>November 1</i>	<i>May 1</i>			
2018	\$ 54,350	\$ 56,525	5/1/17	\$ 145,000	\$ 255,875
2019	52,100	54,350	5/1/18	150,000	256,450
2020	49,850	52,100	5/1/19	150,000	251,950
2021	47,525	49,850	5/1/20	155,000	252,375
2022	45,200	47,525	5/1/21	155,000	247,725
2023	42,800	45,200	5/1/22	160,000	248,000
2024	40,400	42,800	5/1/23	160,000	243,200
2025	37,925	40,400	5/1/24	165,000	243,325
2026	35,450	37,925	5/1/25	165,000	238,375
2027	32,900	35,450	5/1/26	170,000	238,350
2028	30,275	32,900	5/1/27	175,000	238,175
2029	27,575	30,275	5/1/28	180,000	237,850
2030	24,800	27,575	5/1/29	185,000	237,375
2031	21,000	24,800	5/1/30	190,000	235,800
2032	17,100	21,000	5/1/31	195,000	233,100
2033	13,000	17,100	5/1/32	205,000	235,100
2034	8,800	13,000	5/1/33	210,000	231,800
2035	4,500	8,800	5/1/34	215,000	228,300
	-	4,500	5/1/35	225,000	229,500
	<u>\$ 585,550</u>	<u>\$ 642,075</u>		<u>\$ 3,355,000</u>	<u>\$ 4,582,625</u>

Spring Lake Township

**SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS -  
\$5,197,708 2016 OTTAWA COUNTY WATER SYSTEM REFUNDING BONDS**

March 31, 2017

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>May 1</i>	<i>November 1</i>			
2018	\$ -	\$ 113,363	5/1/17	\$ -	\$ 113,363
2019	113,363	112,437	5/1/18	46,593	272,393
2020	112,437	97,302	5/1/19	44,005	253,744
2021	97,302	96,939	5/1/20	18,119	212,360
2022	96,939	95,438	5/1/21	75,067	267,444
2023	95,438	90,675	5/1/22	238,142	424,255
2024	90,675	85,653	5/1/23	251,084	427,412
2025	85,653	80,476	5/1/24	258,850	424,979
2026	80,476	75,092	5/1/25	269,204	424,772
2027	75,092	69,502	5/1/26	279,558	424,152
2028	69,502	62,253	5/1/27	289,912	421,667
2029	62,253	54,553	5/1/28	308,031	424,837
2030	54,553	46,528	5/1/29	320,974	422,055
2031	46,528	38,116	5/1/30	336,505	421,149
2032	38,116	29,250	5/1/31	354,624	421,990
2033	29,250	19,996	5/1/32	370,156	419,402
2034	19,996	10,225	5/1/33	390,864	421,085
2035	10,225	-	5/1/34	408,983	419,208
	<u>\$ 1,177,798</u>	<u>\$ 1,177,798</u>		<u>\$ 4,260,671</u>	<u>\$ 6,616,267</u>