

**CASCADE
CHARTER TOWNSHIP**
Kent County, Michigan

Annual Financial Report

For the year ended December 31, 2013

CASCADE CHARTER TOWNSHIP
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For the year ended December 31, 2013

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

June 3, 2014

The Township Board
Cascade Charter Township
Kent County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Cascade Charter Township (the "Township") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Cascade Charter Township as of December 31, 2013, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes A and F to the basic financial statements, the Township changed its method of reporting as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is 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 and the schedule of funding progress identified as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cascade Charter Township's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and other 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hungerford Nichols

Certified Public Accountants

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

As management of the Cascade Charter Township (“the Township”), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Township’s financial statements, which immediately follow this section.

Financial Highlights

- The Township’s net position increased through 2013 operations by \$2,465,583 (or 7.5%).
- Total expenses of the Township’s programs were \$7,504,860.
- Total revenues, including all program and general revenues, were \$9,970,443.
- At the close of the current year, the Township’s governmental funds reported combined ending fund balances of \$17,149,519, an increase of \$730,762 from the prior year.
- At the end of the current year, the unassigned fund balance for the General Fund was \$6,212,774, or 205 percent of total General Fund expenditures and transfers out.
- Total debt of the Township decreased by \$1,973,166 (23%) during the current year.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements and Supplemental Information. The Basic Financial Statements include two kinds of statements that present different views of the Township:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *Government-wide financial statements* that provide both short-term and long-term information about the Township’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Township, reporting the Township’s operations in more detail than the Government-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as township administration, public safety, library, parks and pathways, etc. were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the Township acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Basic Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data. Supplemental Information follows and includes combining and individual fund statements.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

Government-wide Statements

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

The two Government-wide statements report the Township's net position, and how it has changed. Net position, the difference between the Township's assets and liabilities, is one way to measure the Township's financial health or position.

- Over time, increases or decreases in the Township's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Township's overall health, one should consider additional non-financial factors such as changes in the Township's property tax-base and the condition of township buildings and other facilities.

In the Government-wide financial statements, the Township's activities are presented as follows:

- *Governmental activities:* The Township's basic services are included here, such as general government, public safety, public works, recreation and cultural and other services. State revenue sharing and property taxes finance most of these activities.

New Accounting Pronouncement Implemented

The Township implemented Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported at Assets and Liabilities* in fiscal year 2013. GASB 65 provides guidance for reporting deferred outflows of resources and deferred inflows of resources in a statement of financial position and related disclosures. Items previously reported as assets are now reported as deferred outflows of resources and items previously reported as liabilities are now reported as deferred inflows of resources.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

Government-wide Financial Statements

The Statement of Net Position provides financial information on the Township as a whole.

	2013	2012
Assets		
Current assets	\$ 22,793,989	\$ 21,687,335
Noncurrent assets:		
Special assessments receivable	3,473,220	2,990,676
Capital assets not being depreciated	9,650,440	9,650,440
Capital assets being depreciated	10,943,969	11,608,307
Total noncurrent assets	24,067,629	24,249,423
Total Assets	46,861,618	45,936,758
Liabilities		
Current liabilities	1,114,409	1,468,759
Long-term liabilities	4,994,222	6,547,388
Total Liabilities	6,108,631	8,016,147
Deferred Inflows of Resources	5,473,922	5,107,129
Net Position		
Invested in capital assets, net of related debt	14,712,548	13,493,437
Restricted	12,947,249	12,631,911
Unrestricted	7,619,268	6,688,134
Total Net Position	\$ 35,279,065	\$ 32,813,482

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

The Statement of Activities presents changes in net position from operating results:

	<u>2013</u>	<u>2012</u>
Program Revenues		
Charges for services	\$ 2,827,189	\$ 2,346,656
General Revenues		
Property taxes	5,442,855	5,541,638
State/intergovernmental revenue	1,308,974	1,284,465
Interest earnings	236,741	305,424
Loss on disposal of assets	—	(25,189)
Other	130,684	115,565
Transfers	<u>24,000</u>	<u>20,500</u>
Total Revenues	<u>9,970,443</u>	<u>9,589,059</u>
Expenses		
General government	1,382,212	1,498,000
Public safety	3,564,659	3,340,859
Public works	1,000,628	381,689
Community and economic development	147,396	144,612
Recreation and cultural	791,006	737,951
Other township	379,068	397,973
Interest on long-term debt	<u>239,891</u>	<u>325,283</u>
Total Expenses	<u>7,504,860</u>	<u>6,826,367</u>
Increase in net position	2,465,583	2,762,692
Net Position - Beginning of Year	<u>32,813,482</u>	<u>30,050,790</u>
Net Position - End of Year	<u><u>\$ 35,279,065</u></u>	<u><u>\$ 32,813,482</u></u>

Financial Analysis of the Township as a Whole

The Township's financial position is the product of many factors. The continuing, though slowed, decrease in property taxes hindered growth in 2013. Continued low interest rates on invested balances generated a decrease in interest income in 2013. Expanded inspection services to other governmental units, an increase in anticipated state revenue sharing, along with increasing building activities in the Township, generated \$480,533 in additional revenue in 2013. Expenses increased by \$678,493 in 2013, mainly due to sewer and water utility construction projects, the naturally occurring appearance of an additional bi-weekly payroll period, payment of callable bonds, and increased inspection services provided to other townships. Other expenses were kept in control mainly due to cost control efforts by Township Administration and the Township Board.

Property taxes accounted for most of the Township's revenue, contributing 55% of every dollar raised (compared to 58% in 2012); licenses, permits, connection charges and other user fees accounted for 28% of revenues (compared to 24% in 2012); another 13% came from state and other intergovernmental sources (compared to 13% in 2012); 2% came from interest earnings during the year and the remainder from contributions, reimbursements and other sources.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

The Township's expenses were predominantly related to public safety (47%); general government administration (18%); public works (13%) and recreation and cultural (11%). Interest on long-term debt totaled 3% of expenses for the year.

Financial Analysis of the Township's Funds

The fund financial statements provide more detailed information about the Township's funds, focusing on its most significant or "major" funds - not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs.

The Township utilizes two kinds of funds:

- *Governmental funds:* Most of the Township's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow 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 the reader 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 Township-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.
- *Fiduciary funds:* The Township is the trustee, or fiduciary, for assets that belong to others, such as property taxes. The Township is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and/or paid to those to whom the assets belong. The Township excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

The Township uses funds to record and analyze financial information. Cascade Charter Township's funds are described as follows:

Major Funds

The *General Fund* is our primary operating fund. The General Fund had total revenues of \$3,913,658, total expenditures of \$2,307,454, transfers from other funds of \$24,000 (to reimburse the fund for lawn and street maintenance for the year), and transfers to other funds of \$722,579. It ended the fiscal year with a fund balance of \$7,648,945, up from \$6,741,320 at December 31, 2012.

The *Fire Fund* levies property taxes for fire protection services. The Fund had total revenues of \$1,704,703 and total expenditures of \$1,881,307, plus transfers out for debt service of \$251,761, and budgeted transfers in from the General Fund of \$400,000. It ended the year with a fund balance of \$2,373,354, down from \$2,401,719 at December 31, 2012.

The *Police Fund* levies property taxes for law enforcement purposes. The Fund had total revenues of \$594,374, and total expenditures of \$546,154. It ended the year with a fund balance of \$1,190,465, up from \$1,142,245 at December 31, 2012.

The *Improvement Revolving Fund* collects connection fees for sewer and water hookups to be used for the construction of extensions to the utility systems benefitting Township residents. The Fund had total revenues of \$351,309 and total expenditures of \$939,732. It ended the year with a fund balance of \$811,543, down from \$1,399,966 at December 31, 2012.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

The *Library Fund* levies property taxes for library building operations and capital improvements. The Fund does not pay for library personnel labor costs. The Fund had total revenues of \$523,244, total expenditures of \$187,029, and transfers out for debt service of \$552,663. It ended the year with a fund balance of \$1,600,485, down from \$1,816,933 at December 31, 2012.

The *Pathways Fund* levies property taxes for pathway maintenance, construction, improvements and debt service, and also has issued bonds for capital improvements. The Fund had total revenues of \$514,709 and total expenditures of \$429,023. It ended the year with a fund balance of \$793,299, up from \$707,613 at December 31, 2012.

The *Inspections Fund* collects inspection (building, mechanical, electrical, plumbing) permits from Cascade and other township residents to be used for maintaining the operations of the Inspections Department. The Fund had total revenues of \$1,545,964, and total expenditures of \$1,011,960. It ended the year with a fund balance of \$1,299,998, up from \$765,994 at December 31, 2012.

The *Open Space Fund* levies property taxes for the purchase and improvement of Township parks and recreational areas. The Fund had total revenues of \$296,418, total expenditures of \$10,746, and transfers out for debt service of \$346,224. It ended the year with a fund balance of \$525,708, down from \$586,260 at December 31, 2012.

Nonmajor Funds

The *Dam Major Repair Fund* collects interest, rentals and General Fund contributions for use in major repairs to the Cascade Dam. Total revenues were \$426, total expenditures were zero, and transfers in were \$45,000. The Fund ended the year with a fund balance of \$425,144, up from \$379,718 at December 31, 2012.

The *HAZMAT Fund* collects contributions from surrounding governmental units to be used for hazardous waste clean-up. Total revenues were \$229, and expenditures totaled \$3,713. The Fund ended the year with a fund balance of \$55,913, down from \$59,397 at December 31, 2012.

The *Open Space Preservation Capital Projects Fund* collects private contributions and transfers from the General Fund to fund future projects. Total revenues were \$6,547 in 2013. The Fund ended the year with a fund balance of \$346,891, up from \$340,344 at December 31, 2012.

The *Debt Service Fund* receives transfers from other Township Funds to be used for bond principal retirement and interest payments. Total revenues were zero, total principal and interest expenditures were \$1,426,277, and transfers in from other funds, to fund debt service, were \$1,426,277. Ending fund balance remained zero.

The *Cemetery Perpetual Care Fund* collects cemetery burial fees to be used for future improvements to Township cemeteries. Total revenues were \$318, transfers in from the General Fund were \$1,950, and total expenditures were \$1,742. The Fund ended the year with a fund balance of \$77,774, up from \$77,248 at December 31, 2012.

The *Trust Account and Tax Account Funds* are operated as Agency Funds of the Township. The assets of these funds are being held for the future payment to the governmental units and businesses and individuals entitled to the monies. Balances on hand at December 31, 2013 totaled \$102,472 in the Trust Account and \$5,081,000 in the Tax Account.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

Component Unit

The *Cascade Township Downtown Development Authority* is a discretely presented component unit of the Township. Total revenues were \$517,970, total expenditures were \$550,919, and total other financing uses were \$24,000. The Fund ended the year with a fund balance of \$1,795,650, down from \$1,852,599 at December 31, 2012.

General Fund Budgetary Highlights

Over the course of the year, the Township revised the annual General and Special Revenue Funds operating budgets several times to comply with Michigan Department of Treasury guidelines. The budget amendments were made to reflect changes in revenues and expenditures as they occurred during the year. The final amended General Fund budget estimated an increase in fund balance of \$491,472, while actual results were an increase of \$907,625. The net effect of budget amendments in 2013 totaled \$174,480, mainly derived from an increase in anticipated state shared revenues.

Capital Asset and Debt Administration

Capital Assets

By the end of 2013, the Township had a \$29,847,187 investment in a broad range of capital assets, including land, land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment. (More detailed information about capital assets can be found in the Notes to Basic Financial Statements.)

Capital asset additions totaled \$97,122 for the fiscal year, and depreciation expensed totaled \$761,640. The net book value of capital assets at December 31, 2013 and 2012 is detailed as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 9,650,440	\$ 9,650,440
Land improvements	3,296,395	3,651,960
Infrastructure	616,000	644,000
Buildings and improvements	5,533,241	5,740,015
Furniture and equipment	359,350	375,928
Vehicles	1,138,983	1,196,404
Net Capital Assets	<u><u>\$ 20,594,409</u></u>	<u><u>\$ 21,258,747</u></u>

Long-term Debt

At year end, the Township had \$6,586,222 in bonds, notes, and unused vacation, sick and compensation pay outstanding. Prior year debt balances were reduced by payments of \$2,130,420 during the current year. The 2003 Township Building Authority bond issue was retired in 2013 with advance principal payments of \$620,000. There is more detailed information about long-term liabilities in the Notes to Basic Financial Statements. Long-term debt at December 31, 2013 and 2012 is detailed by type as follows:

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2013

	2013	2012
General obligation bonds	\$ 1,580,000	\$ 1,940,000
Building authority bonds	3,865,000	5,095,000
Municipal purchase notes	405,000	679,000
Downtown development-purchase notes	660,000	748,000
Accumulated vacation pay	31,541	45,242
Accumulated sick leave	34,776	39,930
Accumulated compensation time	9,905	12,216
Total Long-term Debt	\$ 6,586,222	\$8,559,388

Factors Bearing on the Township's Future

At the time these financial statements were prepared and audited, the Township was aware of the following existing circumstances that could affect its financial circumstances in the future:

- The Township's initial General Fund budget for 2014 anticipates an increase in year end fund balance of \$603,091, which reflects an emerging trend of increases in property tax valuations and continued property tax growth in the Township. Additionally, the Township is anticipating a slight increase in state shared revenues due to sales tax collection growth by the state. The Township Board continues to evaluate operations to ensure the high quality, efficient services are being provided to the residents.
- The Special Revenue Funds' budgets for 2014 anticipate a combined decrease in fund balances of \$316,135. This is primarily a result of capital expenditures, including the purchase of a new fire engine, water and sewer infrastructure improvements and improvements in the Downtown Development Authority areas.
- In an effort to maintain a healthy financial balance in future years, the Township Board elected to commit Fund Balances in several Township funds for (1) pension liability (2) payment of callable bonds with high interest rates; through Board action funds were uncommitted for payment of bonds in 2013 (3) revenues that will be lost with the elimination of the personal property tax (4) major improvements to Township cemeteries and the library (5) future capital purchases. More detail of the specific fund commitments may be found in the Notes to Financial Statements.

Contacting the Township's Financial Management

This financial report is designed to provide the Township's citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Benjamin Swayze, Township Manager, Cascade Charter Township, 2865 Thornhills SE, Grand Rapids, MI, 49546-7140; by telephone at 616-949-1500; or by email at bswayze@cascadetwp.com.

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BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP
Statement of Net Position
December 31, 2013

	Primary Government <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Unit</u>
Assets		
Current Assets		
Cash equivalents, deposits and investments (Note B)	\$ 16,972,542	\$ 1,799,380
Receivables:		
Taxes (Note C)	3,176,059	157,083
Accounts	2,410,838	-
Special assessments - current portion (Note F)	20,000	-
Due from other governmental units	214,550	-
Total Current Assets	<u>22,793,989</u>	<u>1,956,463</u>
Noncurrent Assets		
Special assessments receivable (Note F)	3,473,220	-
Capital assets not being depreciated (Note E)	9,650,440	59,366
Capital assets being depreciated, net (Note E)	10,943,969	3,636,191
Total Noncurrent Assets	<u>24,067,629</u>	<u>3,695,557</u>
Total Assets	<u>46,861,618</u>	<u>5,652,020</u>
Liabilities		
Current Liabilities		
Accounts payable	150,548	3,730
Accrued interest payable	31,861	4,930
Current portion of noncurrent liabilities (Note G)	932,000	86,000
Total Current Liabilities	<u>1,114,409</u>	<u>94,660</u>
Noncurrent Liabilities (Note G)		
General obligation bonds payable	1,580,000	-
Building authority bonds payable	3,865,000	-
Municipal purchase notes payable	405,000	-
Tax increment financing authority bonds payable	-	660,000
Accumulated vacation, sick, compensation time payable	76,222	-
Current portion of noncurrent liabilities	(932,000)	(86,000)
Total Noncurrent Liabilities	<u>4,994,222</u>	<u>574,000</u>
Total Liabilities	6,108,631	668,660
Deferred Inflows of Resources (Note F)	5,473,922	157,083
Net Position		
Invested in capital assets, net of related debt	14,712,548	3,030,627
Restricted for:		
Public safety	4,873,185	-
Public works	4,729,907	-
Recreation and cultural	3,266,383	-
Cemetery trust	77,774	-
Unrestricted	7,619,268	1,795,650
Total Net Position	<u>\$ 35,279,065</u>	<u>\$ 4,826,277</u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Statement of Activities
For the year ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants	Primary Government	Component Unit
Primary Government					
Governmental activities:					
General government	\$1,382,212	\$ 105,241	\$ -	\$(1,276,971)	\$ -
Public safety	3,564,659	1,883,995	-	(1,680,664)	-
Public works	1,000,628	837,953	-	(162,675)	-
Community and economic development	147,396	-	-	(147,396)	-
Recreation and cultural	791,006	-	-	(791,006)	-
Other township	379,068	-	-	(379,068)	-
Interest on long-term debt	239,891	-	-	(239,891)	-
Total Primary Government	\$7,504,860	\$2,827,189	\$ -	(4,677,671)	-
Component Unit					
Downtown Development Authority	\$ 383,533	\$ -	\$ -		(383,533)
General revenues:					
Property taxes levied for:					
General operations				1,852,085	-
Fire				1,692,132	-
Police				590,648	-
Library				499,426	-
Pathways				512,678	-
Open space				295,886	-
Downtown Development Authority				-	498,822
State revenue sharing				1,287,061	-
Intergovernmental revenues				21,913	-
Interest and investment earnings				236,741	13,690
Other				130,684	5,458
Transfers				24,000	(24,000)
Total General Revenues				7,143,254	493,970
Change in Net Position				2,465,583	110,437
Net Position - Beginning of Year				32,813,482	4,715,840
Net Position - End of Year				\$35,279,065	\$4,826,277

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2013

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Improvement Revolving</u>
Assets				
Cash equivalents, deposits and investments (Note B)	\$ 7,379,042	\$ 2,398,314	\$1,235,146	\$800,470
Receivables:				
Taxes (Note C)	1,169,832	945,421	330,006	-
Accounts	100,439	-	-	8,150
Special assessments (Note F)	-	-	-	3,493,220
Due from other funds (Note D)	669,368	773,528	268,495	6,444
Due from other governmental units	214,550	-	-	-
Total Assets	<u>\$ 9,533,231</u>	<u>\$ 4,117,263</u>	<u>\$1,833,647</u>	<u>\$4,308,284</u>
 Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable	\$ 33,904	\$ 29,278	\$ 44,681	\$ 3,521
Due to other funds (Note D)	14,973	-	-	-
Total Liabilities	48,877	29,278	44,681	3,521
Deferred Inflows of Resources (Note F)	1,835,409	1,714,631	598,501	3,493,220
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	1,015,354	960,465	811,543
Committed	1,436,171	1,358,000	230,000	-
Unassigned	6,212,774	-	-	-
Total Fund Balances	<u>7,648,945</u>	<u>2,373,354</u>	<u>1,190,465</u>	<u>811,543</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,533,231</u>	<u>\$ 4,117,263</u>	<u>\$1,833,647</u>	<u>\$4,308,284</u>

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 1,616,580	\$ 793,299	\$ 1,326,752	\$ 527,147	\$ 895,792	\$ 16,972,542
279,039	286,443	-	165,318	-	3,176,059
-	-	-	-	-	108,589
-	-	-	-	-	3,493,220
227,028	233,052	656	134,501	10,000	2,323,072
-	-	-	-	-	214,550
<u>\$ 2,122,647</u>	<u>\$ 1,312,794</u>	<u>\$ 1,327,408</u>	<u>\$ 826,966</u>	<u>\$ 905,792</u>	<u>\$ 26,288,032</u>
\$ 16,095	\$ -	\$ 21,560	\$ 1,439	\$ 70	\$ 150,548
-	-	5,850	-	-	20,823
16,095	-	27,410	1,439	70	171,371
506,067	519,495	-	299,819	-	8,967,142
-	-	-	-	72,774	72,774
1,005,485	593,299	1,299,998	409,708	577,948	6,673,800
595,000	200,000	-	116,000	255,000	4,190,171
-	-	-	-	-	6,212,774
<u>1,600,485</u>	<u>793,299</u>	<u>1,299,998</u>	<u>525,708</u>	<u>905,722</u>	<u>17,149,519</u>
<u>\$ 2,122,647</u>	<u>\$ 1,312,794</u>	<u>\$ 1,327,408</u>	<u>\$ 826,966</u>	<u>\$ 905,792</u>	<u>\$ 26,288,032</u>

CASCADE CHARTER TOWNSHIP
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2013

Total governmental fund balances	\$ 17,149,519
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$29,847,187 and accumulated depreciation is \$9,252,778.	20,594,409
Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds: Special assessments receivable	3,493,220
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
General obligation bonds	\$ (1,580,000)
Building authority bonds	(3,865,000)
Municipal purchase notes	(405,000)
Accumulated vacation, sick and compensation time payable	(76,222)
	(5,926,222)
Accrued interest is not included as a liability in governmental funds.	(31,861)
	\$ 35,279,065

See accompanying notes to basic financial statements.

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CASCADE CHARTER TOWNSHIP
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2013

	General	Fire	Police	Improvement Revolving
Revenues				
Taxes	\$ 1,852,085	\$ 1,692,132	\$ 590,648	\$ -
Licenses and permits	342,044	-	-	-
State sources	1,287,061	-	-	-
Intergovernmental sources	-	-	-	-
Charges for services	105,241	-	-	-
Interest and rentals	207,006	10,961	3,679	7,900
Other	120,221	1,610	47	343,409
Total Revenues	3,913,658	1,704,703	594,374	351,309
Expenditures				
Current:				
General government	1,314,051	-	-	-
Public safety	-	1,825,216	546,154	-
Public works	344,768	-	-	-
Community and economic development	147,396	-	-	-
Recreation and cultural	44,826	-	-	-
Other township	379,068	-	-	-
Capital outlay	77,345	56,091	-	655,860
Debt service:				
Principal repayment	-	-	-	262,000
Interest and fiscal charges	-	-	-	21,872
Total Expenditures	2,307,454	1,881,307	546,154	939,732
Excess (Deficiency) of Revenues Over Expenditures	1,606,204	(176,604)	48,220	(588,423)
Other Financing Sources (Uses)				
Transfers in	24,000	400,000	-	-
Transfers out	(722,579)	(251,761)	-	-
Total Other Financing Sources (Uses)	(698,579)	148,239	-	-
Net Change in Fund Balances	907,625	(28,365)	48,220	(588,423)
Fund Balances, Beginning of Year	6,741,320	2,401,719	1,142,245	1,399,966
Fund Balances, End of Year	\$ 7,648,945	\$ 2,373,354	\$1,190,465	\$ 811,543

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 499,426	\$ 512,678	\$ -	\$ 295,886	\$ -	\$ 5,442,855
-	-	1,541,801	-	-	1,883,845
-	-	-	-	-	1,287,061
21,913	-	-	-	-	21,913
-	-	-	-	150	105,391
1,867	1,735	534	530	2,529	236,741
38	296	3,629	2	4,841	474,093
<u>523,244</u>	<u>514,709</u>	<u>1,545,964</u>	<u>296,418</u>	<u>7,520</u>	<u>9,451,899</u>
-	-	-	-	1,742	1,315,793
-	-	991,945	-	862	3,364,177
-	-	-	-	-	344,768
-	-	-	-	-	147,396
183,056	15,832	-	10,668	-	254,382
-	-	-	-	-	379,068
3,973	-	20,015	78	2,851	816,213
-	372,000	-	-	1,230,000	1,864,000
-	41,191	-	-	196,277	259,340
<u>187,029</u>	<u>429,023</u>	<u>1,011,960</u>	<u>10,746</u>	<u>1,431,732</u>	<u>8,745,137</u>
<u>336,215</u>	<u>85,686</u>	<u>534,004</u>	<u>285,672</u>	<u>(1,424,212)</u>	<u>706,762</u>
-	-	-	-	1,473,227	1,897,227
(552,663)	-	-	(346,224)	-	(1,873,227)
<u>(552,663)</u>	<u>-</u>	<u>-</u>	<u>(346,224)</u>	<u>1,473,227</u>	<u>24,000</u>
(216,448)	85,686	534,004	(60,552)	49,015	730,762
<u>1,816,933</u>	<u>707,613</u>	<u>765,994</u>	<u>586,260</u>	<u>856,707</u>	<u>16,418,757</u>
<u>\$ 1,600,485</u>	<u>\$ 793,299</u>	<u>\$ 1,299,998</u>	<u>\$ 525,708</u>	<u>\$ 905,722</u>	<u>\$ 17,149,519</u>

CASCADE CHARTER TOWNSHIP
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2013

Net change in fund balances - total governmental funds		\$ 730,762
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:</p>		
	Capital outlays	\$ 97,122
	Depreciation expense	(761,460)
		(664,338)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
	Special assessments	494,544
Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
	Repayment of general obligation bonds	360,000
	Repayment of building authority bonds	1,230,000
	Repayment of municipal purchase notes	274,000
		1,864,000
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid.		
		19,449
In the Statement of Net Position, accumulated vacation, sick and compensation time pay is measured by the amount earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid (\$178,420) exceeded the amounts earned (\$157,254).		
		21,166
		\$ 2,465,583

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,905,277	\$1,905,277	\$1,852,085	\$ (53,192)
Licenses and permits	325,750	325,750	342,044	16,294
State sources	1,063,600	1,276,093	1,287,061	10,968
Charges for services	87,950	87,950	105,241	17,291
Interest and rentals	194,700	194,700	207,006	12,306
Other	107,749	137,786	120,221	(17,565)
Total Revenues	3,685,026	3,927,556	3,913,658	(13,898)
Expenditures				
Current:				
General government:				
Township board	37,154	37,154	36,752	402
Supervisor	14,520	14,520	12,843	1,677
Manager	158,324	168,324	167,688	636
Clerk	72,708	72,883	72,548	335
Treasurer	121,178	121,178	116,605	4,573
Assessor	193,596	193,596	187,423	6,173
Elections	5,335	5,335	11,412	(6,077)
Buildings and grounds	370,148	365,448	307,805	57,643
Cemetery	3,500	6,000	5,781	219
General administration	479,926	480,406	395,194	85,212
Total general government	1,456,389	1,464,844	1,314,051	150,793
Public works:				
Drains	111,500	113,395	12,416	100,979
Highways, streets and bridges	131,000	131,000	131,534	(534)
Street lighting	152,000	152,000	112,390	39,610
Hydrant rental	40,000	40,000	39,680	320
Sanitation services	52,600	56,600	48,748	7,852
Total public works	487,100	492,995	344,768	148,227
Community and economic development:				
Planning	173,145	173,145	146,401	26,744
Zoning	2,100	2,100	995	1,105
Total community and economic development	175,245	175,245	147,396	27,849
Recreation and cultural:				
Parks and recreation	33,600	43,600	38,732	4,868
Historical	2,240	6,940	6,094	846
Total recreation and cultural	35,840	50,540	44,826	5,714
Other township	407,733	407,733	379,068	28,665

(Continued)

CASCADE CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Capital outlay	107,850	146,850	77,345	69,505
Total Expenditures	<u>2,670,157</u>	<u>2,738,207</u>	<u>2,307,454</u>	<u>430,753</u>
Excess of Revenues Over Expenditures	<u>1,014,869</u>	<u>1,189,349</u>	<u>1,606,204</u>	<u>416,855</u>
Other Financing Sources (Uses)				
Transfers in	24,000	24,000	24,000	-
Transfers out	(721,877)	(721,877)	(722,579)	(702)
Total Other Financing Sources (Uses)	<u>(697,877)</u>	<u>(697,877)</u>	<u>(698,579)</u>	<u>(702)</u>
Net Change in Fund Balances	316,992	491,472	907,625	416,153
Fund Balances, Beginning of Year	<u>6,741,320</u>	<u>6,741,320</u>	<u>6,741,320</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 7,058,312</u></u>	<u><u>\$7,232,792</u></u>	<u><u>\$7,648,945</u></u>	<u><u>\$ 416,153</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Taxes	\$ 1,686,008	\$ 1,692,132	\$ 6,124
Fines and forfeitures	50	-	(50)
Interest and rentals	12,500	10,961	(1,539)
Other	1,800	1,610	(190)
Total Revenues	<u>1,700,358</u>	<u>1,704,703</u>	<u>4,345</u>
Expenditures			
Current:			
Public safety	1,946,786	1,825,216	121,570
Capital outlay	73,000	56,091	16,909
Total Expenditures	<u>2,019,786</u>	<u>1,881,307</u>	<u>138,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(319,428)</u>	<u>(176,604)</u>	<u>142,824</u>
Other Financing Sources (Uses)			
Transfers in	400,000	400,000	-
Transfers out	(251,760)	(251,761)	(1)
Total Other Financing Sources (Uses)	<u>148,240</u>	<u>148,239</u>	<u>(1)</u>
Net Change in Fund Balances	(171,188)	(28,365)	142,823
Fund Balances, Beginning of Year	<u>2,401,719</u>	<u>2,401,719</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 2,230,531</u></u>	<u><u>\$ 2,373,354</u></u>	<u><u>\$ 142,823</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Taxes	\$ 589,522	\$ 590,648	\$ 1,126
Interest and rentals	8,500	3,679	(4,821)
Reimbursements	-	47	47
Total Revenues	<u>598,022</u>	<u>594,374</u>	<u>(3,648)</u>
Expenditures			
Current:			
Public safety:			
Law enforcement	<u>608,030</u>	<u>546,154</u>	<u>61,876</u>
Net Change in Fund Balances	(10,008)	48,220	58,228
Fund Balances, Beginning of Year	<u>1,142,245</u>	<u>1,142,245</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,132,237</u></u>	<u><u>\$ 1,190,465</u></u>	<u><u>\$ 58,228</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Interest and rentals	\$ 8,189	\$ 7,900	\$ (289)
Other	249,956	343,409	93,453
Total Revenues	<u>258,145</u>	<u>351,309</u>	<u>93,164</u>
Expenditures			
Capital outlay	722,700	655,860	66,840
Debt service:			
Principal repayment	262,000	262,000	-
Interest and fiscal charges	21,958	21,872	86
Total debt service	<u>283,958</u>	<u>283,872</u>	<u>86</u>
Total Expenditures	<u>1,006,658</u>	<u>939,732</u>	<u>66,926</u>
Net Change in Fund Balances	(748,513)	(588,423)	160,090
Fund Balances, Beginning of Year	<u>1,399,966</u>	<u>1,399,966</u>	-
Fund Balances, End of Year	<u><u>\$ 651,453</u></u>	<u><u>\$ 811,543</u></u>	<u><u>\$ 160,090</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Taxes	\$ 498,548	\$ 499,426	\$ 878
Intergovernmental sources	22,000	21,913	(87)
Interest and rentals	5,000	1,867	(3,133)
Other	5,000	38	(4,962)
Total Revenues	<u>530,548</u>	<u>523,244</u>	<u>(7,304)</u>
Expenditures			
Current:			
Recreation and cultural:			
Library	206,015	183,056	22,959
Capital outlay	5,857	3,973	1,884
Total Expenditures	<u>211,872</u>	<u>187,029</u>	<u>24,843</u>
Excess of Revenues Over Expenditures	<u>318,676</u>	<u>336,215</u>	<u>17,539</u>
Other Financing Sources (Uses)			
Transfers out	(552,663)	(552,663)	-
Net Change in Fund Balances	(233,987)	(216,448)	17,539
Fund Balances, Beginning of Year	1,816,933	1,816,933	-
Fund Balances, End of Year	<u>\$ 1,582,946</u>	<u>\$ 1,600,485</u>	<u>\$ 17,539</u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Taxes	\$ 512,459	\$ 512,678	\$ 219
Interest and rentals	6,000	1,735	(4,265)
Miscellaneous	500	296	(204)
Total Revenues	<u>518,959</u>	<u>514,709</u>	<u>(4,250)</u>
Expenditures			
Current:			
Recreation and cultural:			
Parks and recreation	68,000	15,832	52,168
Debt service:			
Principal repayment	372,000	372,000	-
Interest and fiscal charges	41,191	41,191	-
Total debt service	<u>413,191</u>	<u>413,191</u>	<u>-</u>
Total Expenditures	<u>481,191</u>	<u>429,023</u>	<u>52,168</u>
Net Change in Fund Balances	37,768	85,686	47,918
Fund Balances, Beginning of Year	<u>707,613</u>	<u>707,613</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 745,381</u></u>	<u><u>\$ 793,299</u></u>	<u><u>\$ 47,918</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Inspections Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Licenses and permits	\$ 1,427,500	\$ 1,541,801	\$ 114,301
Interest and rentals	2,500	534	(1,966)
Other	1,100	3,629	2,529
Total Revenues	<u>1,431,100</u>	<u>1,545,964</u>	<u>114,864</u>
Expenditures			
Current:			
Public safety	1,118,792	991,945	126,847
Capital outlay	25,610	20,015	5,595
Total Expenditures	<u>1,144,402</u>	<u>1,011,960</u>	<u>132,442</u>
Net Change in Fund Balances	286,698	534,004	247,306
Fund Balances, Beginning of Year	<u>765,994</u>	<u>765,994</u>	-
Fund Balances, End of Year	<u><u>\$ 1,052,692</u></u>	<u><u>\$ 1,299,998</u></u>	<u><u>\$ 247,306</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Open Space Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources:			
Taxes	\$ 295,270	\$ 295,886	\$ 616
Interest and rentals	300	530	230
Other revenue	1,000	2	(998)
Total Revenues	<u>296,570</u>	<u>296,418</u>	<u>(152)</u>
Expenditures			
Current:			
Recreation and cultural:			
Parks and recreation	17,100	10,668	6,432
Capital outlay	500	78	422
Total Expenditures	<u>17,600</u>	<u>10,746</u>	<u>6,854</u>
Excess of Revenues Over Expenditures	<u>278,970</u>	<u>285,672</u>	<u>6,702</u>
Other Financing Sources (Uses)			
Transfers in	25,000	-	(25,000)
Transfers out	(346,324)	(346,224)	100
Total Other Financing Sources (Uses)	<u>(321,324)</u>	<u>(346,224)</u>	<u>(24,900)</u>
Net Change in Fund Balances	(42,354)	(60,552)	(18,198)
Fund Balances, Beginning of Year	<u>586,260</u>	<u>586,260</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 543,906</u></u>	<u><u>\$ 525,708</u></u>	<u><u>\$ (18,198)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2013

Assets	<u>Agency Funds</u>
Cash	\$ 150
Cash equivalents, deposits and investments (Note B)	<u>5,183,322</u>
Total Assets	<u><u>\$ 5,183,472</u></u>
 Liabilities	
Accounts payable	\$ 13,048
Due to other funds (Note D)	2,302,249
Due to other governmental units	2,766,394
Escrow deposits	<u>101,781</u>
Total Liabilities	<u><u>\$ 5,183,472</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Component Unit
Balance Sheet
December 31, 2013

	<u>Downtown Development Authority</u>
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 1,799,380
Taxes receivable (Note C)	<u>157,083</u>
Total Assets	<u><u>\$ 1,956,463</u></u>
Liabilities, Deferred Inflows and Fund Balances	
Liabilities	
Accounts payable	\$ 3,730
Deferred Inflows of Resources	157,083
Fund Balances	
Restricted	<u>1,795,650</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,956,463</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Component Unit
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

	Downtown Development Authority
Revenues	
Taxes	\$ 498,822
Interest and rentals	13,690
Reimbursements and refunds	5,458
Total Revenues	517,970
Expenditures	
Current:	
General government:	
Other services and charges	135,816
Capital outlay	305,710
Debt service:	
Principal repayment	88,000
Interest and fiscal charges	21,393
Total debt service	109,393
Total Expenditures	550,919
Excess (Deficiency) of Revenues Over Expenditures	(32,949)
Other Financing Sources (Uses)	
Transfers out	(24,000)
Net Change in Fund Balances	(56,949)
Fund Balances, Beginning of Year	1,852,599
Fund Balances, End of Year	\$ 1,795,650

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note A – Summary of Significant Accounting Policies

Cascade Charter Township was organized as a general law township under applicable laws of the State of Michigan and was incorporated as a charter township on May 16, 1980 under provisions of Act 359, Public Acts of 1947, as amended by the Public Acts of 1976. The Township is governed by a Board of Trustees which consists of a Supervisor, Clerk, Treasurer and four Trustees. The Township is administered by a Manager appointed by the aforementioned Board. The Township provides, or contributes to the providing of, the following services to its residents as provided by statute: public safety (police, fire, inspection), highways and streets, parks and recreation, cultural, public improvements, planning and zoning, general administrative and other services.

The financial statements of Cascade Charter Township (the “Township”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to Townships. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Township’s significant accounting policies are described below.

1. Reporting Entity

The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable.

The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationships to the Township.

Cascade Charter Township Building Authority
Cascade Charter Township Downtown Development Authority

Blended Component Units

Entities whose governing bodies are substantially the same as the governing body of the primary government, or those which provide services entirely, or virtually entirely, for the benefit of the primary government, are disclosed as blended component units.

The *Cascade Charter Township Building Authority* is blended in the Debt Service Funds because its sole purpose is to finance and construct the Township’s public buildings. Separate financial statements are not prepared for the Building Authority.

Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, Cascade Charter Township remains financially accountable for these entities, or the nature and significance of the relationship between these entities and Cascade Charter Township is such that exclusion of these entities would render the financial statements misleading or incomplete.

The *Cascade Charter Township Downtown Development Authority* is responsible for the improvement and ongoing maintenance and debt service of the Downtown Development Improvement District. Separate financial statements are not prepared for the Downtown Development Authority.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements - The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the Township as a whole. The reported information includes all of the nonfiduciary activities of the Township. The Township does not allocate indirect costs and, except for certain interfund reimbursements, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the Township. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. The Township does not have any *business-type* activities.

The Statement of Net Position is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The Township's net position is reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

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

Fund Financial Statements - Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

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 general government except those that are required to be accounted for in another fund.

The *Fire Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township Fire Department.

The *Police Special Revenue Fund* accounts for property tax revenues levied to maintain law enforcement activities in the Township.

The *Improvement Revolving Special Revenue Fund* accounts for special assessments and fees used to construct and improve the sewer sanitation and water supply systems in the Township.

The *Library Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township library.

The *Pathways Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township pedestrian pathways system.

The *Inspections Special Revenue Fund* accounts for permit fees collected to maintain the operations of the Township inspections department.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

The *Open Space Special Revenue Fund* accounts for property tax revenues levied to purchase land needed for Township park development.

Additionally, the Township reports the following non-major fund types:

The *Cascade Dam Major Repair Special Revenue Fund* accounts for rental fees and General Fund contributions collected to be used for major repairs or renovations to the Cascade Dam.

The *HAZMAT Special Revenue Fund* accounts for intergovernmental fees to be used for the disposal of hazardous materials.

The *Building Authority Debt Service Fund* accounts for transfers to be used for bond principal retirement and interest payments.

The *Open Space Preservation Capital Projects Fund* collects private contributions and transfers to be used to fund future projects.

The *Cemetery Trust Permanent Fund* accounts for fees collected to be used for cemetery improvements.

The *Trust Account Agency Fund* accounts for the collection of bonds and deposits and the payment to the governmental units or other persons entitled to receive these funds.

The *Tax Account Agency Fund* accounts for the collection of current and delinquent property taxes and the payment to the governmental units or other persons entitled to receive these funds.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the government-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Taxes, intergovernmental revenues and interest associated with the current period are all considered to susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes levied for the subsequent fiscal year are presented as deferred revenue at fiscal year end.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Expenditures are recorded when the liability is incurred, as under accrual accounting, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt and claims and judgments are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

4. Budgets and Budgetary Accounting

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General and Special Revenue Funds are subject to legal budgetary accounting controls and are budgeted annually. The Township utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- The budgets are generated with input from the Township Manager, the various department heads, Supervisor, Clerk, Treasurer and the Township Trustees.
- The completed budgets are then presented to Township electors at a public budget hearing prior to December 31, at which time taxpayer comments and recommendations are heard. These operating budgets include proposed expenditures and the means of financing them for the General Fund and Special Revenue Funds.
- Prior to January 1, the budgets are legally enacted on a departmental (activity) basis through passage of an appropriations resolution.
- The budgets may only be amended by action of the Township Board.
- Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
- Budget appropriations lapse at fiscal year-end.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act). The budget to actual revenues and expenditures in the financial statements represent the final budgets as amended by the Township.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

5. Investments

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

6. Capital Assets

Capital assets, which include land, land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$2,500 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not materially add to the value of an asset or extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15-30 years
Infrastructure	50 years
Buildings and improvements	25-40 years
Vehicles	5-20 years
Furniture and equipment	5-15 years

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

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

8. Accumulated Vacation, Sick and Compensation Time

Accumulated vacation, sick and compensation time at December 31, 2013 has been computed and recorded in the government-wide financial statements of the Township. At present, Township employees may accumulate unused vacation, sick and compensation time days and be reimbursed for unused days in accordance with the Township personnel manual policy upon termination or retirement. At December 31, 2013, the accumulated liability (expected to be financed by General Fund and Fire and Inspections Special Revenue Funds revenues) amounted to \$76,222.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

9. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

Governmental Accounting Standards Board (GASB) Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities* provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities and deferred inflows of resources. Items previously reported as assets (i.e. losses on bond refundings and bond issuance costs) are now reported as deferred outflows of resources and current year expenditures, respectively. Items previously reported as liabilities (i.e. acquisitions of net assets (property taxes) that are applicable to a future reporting period) are now reported as deferred inflows of resources.

10. Fund Balance

As of January 1, 2011, the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*”. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (Township Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts.
- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed or assigned.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

The following policy has been adopted by the Township Board in order to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, “*Fund Balance Reporting and Governmental Fund Definitions*”. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the Township and jeopardize the continuation of necessary public services. This policy will ensure that the Township maintains adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs.
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies.

Authority to Commit Fund Balances – Commitments will only be used for specific purposes pursuant to a formal action of the Township Board. A majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment. The Township currently has balances committed in the following funds:

Fund	Amount	Purpose
General Fund	\$ 961,171	Unfunded pension liability
	475,000	Loss of personal property tax revenues
	1,436,171	
Special Revenue Funds		
Fire Fund	500,000	Fire truck
	198,000	Fire rescue vehicle
	660,000	Loss of personal property tax revenues
	1,358,000	
Police Fund	230,000	Loss of personal property tax revenues
Dam Major Repair Fund	250,000	Dam repairs
Library Fund	400,000	Major building/land improvements
	195,000	Loss of personal property tax revenues
	595,000	
Pathways Fund	200,000	Loss of personal property tax revenues
Open Space Fund	116,000	Loss of personal property tax revenues
Permanent Fund		
Cemetery Fund	5,000	Whitneyville monuments
Total Committed Funds	\$ 4,190,171	

Authority to Assign Fund Balances – The Township Board delegates to the Township Manager or his/her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Operational guidelines. The following guidelines address the classification and use of Township fund balance in governmental funds:

Classifying fund balance amounts – Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The General Fund may also include an unassigned amount.

Encumbrance reporting – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Township to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Township that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum unassigned fund balance – The Township will maintain a minimum unassigned fund balance in its General Fund ranging from 40 percent to 50 percent of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Replenishing deficiencies – when fund balance falls below the minimum 40 percent range, the Township will replenish shortages/deficiencies using the budgetary strategies and timeframes described below:

- The Township will reduce recurring expenditures to eliminate any structural deficit or,
- The Township will increase revenues or pursue other funding sources, or,
- Some combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

- Deficiency resulting in a minimum fund balance between 35% and 40% shall be replenished over a period not to exceed one year.
- Deficiency resulting in a minimum fund balance between 30% and 35% shall be replenished over a period not to exceed three years.
- Deficiency resulting in a minimum fund balance of less than 30% shall be replenished over a period not to exceed 5 years.

11. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as transfers in or out. Transfers between governmental funds are eliminated in the Statement of Activities. Transfers in the fund financial statements are reported as other financing sources/uses.

12. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker’s acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a Township in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a Township in Michigan.

Balances at December 31, 2013 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Cash equivalents, deposits and investments per the Statement of Net Position:

Primary government	\$ 16,972,542
Component Unit	1,799,380

Cash equivalents, deposits and investments per the Fiduciary Funds:

Primary government:	
Agency Funds	<u>5,183,322</u>
	<u><u>\$ 23,955,244</u></u>

Cash Equivalents and Deposits

Cash equivalents consist of bank public funds checking, savings and money market accounts. Deposits consist of certificates of deposit.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Depositories actively used by the Township Treasurer during the year are detailed as follows:

1. First National Bank
2. Bank of Holland
3. Fifth Third Bank
4. Founders Bank
5. Chemical Bank
6. Huntington National Bank
7. Lake Michigan Credit Union
8. Option 1 Credit Union
9. Community West Credit Union
10. Flagstar Bank
11. Independent Bank
12. Macatawa Bank

December 31, 2013 balances are detailed as follows:

Cash equivalents	\$ 9,250,935
Deposits	<u>10,005,010</u>
	<u><u>\$ 19,255,945</u></u>

Custodial Credit Risk as Related to Cash Equivalents and Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township's cash equivalents and deposits may not be returned to the Township. Protection of Township cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the Township's cash equivalents and deposits was \$19,255,945 and the bank balance was \$19,348,656. Of the bank balance, \$9,045,492 was covered by federal depository insurance and \$10,303,164 was uninsured and uncollateralized.

Investments

As of December 31, 2013, the Township and its component unit had the following investments in their portfolio:

	<u>Standard & Poor's Rating</u>	<u>Fair Value</u>
Primary Government		
Kent County Surplus Funds Investment Pool	N/A	\$ 3,994,570
Chemical Bank Chemcash Sweep Accounts	N/A	<u>704,729</u>
		<u><u>\$ 4,699,299</u></u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

The Kent County Surplus Funds Investment Pool and the Chemical Bank Business Cash Management Funds include qualified investments in accordance with applicable laws of the State. The Funds are not rated, regulated or registered with the Securities and Exchange Commission and reported the same value of the pool shares as the fair value of the Township's investments at December 31, 2013.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Township will do business. All security transactions, including collateral for repurchase agreements entered into by the Township, shall be conducted on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy requires that commercial paper and mutual fund investments must comply with State of Michigan investment regulations detailed above.

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements. Unless matched to a specific cash flow, the Township will not directly invest in securities maturing more than five years from the date of purchase. Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as possible with the expected use of the funds.

Concentration of Credit Risk

The Township minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, through its diversification policy which states the objective of the Township is to protect principal by diversifying its cash management portfolio to the extent practical and within sound business practices. With the exception of U.S. Treasury Securities, U.S. Agency Securities, and authorized pools, no more than twenty-five percent of the Township's total investment portfolio will be invested in single security type or with a single financial institution. Excluding U.S. government guaranteed investments, mutual funds and pooled investments, no single investment exceeded 5% of total investments at December 31, 2013 for the Primary Government or the Component Unit.

Foreign Currency Risk

The Township is not authorized to invest in investments which have this type of risk.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note C – General Property Taxes

Property taxes for the Township and County become due and payable on December 1 of each year. School district taxes are payable July 1 and December 1 of each year, under a split-levy system, pursuant to the Michigan School Code of 1976. All taxes are returned delinquent March 1 of the following year.

Property tax revenues are recognized by the Township in the calendar year for which taxes have been levied. For the 2013 calendar year, the 2012 Township property tax levies are recognized in the amounts collected. As the 2013 property tax roll was levied for 2014 operations, Township taxes that become due December 1, 2013 have not been included as revenue for the year ended December 31, 2013. Instead, the uncollected portion of the 2013 Township tax roll at December 31, 2013 is reported in the General, Police, Fire, Library, Pathways and Open Space Funds as taxes receivable, with total 2013 Township levies reported as deferred revenue.

The Township bills and collects its own taxes in addition to taxes for the State of Michigan, Kent County, Kent District Library, Kent Intermediate School District, Grand Rapids Community College, Caledonia Community Schools, Forest Hills Public Schools and Lowell Area Schools. The collection and remittance of taxes are accounted for in the Tax Account Agency Fund. Taxes collected in December, 2013 on the 2013 tax roll are shown as amounts due to other funds and other governmental units in the Tax Account Agency Fund.

The Township is permitted by statute (Act 359, Public Acts of 1947, as amended by Public Acts of 1976) to levy up to 1.1 mills of general property taxes on the taxable valuation in the Township. Due to the effect of the Headlee Amendment, the actual tax levies were reduced to .9716 mills for 2013 general operations. The Township also levied 1.3152 mills for fire protection, .4591 mills for police protection, .3882 mills for library services, .3985 mills for pathways and .2300 for open space, as previously approved by Township electors and reduced by the effect of the Headlee Amendment.

The Township also levies street lighting and hydrant rental assessments on benefiting real property in the Township.

The tax collection record of Township taxes for the past four years is shown in the following summary:

	2013	2012	2011	2010
Township taxes levied	\$4,979,452	\$5,044,606	\$5,135,665	\$5,433,686
Taxes collected:				
Current to March 1	4,805,797	4,850,760	4,874,596	5,116,765
Total to December 31, 2013	4,952,778	5,040,003	5,133,997	5,431,002
Percentages of collections:				
Current to March 1	96.51%	96.16%	94.92%	94.17%
Total to December 31, 2013	99.46%	99.91%	99.97%	99.95%

Taxable property in the Township is assessed initially by the assessing official of the Township. These valuations are then equalized by the County and finally by the State of Michigan. Michigan statutes provide that all ad valorem taxes be levied upon State Equalized Valuation. In accordance with Act 409, Public Acts of 1965 and Article IX, Section 3 of the Michigan Constitution, State Equalized Valuation represents 50% of true cash value. The valuations of taxable property in the Township for prior years are compared with 2012 valuations in the following summary:

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Year	Real	Personal	Total
2012	\$ 1,209,297,269	\$ 129,053,861	\$1,338,351,130
2011	1,219,519,656	121,271,205	1,340,790,861
2010	1,241,228,882	123,762,584	1,364,991,466
2009	1,309,440,221	134,757,473	1,444,197,694
2008	1,329,205,141	141,511,827	1,470,716,968
2007	1,318,945,603	139,811,158	1,458,756,761
2006	1,264,263,936	138,819,167	1,403,083,103
2005	1,193,619,730	131,546,127	1,325,165,857
2004	1,118,866,865	127,329,203	1,246,196,068
2003	1,061,911,828	130,160,600	1,192,072,428

The State Equalized Valuations do not include valuation of certain facilities which are exempt under Act 198, Public Acts 1974 or Act 255, Public Acts 1978. These Acts are designed to provide stimulus in the form of significant tax incentives to industrial and commercial enterprises to renovate and expand aging facilities and to build new facilities in Michigan. Under the provisions of the Acts, a local governmental unit (city, village or township) in which the total property tax levy is at least 30 mills or in which a city income tax is levied may establish rehabilitation districts and industrial development districts to encourage restoration or replacement of obsolete facilities and to attract new plants to the area.

An Industrial (Act 198) or Commercial Rehabilitation Act (Act 210) Facilities Exemption Certificate entitles the facility to exemption from ad valorem real and personal property taxes for a period of up to 12 years. In lieu of the property tax, the firm will pay a specific tax. The tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem property tax, the important difference being that the state equalized valuation of the property remains at the level assessed on the obsolete facility prior to the improvements, even though the restoration or replacement substantially increases the true cash value of the facility. For a new facility being built in a rehabilitation or a development district, the tax is also determined the same as the ad valorem property tax but instead of using the total mills levied as ad valorem taxes, only half the millage rate is applied. The amount of the resulting tax thus is equal to 50% of the property tax which otherwise would be payable. The 2012 valuations of these certificates are compared with prior years in the following exhibit:

Year	Real	Personal	Total
2012	\$ 3,760,000	\$ 10,012,600	\$ 13,772,600
2011	3,872,700	11,403,800	15,276,500
2010	7,769,008	16,489,900	24,258,908
2009	12,452,949	19,948,900	32,401,849
2008	14,776,487	21,937,500	36,713,987
2007	15,436,045	25,202,200	40,638,245
2006	21,660,788	26,016,000	47,676,788
2005	19,557,695	27,189,500	46,747,195
2004	27,308,598	28,283,200	55,591,798
2003	25,266,200	27,428,800	52,695,000

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note D – Interfund Receivables/Payables and Transfers

Amounts due from/to other funds representing 2013 interest earnings, 2013 budgeted transfers and property tax collections due at December 31, 2013 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Fire Fund	\$ —	\$ 4,317
Inspections Fund	3,650	656
Dam Major Repair Fund	—	10,000
Agency Funds:		
Trust Account Agency Fund	141	—
Tax Account Agency Fund	665,578	—
	669,369	14,973
Special Revenue Funds:		
Fire Fund:		
General Fund	4,317	—
Tax Account Agency Fund	769,210	—
Police Fund:		
Tax Account Agency Fund	268,495	—
Improvement Revolving Fund:		
Inspections Fund	2,200	—
Tax Account Agency Fund	4,244	—
Library Fund:		
Tax Account Agency Fund	227,028	—
Pathways Fund:		
Tax Account Agency Fund	233,052	—
Inspections Fund		
General Fund	656	3,650
Improvement Revolving Fund	—	2,200
Open Space Fund:		
Tax Account Agency Fund	134,501	—
	2,313,072	20,823
Total Major Funds	2,313,072	20,823

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

	Due From	Due To
Nonmajor Funds		
Special Revenue Fund:		
Dam Major Repair Fund:		
General Fund	\$ 10,000	\$ —
Agency Funds:		
Trust Account Agency Fund:		
General Fund	—	141
Tax Account Agency Fund:		
General Fund	—	665,578
Special Revenue Funds:		
Fire Fund	—	769,210
Police Fund	—	268,495
Improvement Revolving Fund	—	4,244
Library Fund	—	227,028
Pathways Fund	—	233,052
Open Space Fund	—	134,501
	10,000	2,302,249
Total Nonmajor Funds		
	\$ 2,323,072	\$ 2,323,072

Interfund transfers during the year ended December 31, 2013 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Fire Special Revenue Fund	\$ —	\$ 400,000
Cascade Dam Major Repair Fund	—	45,000
Debt Service Fund:		
Building Authority Fund	—	275,629
Permanent Fund:		
Cemetery Perpetual Care Fund	—	1,950
Component Unit:		
Downtown Development Authority	24,000	—
	24,000	722,579
Total General Fund		

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

	Transfers In	Transfers Out
Special Revenue Funds:		
Fire Fund:		
General Fund	\$ 400,000	\$ —
Building Authority Debt Service Fund	—	251,761
Library Fund:		
Building Authority Debt Service Fund	—	552,663
Open Space Fund:		
Building Authority Debt Service Fund	—	346,224
	Total Major Funds	424,000
	424,000	1,873,227
 Nonmajor Funds		
Special Revenue Fund:		
Cascade Dam Major Repair Fund:		
General Fund	45,000	—
Debt Service Fund:		
Building Authority Fund:		
General Fund	275,629	—
Fire Special Revenue Fund	251,761	—
Library Special Revenue Fund	552,663	—
Open Space Fund	346,224	—
Permanent Fund:		
Cemetery Perpetual Care Fund:		
General Fund	1,950	—
	Total Nonmajor Funds	1,473,227
	1,473,227	—
 Component Unit		
Downtown Development Authority:		
General Fund	—	24,000
	Total All Funds and Component Unit	\$ 1,897,227
	\$ 1,897,227	\$ 1,897,227

The General Fund transfer to the Fire Special Revenue Fund was made to pay the amount budgeted for 2013 to support Township fire expenditures. The General Fund transfer to the Dam Major Repair Fund was made to maintain a previously agreed-upon level of fund balance in the Dam Major Repair Fund. All of the transfers to the Debt Service Fund were made to fund required 2013 principal and interest payments. The Downtown Development Authority Fund transfer to the General Fund was made to reimburse for maintenance expenditures.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note E – General Fixed Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Balances</u> <u>January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>December 31, 2013</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 9,650,440	\$ —	\$ —	\$ 9,650,440
Capital assets being depreciated:				
Land improvements	7,489,930	16,905	—	7,506,835
Infrastructure	1,400,000	—	—	1,400,000
Buildings and improvements	8,372,466	—	—	8,372,466
Furniture and equipment	1,014,685	80,217	—	1,094,902
Vehicles	1,822,544	—	—	1,822,544
	<u>20,099,625</u>	<u>\$ 97,122</u>	<u>\$ —</u>	<u>20,196,747</u>
Less accumulated depreciation for:				
Land improvements	3,837,970	\$372,470	\$ —	4,210,440
Infrastructure	756,000	28,000	—	784,000
Buildings and improvements	2,632,451	206,774	—	2,839,225
Furniture and equipment	638,757	96,795	—	735,552
Vehicles	626,140	57,421	—	683,561
	<u>8,491,318</u>	<u>\$761,460</u>	<u>\$ —</u>	<u>9,252,778</u>
Total capital assets being depreciated, net	<u>11,608,307</u>			<u>10,943,969</u>
Net Capital Assets -				
Governmental Activities	<u>\$ 21,258,747</u>			<u>\$ 20,594,409</u>

Depreciation expense was charged to Township activities as follows:

General government	\$ 109,705
Public safety	119,182
Recreation and cultural	<u>532,573</u>
	<u>\$ 761,460</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority (DDA) for the year ended December 31, 2013 was as follows:

	<u>Balances</u> <u>January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>December 31, 2013</u>
Capital assets not being depreciated:				
Land	\$ 59,366	\$ —	\$ —	\$ 59,366
Capital assets being depreciated:				
Land improvements	5,211,866	309,111	—	5,520,977
Vehicles	46,528	—	—	46,528
	<u>5,258,394</u>	<u>\$309,111</u>	<u>\$ —</u>	<u>5,567,505</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Land improvements	1,691,865	\$220,837	\$ —	\$ 1,912,702
Vehicles	9,306	9,306	—	18,612
	<u>1,701,171</u>	<u>\$230,143</u>	<u>\$ —</u>	<u>1,931,314</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>3,557,223</u>			<u>3,636,191</u>
Net DDA Capital Assets	<u>\$ 3,616,589</u>			<u>\$ 3,695,557</u>

Note F – Deferred Inflows of Resources/Special Assessments Receivable

Deferred inflows of resources for the General Fund and the Fire, Police, Library, Pathways and Open Space Special Revenue Funds represent 2013 property tax levies that became due December 31, 2013, and are levied for 2014 operations.

Deferred inflows of resources for the Improvement Revolving Special Revenue Fund represent the uncollected balances of special assessment rolls levied on benefiting water and sewer customers in the Township. As these special assessments are collected, they are recognized as revenues and credited at that time to fund balances.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note G – Long-term Debt

Changes in long-term debt for the year ended December 31, 2013 are summarized as follows:

	Debt Outstanding Jan. 1, 2013	Debt Added	Debt Retired	Debt Outstanding Dec. 31, 2013
<u>Primary Government</u>				
Bond Issues				
General obligation:				
November 19, 2002 (IRF)	\$ 375,000	\$ —	\$ 190,000	\$ 185,000
January 12, 2005 (Pathways)	280,000	—	50,000	230,000
May 9, 2012 Refunding (Pathways)	910,000	—	48,000	862,000
May 9, 2012 Refunding (IRF)	375,000	—	72,000	303,000
Building Authority:				
February 5, 2003 (General)	265,408	—	265,408	—
February 5, 2003 (Fire)	242,424	—	242,424	—
February 5, 2003 (Library)	532,168	—	532,168	—
June 2, 2009 (Open Space)	4,055,000	—	190,000	3,865,000
Municipal Purchase Notes				
Pedestrian Pathways:				
October 1, 2010 Refunding	679,000	—	274,000	405,000
Accumulated Vacation Pay	45,242	135,083	148,784	31,541
Accumulated Sick Leave	39,930	8,027	13,181	34,776
Accumulated Compensation Time	12,216	14,144	16,455	9,905
Total Primary Government	<u>7,811,388</u>	<u>157,254</u>	<u>2,042,420</u>	<u>5,926,222</u>
<u>Discretely Presented Component Unit</u>				
Bond Issues				
Development Refunding Notes:				
October 1, 2010	748,000	—	88,000	660,000
Total Long-term Debt	<u>\$8,559,388</u>	<u>\$ 157,254</u>	<u>\$ 2,130,420</u>	<u>\$6,586,222</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Long-term bonds, notes and installment purchase agreements at December 31, 2013 are comprised of the following:

	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Outstanding Balance</u>	<u>Amount Due Within One Year</u>
<u>Primary Government</u>				
General Obligation Bonds				
\$1,935K 2002 Refunding:				
Annual maturity of \$185K	Dec. 1, 2014	4.00	\$ 185,000	\$ 185,000
\$560K 2005 Pathways Improvement:				
Annual maturities of \$55K to \$60K	Nov. 1, 2017	3.65 - 4.10	230,000	55,000
\$910K 2012 Pathways Refunding:				
Annual maturities of \$126K to \$287K	Nov. 1, 2017	1.40 - 2.05	862,000	126,000
\$375K 2012 Water & Sewer Refunding :				
Annual maturities of \$74K to \$77K	Nov. 1, 2017	1.40 - 2.05	303,000	76,000
Building Authority Bonds				
\$4,430K 2009 Township Open Space and Parkland Improvements:				
Annual maturities of \$195K to \$340K	May 1, 2028	2.65 - 4.50	3,865,000	195,000
Municipal Purchase Notes				
\$1,205K Refunding Notes, Series 2010:				
Annual maturities of \$130K to \$275K	Nov. 1, 2015	2.05 – 2.45	405,000	275,000
Accumulated Employee Benefits				
Vacation, sick and compensation time	N/A	N/A	76,222	20,000
Total Primary Government			<u>5,926,222</u>	<u>932,000</u>
<u>Discretely Presented Component Unit</u>				
Tax Increment Financing Authority Bonds				
\$912K Refunding Notes, Series 2010:				
Annual maturities of \$88K to \$103K	Oct. 1, 2020	1.90 – 3.65	660,000	86,000
Total Long-term Debt			<u>\$ 6,586,222</u>	<u>\$ 1,018,000</u>

The General Obligation Bonds are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies, investment earnings and hookup charges.

The Building Authority Bonds are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies and lease payments from the Township.

The Municipal Purchase Notes are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies and investment earnings.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

The accumulated vacation, sick and compensation time pay liability will be liquidated by the Township's General Fund and Fire and Inspections Special Revenue Funds.

The annual requirements to pay principal and interest on long-term bonds and notes outstanding for the Primary Government are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 912,000	\$ 221,611	\$ 1,133,611
2015	663,000	181,717	844,717
2016	596,000	161,619	757,619
2017	639,000	141,956	780,956
2018	225,000	124,193	349,193
2019	230,000	115,745	345,745
2020	240,000	106,576	346,576
2021	250,000	96,588	346,588
2022	260,000	85,810	345,810
2023	275,000	74,307	349,307
2024	285,000	62,267	347,267
2025	300,000	49,690	349,690
2026	310,000	36,420	346,420
2027	325,000	22,450	347,450
2028	340,000	7,650	347,650
	<u>\$ 5,850,000</u>	<u>\$ 1,488,599</u>	<u>\$ 7,338,599</u>

The annual requirements to pay principal and interest on long-term bonds outstanding for the Component Unit (Downtown Development Authority) are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 86,000	\$ 19,721	\$ 105,721
2015	89,000	17,957	106,957
2016	91,000	15,777	106,777
2017	94,000	13,229	107,229
2018	97,000	10,362	107,362
2019	100,000	7,209	107,209
2020	103,000	3,759	106,759
	<u>\$ 660,000</u>	<u>\$ 88,014</u>	<u>\$ 748,014</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

Note H – Retirement Plans

Defined Benefit Pension Plan

The Township participates in an agent multiple-employer defined benefit pension plan with the Municipal Employees’ Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non-duty and duty death allowances and post-retirement adjustments to plan members and their beneficiaries. The most recent period for which actuarial data was available was as of December 31, 2011.

MERS was organized pursuant to Section 12a of Act 156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a), as amended, State of Michigan. MERS is regulated under Act 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the retirement system. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 447 Canal Road, Lansing, MI 48917-9755.

MERS members are required to contribute a varying amount depending upon which plan they fall under. Township employee contributions for 2013 were 5% of covered payroll. The Township was required to contribute at an actuarially determined rate of 9.63% during 2013. Cascade Township actually contributed 10% of covered payroll in 2013. The contribution requirements of plan members and the commission are established and may be amended by MERS.

For the year ended December 31, 2013, the Township’s contributions totaling \$219,505 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2011. Employee contributions totaled \$111,093. The employer contribution rate has been determined using the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member’s retirement to pay for his projected benefit. Significant actuarial assumptions used included (a) 8.0% long-term net investment rate of return, (b) projected salary increases of 4.50% per year plus a percentage based on an age-related scale to reflect merit, longevity and promotional salary increases and (c) 4.50% per year cost-of-living adjustments. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Trend information for the Cascade Township MERS pension plan using the entry age normal actuarial method is presented as follows:

Valuation Year Ended December 31	Fiscal Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2005	2007	\$210,082	100%	—
2006	2008	211,361	100%	—
2007	2009	204,333	100%	—
2008	2010	204,438	100%	—
2009	2011	205,344	100%	—
2010	2012	211,950	100%	—
2011	2013	219,505	100%	—

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2013

As of December 31, 2011, the most recent actuarial valuation date, the plan was 79% funded. The actuarial accrued liability for benefits was \$6,439,968, and the actuarial value of assets was \$5,103,362, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,336,606. The covered payroll (annual payroll of active employees covered by the plan) was \$2,195,045 and the ratio of the UAAL to the covered payroll was 61%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Defined Contribution Pension Plan

The Township also participates in a defined contribution pension plan, the Cascade Charter Township Group Pension Plan, for the Township Board of Trustees and one employee, administered through an insurance company. Township contributions at 10% of wages totaled \$8,844 for 2013.

Note I – Lease Agreement

The Township entered into a renewed agreement in 2005, which provides for the leasing of the Cascade Dam to a private company for the purpose of generating and selling hydroelectric power. The lease term is fourteen years (through 2018) with an annual base rental of \$74,276 plus an annual maintenance reserve fee of \$5,000, which is collected by the Township General Fund; \$40,000 plus the \$5,000 maintenance reserve fee is set aside each year in the Cascade Dam Major Repair Fund. At December 31, 2013, the Cascade Dam Major Repair Fund had accumulated \$425,144.

REQUIRED SUPPLEMENTARY INFORMATION

CASCADE CHARTER TOWNSHIP
Schedule of Funding Progress
December 31, 2013

Valuation Year Ended December 31	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	UAAL as Percent of Covered Payroll
2004	\$ 3,689,877	\$ 2,105,082	59%	\$ 1,524,795	\$ 2,138,869	71%
2005	4,154,374	2,508,939	60%	1,645,435	2,094,508	78%
2006	4,643,462	3,043,515	66%	1,599,947	2,113,610	75%
2007	5,054,324	3,531,059	70%	1,523,265	2,043,327	74%
2008	5,559,371	3,876,616	70%	1,682,755	2,044,379	82%
2009	5,724,247	4,288,400	75%	1,435,847	2,053,442	70%
2010	5,913,046	4,668,584	79%	1,244,462	2,119,640	59%
2011	6,439,968	5,103,362	79%	1,336,606	2,195,045	61%

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 7,379,042	\$ 6,246,330
Receivables:		
Taxes	1,169,832	862,771
Accounts	100,439	101,502
Due from other funds	669,368	655,926
Due from other governmental units	214,550	426,340
Prepaid expenditures	-	12,246
	\$ 9,533,231	\$ 8,305,115
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 33,904	\$ 46,423
Due to other funds	14,973	-
	48,877	46,423
Deferred Inflows of Resources	1,835,409	1,517,372
Fund Balances		
Nonspendable	-	12,246
Committed	1,436,171	2,096,322
Unassigned	6,212,774	4,632,752
	7,648,945	6,741,320
Total Fund Balances	7,648,945	6,741,320
Total Liabilities, Deferred Inflows and Fund Balances	\$ 9,533,231	\$ 8,305,115

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Revenues
For the years ended December 31, 2013 and 2012

	2013	2012
Taxes:		
Current property taxes	\$ 1,237,270	\$ 1,248,169
Hydrant rental assessment	38,843	38,935
Street lighting assessment	61,182	90,869
Delinquent property taxes	8,161	12,714
Industrial facilities taxes	4,631	4,885
Interest and penalties on taxes	12,949	20,910
Tax administration fees	489,049	492,196
	<u>1,852,085</u>	<u>1,908,678</u>
Licenses and permits:		
Cablevision fees	341,218	328,092
Dog licenses	306	285
Other permits	520	635
	<u>342,044</u>	<u>329,012</u>
State sources:		
Sales taxes	1,273,735	1,249,342
PA 48/Metro Authority	13,326	13,210
	<u>1,287,061</u>	<u>1,262,552</u>
Charges for services:		
Planning and zoning fees	20,316	36,521
Summer tax collection fees	25,346	25,236
P.A. 198 tax application fees	4,000	4,150
Yard waste tag fees	1,890	2,110
Sewer and water implementation fees	20,669	30,005
Grave openings	15,810	13,800
Passport application fees	17,145	14,400
Sale of printed materials	65	136
	<u>105,241</u>	<u>126,358</u>
Interest and rentals:		
Interest on deposits and investments	36,258	23,765
Rental income	170,748	163,735
	<u>207,006</u>	<u>187,500</u>
Other revenue:		
Sale of assets	358	100
Contributions	22,926	20,675
Interfund reimbursements	78,311	39,315
Park income	5,235	5,124
Reimbursements	1,818	11,365
Refunds and rebates	6,114	1,017
Other	5,459	14,862
	<u>120,221</u>	<u>92,458</u>
Total Revenues	<u><u>\$ 3,913,658</u></u>	<u><u>\$ 3,906,558</u></u>

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Expenditures
For the years ended December 31, 2013 and 2012

	2013	2012
Current:		
General government:		
Township board:		
Personnel services	\$ 21,414	\$ 20,994
Other services and charges	15,338	22,110
	<u>36,752</u>	<u>43,104</u>
Supervisor:		
Personnel services	10,509	10,303
Other services and charges	389	1,005
Capital outlay	1,945	30
	<u>12,843</u>	<u>11,338</u>
Manager:		
Personnel services	154,218	140,530
Other services and charges	13,470	4,574
	<u>167,688</u>	<u>145,104</u>
Clerk:		
Personnel services	70,837	63,332
Other services and charges	1,711	2,041
	<u>72,548</u>	<u>65,373</u>
Treasurer:		
Personnel services	111,437	105,821
Other services and charges	5,168	4,615
	<u>116,605</u>	<u>110,436</u>
Assessor:		
Personnel services	176,214	168,977
Supplies	507	130
Other services and charges	10,702	10,620
	<u>187,423</u>	<u>179,727</u>
Elections:		
Personnel services	7,206	25,057
Supplies	968	2,150
Other services and charges	3,238	8,122
	<u>11,412</u>	<u>35,329</u>
General administration:		
Personnel services	58,827	55,391
Supplies	23,948	21,812
Other services and charges	312,219	324,335
Capital outlay	200	300
	<u>395,194</u>	<u>401,838</u>
Buildings and grounds:		
Personnel services	154,707	149,568
Supplies	1,403	720
Other services and charges	150,231	162,367
Capital outlay	1,464	81
	<u>307,805</u>	<u>312,736</u>
Cemetery:		
Other services and charges	5,781	2,775
Total general government	<u>1,314,051</u>	<u>1,307,760</u>

(Continued)

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Expenditures
For the years ended December 31, 2013 and 2012

	2013	2012
Public works:		
Drains:		
Other services and charges	\$ 12,416	\$ 40,347
Highways, streets and bridges:		
Capital outlay	131,534	79,180
Street lighting:		
Other services and charges	110,767	85,637
Capital outlay	1,623	1,294
	<u>112,390</u>	<u>86,931</u>
Hydrant rental:		
Other services and charges	39,680	39,000
Sanitation services:		
Other services and charges	48,748	53,932
Total public works	<u>344,768</u>	<u>299,390</u>
Community and economic development:		
Planning:		
Personnel services	111,271	122,153
Supplies	84	110
Other services and charges	35,046	20,484
	<u>146,401</u>	<u>142,747</u>
Zoning:		
Personnel services	995	1,865
Total community and economic development	<u>147,396</u>	<u>144,612</u>
Recreation and cultural:		
Parks and recreation:		
Supplies	3,411	2,334
Other services and charges	35,321	28,913
	<u>38,732</u>	<u>31,247</u>
Historical:		
Supplies	3,846	2,240
Other services and charges	2,248	-
	<u>6,094</u>	<u>2,240</u>
Total recreation and cultural	<u>44,826</u>	<u>33,487</u>
Other township:		
Personal services	289,163	265,741
Other services and charges	89,905	87,879
Total other township	<u>379,068</u>	<u>353,620</u>
Capital outlay	77,345	275,943
Debt service:		
Principal repayment	-	395,000
Interest and fiscal charges	-	18,844
Total debt service	<u>-</u>	<u>413,844</u>
Total Expenditures	<u><u>\$ 2,307,454</u></u>	<u><u>\$ 2,828,656</u></u>

NONMAJOR GOVERNMENTAL FUNDS

CASCADE CHARTER TOWNSHIP
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2013

	Special Revenue		Debt Service
	Dam Major Repair	HAZMAT	Building Authority
Assets			
Cash equivalents, deposits and investments	\$ 415,144	\$ 55,983	\$ -
Due from other funds	10,000	-	-
Total Assets	<u>425,144</u>	<u>55,983</u>	<u>-</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 70	\$ -
Fund Balances			
Nonspendable	-	-	-
Restricted	175,144	55,913	-
Committed	250,000	-	-
Total Fund Balances	<u>425,144</u>	<u>55,913</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 425,144</u>	<u>\$ 55,983</u>	<u>\$ -</u>

Capital Projects	Permanent	
Open Space Preservation	Cemetery Perpetual Care	Total
\$ 346,891	\$ 77,774	\$ 895,792
-	-	10,000
<u>346,891</u>	<u>77,774</u>	<u>905,792</u>
\$ -	\$ -	\$ 70
-	72,774	72,774
346,891	-	577,948
-	5,000	255,000
<u>346,891</u>	<u>77,774</u>	<u>905,722</u>
<u>\$ 346,891</u>	<u>\$ 77,774</u>	<u>\$ 905,792</u>

CASCADE CHARTER TOWNSHIP
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

	Special Revenue		Debt Service
	Dam Major Repair	HAZMAT	Building Authority
Revenues			
Charges for services	\$ -	\$ -	\$ -
Interest and rentals	426	229	-
Other	-	-	-
Total Revenues	<u>426</u>	<u>229</u>	<u>-</u>
Expenditures			
General government	-	-	-
Public safety	-	862	-
Capital outlay	-	2,851	-
Debt service:			
Principal repayment	-	-	1,230,000
Interest and fiscal charges	-	-	196,277
Total Expenditures	<u>-</u>	<u>3,713</u>	<u>1,426,277</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>426</u>	<u>(3,484)</u>	<u>(1,426,277)</u>
Other Financing Sources			
Transfers in	<u>45,000</u>	<u>-</u>	<u>1,426,277</u>
Net Change in Fund Balances	45,426	(3,484)	-
Fund Balances, Beginning of Year	<u>379,718</u>	<u>59,397</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 425,144</u></u>	<u><u>\$ 55,913</u></u>	<u><u>\$ -</u></u>

Capital Projects	Permanent Cemetery Perpetual Care	Total
\$ -	\$ 150	\$ 150
1,706	168	2,529
4,841	-	4,841
6,547	318	7,520
-	1,742	1,742
-	-	862
-	-	2,851
-	-	1,230,000
-	-	196,277
-	1,742	1,431,732
6,547	(1,424)	(1,424,212)
-	1,950	1,473,227
6,547	526	49,015
340,344	77,248	856,707
<u>\$ 346,891</u>	<u>\$ 77,774</u>	<u>\$ 905,722</u>

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest and rentals	\$ 300	\$ 426	\$ 126
Expenditures			
Current:			
General government	50,000	-	50,000
Excess (Deficiency) of Revenues Over Expenditures	<u>(49,700)</u>	<u>426</u>	<u>50,126</u>
Other Financing Sources			
Transfers in	50,000	45,000	(5,000)
Net Change in Fund Balances	300	45,426	45,126
Fund Balances, Beginning of Year	<u>379,718</u>	<u>379,718</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 380,018</u>	<u>\$ 425,144</u>	<u>\$ 45,126</u>

CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2013

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 6,000	\$ -	\$ (6,000)
Interest and rentals	250	229	(21)
Total Revenues	<u>6,250</u>	<u>229</u>	<u>(6,021)</u>
Expenditures			
Public safety	6,250	862	5,388
Capital outlay	-	2,851	(2,851)
Total Expenditures	<u>6,250</u>	<u>3,713</u>	<u>2,537</u>
Net Change in Fund Balances	-	(3,484)	(3,484)
Fund Balances, Beginning of Year	<u>59,397</u>	<u>59,397</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 59,397</u></u>	<u><u>\$ 55,913</u></u>	<u><u>\$ (3,484)</u></u>

SPECIAL REVENUE FUNDS

Fire—to accumulate property tax revenues and interest earnings to maintain the Township Fire Department.

Police—to accumulate property tax revenues and interest earnings to support law enforcement in the Township.

Improvement Revolving—to accumulate collections of special assessments (hookup fees) for connection to the water and sewer system to be used for sewer and water extension projects.

Cascade Dam Major Repair—to accumulate a portion of rental fees reserved from the Cascade Dam operation to be used for major repairs or renovations to the Dam.

Library—to accumulate property tax revenues, interest earnings and contributions to be used for library operation and debt service purposes.

Pathways—to accumulate property tax revenues and interest earnings to be used for the construction, improvement, maintenance and debt service of the Township pedestrian pathways system.

Inspections—to accumulate permit fees to be used for the operation of the Township inspection department.

HAZMAT—to accumulate HAZMAT fees from other units to be used for the disposal of hazardous materials.

Open Space—to accumulate property tax revenues and interest earnings to be used for the purchase and improvement of Township park land.

**CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 2,398,314	\$ 2,420,348
Taxes receivable	945,421	958,779
Due from other funds	773,528	732,877
Prepaid expenditures	-	11,800
	Total Assets	Total Assets
	\$ 4,117,263	\$ 4,123,804
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 29,278	\$ 30,430
Deferred Inflows of Resources	1,714,631	1,691,655
Fund Balances		
Nonspendable	-	11,800
Restricted	1,015,354	771,856
Committed	1,358,000	1,618,063
	Total Fund Balances	Total Fund Balances
	2,373,354	2,401,719
Total Liabilities, Deferred Inflows and Fund Balances	\$ 4,117,263	\$ 4,123,804

CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Taxes:		
Current property taxes	\$ 1,674,838	\$ 1,689,593
Delinquent property taxes	10,498	14,764
Industrial facilities taxes	6,268	6,613
Penalties and interest on taxes	528	1,013
Total taxes	<u>1,692,132</u>	<u>1,711,983</u>
Fines and forfeitures:		
District court fines	-	30
Interest and rentals:		
Interest on deposits and investments	10,961	33,550
Other revenue:		
Other	480	317
Sale of assets	-	51,811
Donations	1,000	125
Refunds and rebates	130	240
Total other revenue	<u>1,610</u>	<u>52,493</u>
Total Revenues	<u>1,704,703</u>	<u>1,798,056</u>
Expenditures		
Current:		
Public safety:		
Fire department:		
Personnel services	1,647,447	1,548,623
Supplies	38,400	40,440
Other services and charges	139,369	161,704
Total fire department	<u>1,825,216</u>	<u>1,750,767</u>
Capital outlay	56,091	464,994
Total Expenditures	<u>1,881,307</u>	<u>2,215,761</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(176,604)</u>	<u>(417,705)</u>
Other Financing Sources (Uses)		
Transfers in	400,000	400,000
Transfers out	(251,761)	(108,381)
Total Other Financing Sources (Uses)	<u>148,239</u>	<u>291,619</u>
Net Change in Fund Balances	<u>(28,365)</u>	<u>(126,086)</u>
Fund Balances, Beginning of Year	<u>2,401,719</u>	<u>2,527,805</u>
Fund Balances, End of Year	<u><u>\$ 2,373,354</u></u>	<u><u>\$ 2,401,719</u></u>

**CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 1,235,146	\$ 1,186,957
Taxes receivable	330,006	334,668
Due from other funds	268,495	255,813
Total Assets	\$ 1,833,647	\$ 1,777,438
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 44,681	\$ 44,712
Deferred Inflows of Resources	598,501	590,481
Fund Balances		
Restricted	960,465	912,245
Committed	230,000	230,000
Total Fund Balances	1,190,465	1,142,245
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,833,647	\$ 1,777,438

CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Taxes:		
Current property taxes	\$ 584,611	\$ 589,762
Delinquent property taxes	3,665	5,186
Industrial facilities taxes	2,188	2,308
Penalties and interest on taxes	184	354
Total taxes	590,648	597,610
Interest and rentals:		
Interest on deposits and investments	3,679	7,603
Other revenue:		
Reimbursements	47	-
Total Revenues	594,374	605,213
Expenditures		
Current:		
Law enforcement:		
Other services and charges	546,154	577,521
Net Change in Fund Balances	48,220	27,692
Fund Balances, Beginning of Year	1,142,245	1,114,553
Fund Balances, End of Year	\$ 1,190,465	\$ 1,142,245

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 800,470	\$ 1,379,959
Receivables:		
Accounts	8,150	46,417
Special assessments	3,493,220	2,998,676
Due from other funds	6,444	4,982
Total Assets	\$ 4,308,284	\$ 4,430,034
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 3,521	\$ 1,681
Due to other funds	-	29,711
Total Liabilities	3,521	31,392
Deferred Inflows of Resources	3,493,220	2,998,676
Fund Balances		
Restricted	811,543	1,399,966
Total Liabilities, Deferred Inflows and Fund Balances	\$ 4,308,284	\$ 4,430,034

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 3,817	\$ 8,885
Interest on special assessments	4,083	3,609
Total interest and rentals	7,900	12,494
Other revenue:		
Special assessments	149,821	111,981
Hookup fees	186,528	269,234
Miscellaneous	7,060	-
Total other revenue	343,409	381,215
Total Revenues	351,309	393,709
Expenditures		
Capital outlay	655,860	82,299
Debt service:		
Principal repayment	262,000	245,000
Interest and fiscal charges	21,872	33,953
Bond issuance costs	-	6,255
Total debt service	283,872	285,208
Total Expenditures	939,732	367,507
Excess (Deficiency) of Revenues Over Expenditures	(588,423)	26,202
Other Financing Sources (Uses)		
Refunding bonds issued	-	411,200
Transfers out	-	(852)
Payments to escrow agent	-	(409,474)
Total Other Financing Sources (Uses)	-	874
Net Change in Fund Balances	(588,423)	27,076
Fund Balances, Beginning of Year	1,399,966	1,372,890
Fund Balances, End of Year	\$ 811,543	\$ 1,399,966

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 415,144	\$ 379,718
Due from other funds	10,000	-
Total Assets	425,144	379,718
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund Balances		
Restricted	175,144	129,718
Committed	250,000	250,000
Total Fund Balances	425,144	379,718
Total Liabilities and Fund Balances	\$ 425,144	\$ 379,718

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 426	\$ 4,889
Expenditures	-	-
Excess of Revenues Over Expenditures	426	4,889
Other Financing Sources		
Transfers in	45,000	45,000
Net Change in Fund Balances	45,426	49,889
Fund Balances, Beginning of Year	379,718	329,829
Fund Balances, End of Year	<u>\$ 425,144</u>	<u>\$ 379,718</u>

**CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 1,616,580	\$ 1,807,287
Taxes receivable	279,039	282,982
Accounts receivable	-	7,353
Due from other funds	227,028	216,304
Prepaid expenditures	-	9,672
	Total Assets	Total Assets
	\$ 2,122,647	\$ 2,323,598
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 16,095	\$ 7,380
Deferred Inflows of Resources	506,067	499,285
Fund Balances		
Nonspendable	-	9,672
Restricted	1,005,485	641,374
Committed	595,000	1,165,887
	Total Fund Balances	Total Fund Balances
	1,600,485	1,816,933
	Total Liabilities, Deferred Inflows and Fund Balances	Total Liabilities, Deferred Inflows and Fund Balances
	\$ 2,122,647	\$ 2,323,598

CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Taxes:		
Current property taxes	\$ 494,321	\$ 498,676
Delinquent property taxes	3,099	4,383
Industrial facilities taxes	1,852	1,952
Penalties and interest on taxes	154	300
Total taxes	499,426	505,311
Intergovernmental sources:		
Contributions	21,913	21,913
Interest and rentals:		
Interest on deposits and investments	1,867	36,688
Other revenue:		
Donations	38	8,275
Total Revenues	523,244	572,187
Expenditures		
Current:		
Recreation and cultural:		
Library:		
Supplies	5,095	3,560
Other services and charges	177,961	173,655
Total library	183,056	177,215
Capital outlay	3,973	142,891
Total Expenditures	187,029	320,106
Excess of Revenues Over Expenditures	336,215	252,081
Other Financing Sources (Uses)		
Transfers out	(552,663)	(237,917)
Net Change in Fund Balances	(216,448)	14,164
Fund Balances, Beginning of Year	1,816,933	1,802,769
Fund Balances, End of Year	\$ 1,600,485	\$ 1,816,933

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 793,299	\$ 707,613
Taxes receivable	286,443	290,490
Due from other funds	233,052	222,043
Total Assets	\$ 1,312,794	\$ 1,220,146
Liabilities, Deferred Inflows and Fund Balances		
Liabilities	\$ -	\$ -
Deferred Inflows of Resources	519,495	512,533
Fund Balances		
Restricted	593,299	507,613
Committed	200,000	200,000
Total Fund Balances	793,299	707,613
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,312,794	\$ 1,220,146

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Taxes:		
Current taxes	\$ 507,438	\$ 511,909
Delinquent taxes	3,181	4,499
Industrial facilities taxes	1,899	2,004
Penalties and interest on taxes	160	307
Total taxes	<u>512,678</u>	<u>518,719</u>
Interest and rentals:		
Interest on deposits and investments	1,735	12,117
Other revenue:		
Miscellaneous	296	459
Total Revenues	<u>514,709</u>	<u>531,295</u>
Expenditures		
Current:		
Recreation and cultural:		
Parks and recreation:		
Supplies	5,662	-
Other services and charges	7,579	34,761
Miscellaneous	400	-
Furniture and equipment	2,191	-
Total recreation	<u>15,832</u>	<u>34,761</u>
Debt service:		
Principal repayment	372,000	738,000
Interest and fiscal charges	41,191	77,357
Bond issuance costs	-	13,492
Total debt service	<u>413,191</u>	<u>828,849</u>
Total Expenditures	<u>429,023</u>	<u>863,610</u>
Excess (Deficiency) of Revenues Over Expenditures	85,686	(332,315)
Other Financing Sources (Uses)		
Refunding bonds issued	-	873,800
Payments to escrow agent	-	(870,132)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,668</u>
Net Change in Fund Balances	85,686	(328,647)
Fund Balances, Beginning of Year	<u>707,613</u>	<u>1,036,260</u>
Fund Balances, End of Year	<u><u>\$ 793,299</u></u>	<u><u>\$ 707,613</u></u>

**CASCADE CHARTER TOWNSHIP
Inspections Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 1,326,752	\$ 783,228
Due from other funds	656	-
Prepaid expenditures	-	5,416
	Total Assets	Total Assets
	\$ 1,327,408	\$ 788,644
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 21,560	\$ 22,650
Due to other funds	5,850	-
	Total Liabilities	Total Liabilities
	27,410	22,650
Fund Balances		
Nonspendable	-	5,416
Restricted	1,299,998	760,578
	Total Fund Balances	Total Fund Balances
	1,299,998	765,994
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 1,327,408	\$ 788,644

CASCADE CHARTER TOWNSHIP
Inspections Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Licenses and permits:		
Building permits	\$ 195,838	\$ 208,304
Electrical permits	63,800	52,286
Mechanical permits	85,436	68,617
Plumbing permits	44,532	30,060
Permits - other townships	1,035,781	710,563
Plan reviews	104,904	90,891
Contractor registration fees	11,510	5,196
Total licenses and permits	1,541,801	1,165,917
Interest and rentals:		
Interest on deposits and investments	534	1,759
Other revenue:		
Miscellaneous	3,629	2,608
Total Revenues	1,545,964	1,170,284
Expenditures		
Current:		
Public safety:		
Inspections:		
Personnel services	619,924	588,585
Supplies	12,920	5,929
Other services and charges	359,101	248,069
Total inspections	991,945	842,583
Capital outlay	20,015	11,897
Total Expenditures	1,011,960	854,480
Net Change in Fund Balances	534,004	315,804
Fund Balances, Beginning of Year	765,994	450,190
Fund Balances, End of Year	\$ 1,299,998	\$ 765,994

**CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 55,983	\$ 59,397
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 70	\$ -
Fund Balances		
Restricted	55,913	59,397
Total Liabilities and Fund Balances	\$ 55,983	\$ 59,397

CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Charges for services:		
HAZMAT fees	\$ -	\$ 6,000
Interest and rentals:		
Interest on deposits and investments	229	253
Total Revenues	<u>229</u>	<u>6,253</u>
Expenditures		
Current:		
Public safety:		
HAZMAT:		
Other services and charges	862	-
Capital outlay	2,851	8,263
Total Expenditures	<u>3,713</u>	<u>8,263</u>
Net Change in Fund Balances	(3,484)	(2,010)
Fund Balances, Beginning of Year	<u>59,397</u>	<u>61,407</u>
Fund Balances, End of Year	<u><u>\$ 55,913</u></u>	<u><u>\$ 59,397</u></u>

**CASCADE CHARTER TOWNSHIP
Open Space Special Revenue Fund
Comparative Balance Sheet
December 31, 2013 and 2012**

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 527,147	\$ 586,433
Taxes receivable	165,318	167,654
Due from other funds	134,501	128,149
Total Assets	\$ 826,966	\$ 882,236
Liabilities, Deferred Inflows and Fund Balances		
Liabilities		
Accounts payable	\$ 1,439	\$ 173
Deferred Inflows of Resources	299,819	295,803
Fund Balances		
Restricted	409,708	470,260
Committed	116,000	116,000
Total Fund Balances	525,708	586,260
Total Liabilities, Deferred Inflows and Fund Balances	\$ 826,966	\$ 882,236

CASCADE CHARTER TOWNSHIP
Open Space Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Local sources:		
Taxes:		
Current taxes	\$ 292,862	\$ 295,441
Delinquent taxes	1,836	2,563
Industrial facilities taxes	1,096	1,156
Penalties and interest on taxes	92	177
Total taxes	295,886	299,337
Interest and rentals:		
Interest on deposits and investments	530	6,618
Other revenue:		
Donations	-	1,000
Miscellaneous	2	83
Total other revenue	2	1,083
Total Revenues	296,418	307,038
Expenditures		
Current:		
Recreation and cultural:		
Parks and recreation:		
Other services and charges	10,668	7,362
Capital outlay	78	1,121
Total Expenditures	10,746	8,483
Excess of Revenues Over Expenditures	285,672	298,555
Other Financing Sources (Uses)		
Transfers out	(346,224)	(350,309)
Net Change in Fund Balances	(60,552)	(51,754)
Fund Balances, Beginning of Year	586,260	638,014
Fund Balances, End of Year	\$ 525,708	\$ 586,260

DEBT SERVICE FUND

To account for the payment of bonds sold to finance Township improvements. Financing is provided by transfers from Township funds.

**CASCADE CHARTER TOWNSHIP
 Building Authority Debt Service Fund
 Comparative Balance Sheet
 December 31, 2013 and 2012**

	2013	2012
Assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund Balances		
Restricted	-	-
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>

CASCADE CHARTER TOWNSHIP
Building Authority Debt Service Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues	\$ -	\$ -
Expenditures		
Debt service:		
Principal repayment	1,230,000	600,000
Interest and fiscal charges	196,277	215,198
Total Expenditures	1,426,277	815,198
Excess (Deficiency) of Revenues Over Expenditures	(1,426,277)	(815,198)
Other Financing Sources		
Transfers in	1,426,277	815,198
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	\$ -	\$ -

CAPITAL PROJECTS FUND

Open Space Preservation - to account for private and General Fund contributions for use in open space preservation.

CASCADE CHARTER TOWNSHIP
Open Space Preservation Capital Projects Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 346,891	\$ 340,344
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund Balances		
Restricted	346,891	340,344
Total Liabilities and Fund Balances	\$ 346,891	\$ 340,344

CASCADE CHARTER TOWNSHIP
Open Space Preservation Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 1,706	\$ 1,646
Other revenue:		
Contributions	4,841	10,000
Total Revenues	<u>6,547</u>	<u>11,646</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>6,547</u>	<u>11,646</u>
Other Financing Sources		
Transfers in	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	6,547	21,646
Fund Balances, Beginning of Year	<u>340,344</u>	<u>318,698</u>
Fund Balances, End of Year	<u><u>\$ 346,891</u></u>	<u><u>\$ 340,344</u></u>

PERMANENT FUND

Cemetery Perpetual Care—to accumulate cemetery revenues and interest earnings to be used for cemetery improvements.

CASCADE CHARTER TOWNSHIP
Cemetery Perpetual Care Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash equivalents, deposits and investments	\$ 77,774	\$ 77,248
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund balances		
Nonspendable	72,774	72,248
Committed	5,000	5,000
Total Fund Balances	77,774	77,248
Total Liabilities and Fund Balances	\$ 77,774	\$ 77,248

CASCADE CHARTER TOWNSHIP
Cemetery Perpetual Care Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues		
Charges for services:		
Grave openings	\$ -	\$ 1,875
Cemetery care fees	150	500
Total charges for services	<u>150</u>	<u>2,375</u>
Interest and rentals:		
Interest on deposits and investments	<u>168</u>	<u>307</u>
Total Revenues	<u>318</u>	<u>2,682</u>
Expenditures		
General government:		
Cemetery	<u>1,742</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,424)</u>	<u>2,682</u>
Other Financing Sources		
Transfers in	<u>1,950</u>	<u>-</u>
Net Change in Fund Balances	526	2,682
Fund Balances, Beginning of Year	<u>77,248</u>	<u>74,566</u>
Fund Balances, End of Year	<u><u>\$ 77,774</u></u>	<u><u>\$ 77,248</u></u>

AGENCY FUNDS

Trust Account Agency—to account for the collection of bonds and deposits and payment to the governmental units or other persons entitled to receive these funds.

Tax Account Agency—to account for the collection of current and delinquent property taxes and payment to the governmental units or other persons entitled to receive these funds.

CASCADE CHARTER TOWNSHIP
Agency Funds
Combining Balance Sheet
December 31, 2013

	Trust Account	Tax Account	Total
Assets			
Cash	\$ -	\$ 150	\$ 150
Cash equivalents, deposits and investments	102,472	5,080,850	5,183,322
Total Assets	\$ 102,472	\$ 5,081,000	\$ 5,183,472
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 550	\$ 12,498	\$ 13,048
Due to other funds	141	2,302,108	2,302,249
Due to other governmental units	-	2,766,394	2,766,394
Escrow deposits	101,781	-	101,781
Total Liabilities	102,472	5,081,000	5,183,472
Fund Balances	-	-	-
Total Liabilities and Fund Balances	\$ 102,472	\$ 5,081,000	\$ 5,183,472

CASCADE CHARTER TOWNSHIP
All Agency Funds
Combining Schedule of Changes in Assets and Liabilities
For the year ended December 31, 2013

	Balances January 1, 2013	Additions	Deductions	Balances December 31, 2013
Trust Account Fund				
Assets				
Cash equivalents, deposits and investments	\$ 105,801	\$ 16,371	\$ 19,700	\$ 102,472
Liabilities				
Accounts payable	\$ -	\$ 550	\$ -	\$ 550
Due to other funds	334	141	334	141
Escrow deposits	105,467	15,680	19,366	101,781
Total Liabilities	\$ 105,801	\$ 16,371	\$ 19,700	\$ 102,472
Tax Account Fund				
Assets				
Cash	\$ 150	\$ -	\$ -	\$ 150
Cash equivalents, deposits and investments	4,599,057	49,340,930	48,859,137	5,080,850
Total Assets	\$ 4,599,207	\$49,340,930	\$48,859,137	\$ 5,081,000
Liabilities				
Accounts payable	\$ 24,529	\$ 302,320	\$ 314,351	\$ 12,498
Due to other funds	2,186,049	5,767,352	5,651,293	2,302,108
Due to other governmental units	2,388,629	43,271,258	42,893,493	2,766,394
Total Liabilities	\$ 4,599,207	\$49,340,930	\$48,859,137	\$ 5,081,000
Totals - All Agency Funds				
Assets				
Cash	\$ 150	\$ -	\$ -	\$ 150
Cash equivalents, deposits and investments	4,704,858	49,357,301	48,878,837	5,183,322
Total Assets	\$ 4,705,008	\$49,357,301	\$48,878,837	\$ 5,183,472
Liabilities				
Accounts payable	\$ 24,529	\$ 302,870	\$ 314,351	\$ 13,048
Due to other funds	2,186,383	5,767,493	5,651,627	2,302,249
Due to other governmental units	2,388,629	43,271,258	42,893,493	2,766,394
Escrow deposits	105,467	15,680	19,366	101,781
Total Liabilities	\$ 4,705,008	\$49,357,301	\$48,878,837	\$ 5,183,472

OTHER INFORMATION

CASCADE CHARTER TOWNSHIP
Summary of 2012 Taxes Levied and Collected
For the year ended December 31, 2013

<u>Ad Valorem Taxes</u>	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current * Collections</u>
Kent County					
Operating	\$1,338,351,130	5.3940	\$ 7,138,692	\$ 142,406	\$ 6,996,286
Kent District Library	1,338,351,130	0.8800	1,164,624	40,616	1,124,008
State Education Tax					
Caledonia Community Schools	176,064,260	6.0000	873,138	8,271	864,867
Forest Hills Public Schools	1,132,283,660	6.0000	6,578,996	116,056	6,462,940
Lowell Area Schools	30,003,210	6.0000	180,019	3,134	176,885
Total State Education Tax			<u>7,632,153</u>	<u>127,461</u>	<u>7,504,692</u>
School Districts					
Kent Intermediate School District	1,338,351,130	4.6903	6,207,448	99,723	6,107,725
Grand Rapids Community College	1,338,351,130	1.7865	2,364,344	37,983	2,326,361
Caledonia Community Schools:					
Other	176,064,260	7.0000	1,232,448	66,640	1,165,808
Operating	138,385,126	18.0000	1,749,832	40,169	1,709,663
Forest Hills Public Schools:					
Other	1,132,283,660	8.0500	10,067,420	235,695	9,831,725
Operating	362,050,483	18.0000	5,499,202	250,653	5,248,549
Lowell Area Schools:					
Other	30,003,210	7.0000	210,022	5,148	204,874
Operating	3,945,451	18.0000	65,790	4,314	61,476
Total School Districts			<u>27,396,506</u>	<u>740,325</u>	<u>26,656,181</u>
Cascade Charter Township	1,338,351,130				
Operating		0.9716	1,285,845	44,843	1,241,002
Fire		1.3152	1,740,591	60,702	1,679,889
Police		0.4591	607,564	21,188	586,376
Library		0.3882	513,730	17,916	495,814
Pathways		0.3985	527,361	18,391	508,970
Open Space		0.2300	304,361	10,614	293,747
Street lighting assessments			60,805	1,434	59,371
Hydrant assessments			36,323	1,399	34,924
Delinquent special assessments			50,958	4,350	46,608
Tax administration fees			484,348	12,314	472,034
Total Township			<u>5,611,886</u>	<u>193,151</u>	<u>5,418,735</u>
Total Ad Valorem Taxes			<u>\$48,943,861</u>	<u>\$1,243,959</u>	<u>\$47,699,902</u>

(Continued)

CASCADE CHARTER TOWNSHIP
Summary of 2012 Taxes Levied and Collected
For the year ended December 31, 2013

<u>Tax Abatements</u>	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current * Collections</u>
Industrial Facilities (P.A. 198) New					
Kent County	\$ 13,772,600	2.69700	\$ 30,733	\$ 3,389	\$ 27,344
Kent District Library	13,772,600	0.44000	5,014	820	4,194
State education tax:					
Caledonia Community Schools	6,964,800	6.00000	18,329	6,562	11,767
Forest Hills Public Schools	6,807,800	6.00000	3,829	-	3,829
Kent Intermediate School District	13,772,600	2.34515	26,724	2,577	24,147
Grand Rapids Community College	13,772,600	0.89325	10,179	982	9,197
Caledonia Community Schools:					
Operating	6,964,800	3.50000	24,377	5,183	19,194
Other	6,964,800	9.00000	27,494	9,843	17,651
Forest Hills Public Schools:					
Operating	6,807,800	4.02500	29,106	-	29,106
Other	6,807,800	9.00000	5,323	-	5,323
Cascade Charter Township:	13,772,600				
Operating		0.48580	5,536	905	4,631
Fire		0.65760	7,493	1,225	6,268
Police		0.22955	2,616	428	2,188
Library		0.19410	2,212	362	1,850
Pathways		0.19925	2,270	371	1,899
Open Spaces		0.11500	1,310	214	1,096
Tax administration fees			2,025	329	1,696
			<u>\$ 204,570</u>	<u>\$ 33,190</u>	<u>\$ 171,380</u>

* Current collections include ad valorem and abated taxes collected for and distributed to the Cascade Charter Township Downtown Development Authority. The following amounts were withheld from the various taxing units and remitted to the DDA:

Kent County	\$ 223,468
Kent District Library	36,457
Grand Rapids Community College	74,013
Cascade Charter Township:	
Operating	40,252
Fire	54,487
Police	19,020
Library	16,083
Pathways	16,510
Open Spaces	9,529
	<u>489,819</u>
Total DDA capture	<u>\$ 489,819</u>