

**CASCADE  
CHARTER TOWNSHIP  
Kent County, Michigan**

Annual Financial Report

For the year ended December 31, 2012

**CASCADE CHARTER TOWNSHIP**  
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For the year ended December 31, 2012

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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

April 17, 2013

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, 2012, 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, 2012, 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.

### *Other Matters*

As discussed in Note A to the basic financial statements, the Township changed its method of reporting for net assets as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

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.

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, Aldrin, Nichols & Carter, P.C.*

Certified Public Accountants

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



**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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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, 2012. 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 2012 operations by \$2,762,692 (or 9%).
- Total expenses of the Township’s programs were \$6,826,367.
- Total revenues, including all program and general revenues, were \$9,589,059.
- At the close of the current year, the Township’s governmental funds reported combined ending fund balances of \$16,418,757, an increase of \$476,119 from the prior year.
- At the end of the current year, the unassigned fund balance for the General Fund was \$4,632,752, or 136 percent of total General Fund expenditures and transfers out.
- Total debt of the Township decreased by \$2,015,217 (19%) 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, 2012**

**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.

**Government-wide Financial Statements**

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

	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current assets	\$ 21,687,335	\$ 21,311,592
Noncurrent assets:		
Special assessments receivable	2,990,676	2,659,114
Capital assets not being depreciated	9,650,440	9,650,440
Capital assets being depreciated	11,608,307	11,607,769
Total noncurrent assets	24,249,423	23,917,323
<b>Total Assets</b>	<b>45,936,758</b>	<b>45,228,915</b>
<b>Liabilities</b>		
Current liabilities	6,575,888	6,789,520
Long-term liabilities	6,547,388	8,388,605
<b>Total Liabilities</b>	<b>13,123,276</b>	<b>15,178,125</b>
<b>Net Position</b>		
Invested in capital assets, net of related debt	13,493,437	11,524,830
Restricted	12,631,911	3,051,191
Unrestricted	6,688,134	15,474,769
<b>Total Net Position</b>	<b>\$ 32,813,482</b>	<b>\$ 30,050,790</b>

**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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

	<u>2012</u>	<u>2011</u>
<b>Program Revenues</b>		
Charges for services	\$ 2,346,656	\$ 1,821,071
<b>General Revenues</b>		
Property taxes	5,541,638	5,572,625
State/intergovernmental revenue	1,284,465	1,311,358
Interest earnings	305,424	277,213
Loss on disposal of assets	(25,189)	—
Other	115,565	176,571
<b>Transfers</b>	<u>20,500</u>	<u>20,500</u>
<b>Total Revenues</b>	<u>9,589,059</u>	<u>9,179,338</u>
<b>Expenses</b>		
General government	1,498,000	1,403,903
Public safety	3,340,859	3,246,604
Public works	898,948	1,097,583
Community and economic development	144,612	117,058
Recreation and cultural	220,692	678,997
Other township	397,973	341,377
Interest on long-term debt	<u>325,283</u>	<u>389,752</u>
<b>Total Expenses</b>	<u>6,826,367</u>	<u>7,275,274</u>
Increase in net position	2,762,692	1,904,064
<b>Net Position - Beginning of Year</b>	<u>30,050,790</u>	<u>28,146,726</u>
<b>Net Position - End of Year</b>	<u><u>\$ 32,813,482</u></u>	<u><u>\$ 30,050,790</u></u>

**New Accounting Pronouncements Implemented**

The Township implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2012. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from “net assets” to “net position”.

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

The Township's financial position is the product of many factors. The combination of decreases in property taxes and in state shared revenues hindered growth in 2012. Flat interest rates on invested balances generated a minimal increase in interest income in 2012. Expenses decreased by \$448,907 in 2012, due to cost control efforts by Township Administration and the Township Board.

**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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Property taxes accounted for most of the Township's revenue, contributing 58% of every dollar raised (compared to 61% in 2011); licenses, permits, connection charges and other user fees accounted for 24% of revenues (compared to 20% in 2011); another 13% came from state and other intergovernmental sources (compared to 14% in 2011); 3% came from interest earnings during the year and the remainder from contributions, reimbursements and other sources.

The Township's expenses were predominantly related to public safety (49%); general government administration (22%); and public works (13%). Interest on long-term debt totaled 5% 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 \$3,906,558, total expenditures of \$2,828,656, transfers from other funds of \$21,352 (to reimburse the fund for lawn and street maintenance for the year), and transfers to other funds of \$573,591. It ended the fiscal year with a fund balance of \$6,741,320, up from \$6,215,657 at December 31, 2011.

The *Fire Fund* levies property taxes for fire protection services. The Fund had total revenues of \$1,798,056 and total expenditures of \$2,215,761, plus transfers out for debt service of \$108,381, and budgeted transfers in from the General Fund of \$400,000. It ended the year with a fund balance of \$2,401,719, down from \$2,527,805 at December 31, 2011.

**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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The *Police Fund* levies property taxes for law enforcement purposes. The Fund had total revenues of \$605,213, and total expenditures of \$577,521. It ended the year with a fund balance of \$1,142,245, up from \$1,114,553 at December 31, 2011.

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 \$393,709, total other financing sources of \$411,200, total expenditures of \$367,507, and total other financing uses of \$410,326. It ended the year with a fund balance of \$1,399,966, up from \$1,372,890 at December 31, 2011.

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 \$572,187, total expenditures of \$320,106, and transfers out for debt service of \$237,917. It ended the year with a fund balance of \$1,816,933, up from \$1,802,769 at December 31, 2011.

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 \$531,295, total other financing sources of \$873,800, total expenditures of \$863,610, and total other financing uses of \$870,132. It ended the year with a fund balance of \$707,613, down from \$1,036,260 at December 31, 2011, as the Township called \$320,000 of outstanding bonds in advance of scheduled repayment dates.

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 \$1,170,284, and total expenditures of \$854,480. It ended the year with a fund balance of \$765,994, up from \$450,190 at December 31, 2011.

The *Open Space Fund* levies property taxes for the purchase and improvement of Township parks and recreational areas. The Fund had total revenues of \$307,038, total expenditures of \$8,483, and transfers out for debt service of \$350,309. It ended the year with a fund balance of \$586,260, down from \$638,014 at December 31, 2011.

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 \$4,889, total expenditures were zero, and transfers in were \$45,000. The Fund ended the year with a fund balance of \$379,718, up from \$329,829 at December 31, 2011.

The *HAZMAT Fund* collects contributions from surrounding governmental units to be used for hazardous waste clean-up. Total revenues were \$6,253, and expenditures totaled \$8,263. The Fund ended the year with a fund balance of \$59,397, down from \$61,407 at December 31, 2011.

The *Open Space Preservation Capital Projects Fund* collects private contributions and transfers from the General Fund to fund future projects. Total revenues were \$11,646, and transfers from the General Fund were \$10,000. The Fund ended the year with a fund balance of \$340,344, up from \$318,698 at December 31, 2011.

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 \$815,198, and transfers in from other funds, to fund debt service, were \$815,198. Ending fund balance remained zero.

**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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The *Cemetery Perpetual Care Fund* collects cemetery burial fees to be used for future improvements to Township cemeteries. Total revenues were \$2,682, and total expenditures were zero. The Fund ended the year with a fund balance of \$77,248, up from \$74,566 at December 31, 2011.

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, 2012 totaled \$105,801 in the Trust Account and \$4,599,207 in the Tax Account.

Component Unit

The *Cascade Township Downtown Development Authority* is a descretely presented component unit of the Township. Total revenues were \$550,791, total expenditures were \$910,304, and total other financing uses were \$20,500. The Fund ended the year with a fund balance of \$1,852,599, down from \$2,232,612 at December 31, 2011.

**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 estimated a decrease in fund balance of \$188,327, while actual results were an increase of \$525,663. The net effect of budget amendments were not material to the overall operations of the Township during the year.

**Capital Asset and Debt Administration**

Capital Assets

By the end of 2012, the Township had a \$29,750,065 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 \$812,841 for the fiscal year, and depreciation expensed totaled \$735,303. The net book value of capital assets at December 31, 2012 and 2011 is detailed as follows:

	<b>2012</b>	<b>2011</b>
Land	\$ 9,650,440	\$ 9,650,440
Land improvements	3,651,960	3,666,219
Infrastructure	644,000	672,000
Buildings and improvements	5,740,015	5,940,325
Furniture and equipment	375,928	394,661
Vehicles	1,196,404	934,564
<b>Net Capital Assets</b>	<b>\$ 21,258,747</b>	<b>\$ 21,258,209</b>

**CASCADE CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2012**

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Long-term Debt

At year end, the Township had \$7,811,388 in bonds, notes, and unused vacation, sick and compensation pay outstanding. Prior year debt balances were reduced by payments of \$3,387,325 during the current year. The Township issued \$1,285,000 in refunding bonds to retire the outstanding balance of the 2002 bond issue, resulting in a net present value savings of \$65,608. There is more detailed information about long-term liabilities in the Notes to Basic Financial Statements. Long-term debt at December 31, 2012 and 2011 is detailed by type as follows:

	<b>2012</b>	<b>2011</b>
General obligation bonds	\$ 1,940,000	\$ 2,235,000
Building authority bonds	5,095,000	5,695,000
Municipal purchase notes	679,000	1,732,000
Accumulated vacation pay	45,242	35,754
Accumulated sick leave	39,930	36,478
Accumulated compensation time	12,216	7,373
<b>Total Long-term Debt</b>	<b>\$ 7,811,388</b>	<b>\$ 9,741,605</b>

**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 2013 anticipates an increase in year end fund balance of \$316,992, which reflects a slow increase in property tax valuations and continued property tax growth within the Township; a slight increase in state shared revenues due to the increase in the census roll; along with a continued effort to control/reduce costs within the Township and still provide high quality taxpayer service.
- The Special Revenue Funds' budgets for 2013 anticipate a combined decrease in fund balances of \$534,717, as a result of the Kraft Avenue sewer and water project slated for 2013; an additional (naturally occurring) bi-weekly payroll for the Fire and Inspections Funds; and controlled costs in other funds.
- 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 (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.



## **BASIC FINANCIAL STATEMENTS**



**CASCADE CHARTER TOWNSHIP**  
**Statement of Net Position**  
**December 31, 2012**

	Primary Government	
	Governmental Activities	Component Unit
<b>Assets</b>		
<b>Current Assets</b>		
Cash equivalents, deposits and investments (Note B)	\$ 15,974,862	\$ 2,053,069
Receivables:		
Taxes (Note C)	2,897,344	161,437
Accounts	2,341,655	5,886
Special assessments - current portion (Note F)	8,000	-
Due from other governmental units	426,340	-
Prepaid expenses	39,134	-
<b>Total Current Assets</b>	<b>21,687,335</b>	<b>2,220,392</b>
<b>Noncurrent Assets</b>		
Special assessments receivable (Note F)	2,990,676	-
Capital assets not being depreciated (Note E)	9,650,440	59,366
Capital assets being depreciated, net (Note E)	11,608,307	3,557,223
<b>Total Noncurrent Assets</b>	<b>24,249,423</b>	<b>3,616,589</b>
<b>Total Assets</b>	<b>45,936,758</b>	<b>5,836,981</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	153,449	206,356
Accrued interest payable	51,310	5,348
Unearned revenue (Note F)	5,107,129	161,437
Current portion of noncurrent liabilities (Note G)	1,264,000	88,000
<b>Total Current Liabilities</b>	<b>6,575,888</b>	<b>461,141</b>
<b>Noncurrent Liabilities (Note G)</b>		
General obligation bonds payable	1,940,000	-
Building authority bonds payable	5,095,000	-
Municipal purchase notes payable	679,000	-
Tax increment financing authority bonds payable	-	748,000
Accumulated vacation, sick, compensation time payable	97,388	-
Current portion of noncurrent liabilities	(1,264,000)	(88,000)
<b>Total Noncurrent Liabilities</b>	<b>6,547,388</b>	<b>660,000</b>
<b>Total Liabilities</b>	<b>13,123,276</b>	<b>1,121,141</b>
<b>Net Position</b>		
Invested in capital assets, net of related debt	13,493,437	2,863,241
Restricted for:		
Public safety	4,325,153	-
Public works	4,778,360	-
Recreation and cultural	3,451,150	-
Cemetery trust	77,248	-
Unrestricted	6,688,134	1,852,599
<b>Total Net Position</b>	<b>\$ 32,813,482</b>	<b>\$ 4,715,840</b>

See accompanying notes to basic financial statements.

**CASCADE CHARTER TOWNSHIP**  
**Statement of Activities**  
**For the year ended December 31, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants	Primary Government	Component Unit
<b>Primary Government</b>					
Governmental activities:					
General government	\$1,498,000	\$ 126,358	\$ -	\$(1,371,642)	\$ -
Public safety	3,340,859	1,503,334	-	(1,837,525)	-
Public works	898,948	716,964	-	(181,984)	-
Community and economic development	144,612	-	-	(144,612)	-
Recreation and cultural	220,692	-	-	(220,692)	-
Other township	397,973	-	-	(397,973)	-
Interest on long-term debt	325,283	-	-	(325,283)	-
<b>Total Primary Government</b>	<u>\$6,826,367</u>	<u>\$2,346,656</u>	<u>\$ -</u>	<u>(4,479,711)</u>	<u>-</u>
<b>Component Unit</b>					
Downtown Development Authority	<u>\$ 354,207</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(354,207)</u>
General revenues:					
Property taxes levied for:					
General operations				1,908,678	-
Fire				1,711,983	-
Police				597,610	-
Library				505,311	-
Pathways				518,719	-
Open space				299,337	-
Downtown Development Authority				-	539,337
State revenue sharing				1,262,552	-
Intergovernmental revenues				21,913	-
Interest and investment earnings				305,424	11,454
Loss on disposal of assets				(25,189)	-
Other				115,565	-
Transfers				20,500	(20,500)
<b>Total General Revenues</b>				<u>7,242,403</u>	<u>530,291</u>
<b>Change in Net Position</b>				<u>2,762,692</u>	<u>176,084</u>
<b>Net Position - Beginning of Year</b>				<u>30,050,790</u>	<u>4,539,756</u>
<b>Net Position - End of Year</b>				<u>\$32,813,482</u>	<u>\$4,715,840</u>

See accompanying notes to basic financial statements.

**CASCADE CHARTER TOWNSHIP**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Improvement Revolving</u>
<b>Assets</b>				
Cash equivalents, deposits and investments (Note B)	\$ 6,246,330	\$ 2,420,348	\$1,186,957	\$1,379,959
Receivables:				
Taxes (Note C)	862,771	958,779	334,668	-
Accounts	101,502	-	-	46,417
Special assessments (Note F)	-	-	-	2,998,676
Due from other funds (Note D)	655,926	732,877	255,813	4,982
Due from other governmental units	426,340	-	-	-
Prepaid expenditures	12,246	11,800	-	-
<b>Total Assets</b>	<b><u>\$ 8,305,115</u></b>	<b><u>\$ 4,123,804</u></b>	<b><u>\$1,777,438</u></b>	<b><u>\$4,430,034</u></b>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 46,423	\$ 30,430	\$ 44,712	\$ 1,681
Due to other funds (Note D)	-	-	-	29,711
Deferred revenue (Note F)	1,517,372	1,691,655	590,481	2,998,676
<b>Total Liabilities</b>	<b><u>1,563,795</u></b>	<b><u>1,722,085</u></b>	<b><u>635,193</u></b>	<b><u>3,030,068</u></b>
<b>Fund Balances</b>				
Nonspendable	12,246	11,800	-	-
Restricted	-	771,856	912,245	1,399,966
Committed	2,096,322	1,618,063	230,000	-
Unassigned	4,632,752	-	-	-
<b>Total Fund Balances</b>	<b><u>6,741,320</u></b>	<b><u>2,401,719</u></b>	<b><u>1,142,245</u></b>	<b><u>1,399,966</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 8,305,115</u></b>	<b><u>\$ 4,123,804</u></b>	<b><u>\$1,777,438</u></b>	<b><u>\$4,430,034</u></b>

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 1,807,287	\$ 707,613	\$ 783,228	\$ 586,433	\$ 856,707	\$ 15,974,862
282,982	290,490	-	167,654	-	2,897,344
7,353	-	-	-	-	155,272
-	-	-	-	-	2,998,676
216,304	222,043	-	128,149	-	2,216,094
-	-	-	-	-	426,340
9,672	-	5,416	-	-	39,134
<u>\$ 2,323,598</u>	<u>\$ 1,220,146</u>	<u>\$ 788,644</u>	<u>\$ 882,236</u>	<u>\$ 856,707</u>	<u>\$ 24,707,722</u>
\$ 7,380	\$ -	\$ 22,650	\$ 173	\$ -	\$ 153,449
-	-	-	-	-	29,711
499,285	512,533	-	295,803	-	8,105,805
<u>506,665</u>	<u>512,533</u>	<u>22,650</u>	<u>295,976</u>	<u>-</u>	<u>8,288,965</u>
9,672	-	5,416	-	72,248	111,382
641,374	507,613	760,578	470,260	529,459	5,993,351
1,165,887	200,000	-	116,000	255,000	5,681,272
-	-	-	-	-	4,632,752
<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>\$ 2,323,598</u>	<u>\$ 1,220,146</u>	<u>\$ 788,644</u>	<u>\$ 882,236</u>	<u>\$ 856,707</u>	<u>\$ 24,707,722</u>

**CASCADE CHARTER TOWNSHIP**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**December 31, 2012**

<b>Total governmental fund balances</b>	\$ 16,418,757
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 \$29,750,065 and accumulated depreciation is \$8,491,318.	21,258,747
Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds: Special assessments receivable	2,998,676
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	\$ (1,940,000)
Building authority bonds	(5,095,000)
Municipal purchase notes	(679,000)
Accumulated vacation, sick and compensation time payable	(97,388)
	(7,811,388)
Accrued interest is not included as a liability in governmental funds.	(51,310)
	\$ 32,813,482
<b>Total net position - governmental activities</b>	

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, 2012**

	General	Fire	Police	Improvement Revolving
<b>Revenues</b>				
Taxes	\$ 1,908,678	\$ 1,711,983	\$ 597,610	\$ -
Licenses and permits	329,012	-	-	-
State sources	1,262,552	-	-	-
Intergovernmental sources	-	-	-	-
Charges for services	126,358	-	-	-
Fines and forfeitures	-	30	-	-
Interest and rentals	187,500	33,550	7,603	12,494
Other	92,458	52,493	-	381,215
<b>Total Revenues</b>	<b>3,906,558</b>	<b>1,798,056</b>	<b>605,213</b>	<b>393,709</b>
<b>Expenditures</b>				
Current:				
General government	1,307,760	-	-	-
Public safety	-	1,750,767	577,521	-
Public works	299,390	-	-	-
Community and economic development	144,612	-	-	-
Recreation and cultural	33,487	-	-	-
Other township	353,620	-	-	-
Capital outlay	275,943	464,994	-	82,299
Debt service:				
Principal repayment	395,000	-	-	245,000
Interest and fiscal charges	18,844	-	-	33,953
Bond issuance costs	-	-	-	6,255
<b>Total Expenditures</b>	<b>2,828,656</b>	<b>2,215,761</b>	<b>577,521</b>	<b>367,507</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,077,902</b>	<b>(417,705)</b>	<b>27,692</b>	<b>26,202</b>
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	-	-	-	411,200
Transfers in	21,352	400,000	-	-
Transfers out	(573,591)	(108,381)	-	(852)
Payments to escrow agent	-	-	-	(409,474)
<b>Total Other Financing Sources (Uses)</b>	<b>(552,239)</b>	<b>291,619</b>	<b>-</b>	<b>874</b>
<b>Net Change in Fund Balances</b>	<b>525,663</b>	<b>(126,086)</b>	<b>27,692</b>	<b>27,076</b>
<b>Fund Balances, Beginning of Year</b>	<b>6,215,657</b>	<b>2,527,805</b>	<b>1,114,553</b>	<b>1,372,890</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,741,320</b>	<b>\$ 2,401,719</b>	<b>\$1,142,245</b>	<b>\$1,399,966</b>

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 505,311	\$ 518,719	\$ -	\$ 299,337	\$ -	\$ 5,541,638
-	-	1,165,917	-	-	1,494,929
-	-	-	-	-	1,262,552
21,913	-	-	-	-	21,913
-	-	-	-	8,375	134,733
-	-	-	-	-	30
36,688	12,117	1,759	6,618	7,095	305,424
8,275	459	2,608	1,083	10,000	548,591
<u>572,187</u>	<u>531,295</u>	<u>1,170,284</u>	<u>307,038</u>	<u>25,470</u>	<u>9,309,810</u>
-	-	-	-	-	1,307,760
-	-	842,583	-	-	3,170,871
-	-	-	-	-	299,390
-	-	-	-	-	144,612
177,215	34,761	-	7,362	-	252,825
-	-	-	-	-	353,620
142,891	-	11,897	1,121	8,263	987,408
-	738,000	-	-	600,000	1,978,000
-	77,357	-	-	215,198	345,352
-	13,492	-	-	-	19,747
<u>320,106</u>	<u>863,610</u>	<u>854,480</u>	<u>8,483</u>	<u>823,461</u>	<u>8,859,585</u>
<u>252,081</u>	<u>(332,315)</u>	<u>315,804</u>	<u>298,555</u>	<u>(797,991)</u>	<u>450,225</u>
-	873,800	-	-	-	1,285,000
-	-	-	-	870,198	1,291,550
(237,917)	-	-	(350,309)	-	(1,271,050)
-	(870,132)	-	-	-	(1,279,606)
<u>(237,917)</u>	<u>3,668</u>	<u>-</u>	<u>(350,309)</u>	<u>870,198</u>	<u>25,894</u>
14,164	(328,647)	315,804	(51,754)	72,207	476,119
<u>1,802,769</u>	<u>1,036,260</u>	<u>450,190</u>	<u>638,014</u>	<u>784,500</u>	<u>15,942,638</u>
<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>



**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, 2012**

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<b>Net change in fund balances - total governmental funds</b>		<b>\$ 476,119</b>
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 capital outlays exceeded depreciation in the current period:</p>		
Capital outlays	\$ 812,841	
Depreciation expense	<u>(735,303)</u>	77,538
<p>In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired.</p>		
		(77,000)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Special assessments		335,749
<p>Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.</p>		
		(1,285,000)
<p>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:</p>		
Repayment of general obligation bonds	1,580,000	
Repayment of building authority bonds	600,000	
Repayment of municipal purchase notes	<u>1,053,000</u>	3,233,000
<p>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.</p>		
		20,069
<p>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 earned (\$172,108) exceeded the amounts used/paid (\$154,325).</p>		
		<u>(17,783)</u>
<b>Total changes in net position - governmental activities</b>		<b><u>\$ 2,762,692</u></b>

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, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,930,076	\$1,930,076	\$1,908,678	\$ (21,398)
Licenses and permits	296,550	296,800	329,012	32,212
State sources	1,063,600	1,063,600	1,262,552	198,952
Charges for services	70,350	127,110	126,358	(752)
Interest and rentals	189,120	191,588	187,500	(4,088)
Other	106,557	125,707	92,458	(33,249)
<b>Total Revenues</b>	<b>3,656,253</b>	<b>3,734,881</b>	<b>3,906,558</b>	<b>171,677</b>
<b>Expenditures</b>				
Current:				
General government:				
Township board	36,269	43,969	43,104	865
Supervisor	12,204	12,204	11,338	866
Manager	149,707	149,707	145,104	4,603
Clerk	71,916	71,916	65,373	6,543
Treasurer	115,593	116,293	110,436	5,857
Assessor	200,463	199,463	179,727	19,736
Elections	42,195	46,895	35,329	11,566
Buildings and grounds	373,143	378,653	312,736	65,917
Cemetery	4,000	4,000	2,775	1,225
General administration	465,567	511,317	401,838	109,479
Total general government	1,471,057	1,534,417	1,307,760	226,657
Public works:				
Drains	112,000	112,000	40,347	71,653
Highways, streets and bridges	107,000	120,000	79,180	40,820
Street lighting	153,500	153,500	86,931	66,569
Hydrant rental	40,000	40,000	39,000	1,000
Sanitation services	52,600	55,600	53,932	1,668
Total public works	465,100	481,100	299,390	181,710
Community and economic development:				
Planning	148,947	154,347	142,747	11,600
Zoning	1,000	2,100	1,865	235
Total community and economic development	149,947	156,447	144,612	11,835
Recreation and cultural:				
Parks and recreation	37,700	38,800	31,247	7,553
Historical	3,150	2,400	2,240	160
Total recreation and cultural	40,850	41,200	33,487	7,713
Other township	370,230	384,890	353,620	31,270
Capital outlay	301,000	342,990	275,943	67,047

(Continued)

**CASCADE CHARTER TOWNSHIP**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures</b> (Continued)				
Debt service:				
Principal repayment	\$ 69,999	\$ 395,000	\$ 395,000	\$ -
Interest and fiscal charges	18,780	18,880	18,844	36
Total debt service	88,779	413,880	413,844	36
<b>Total Expenditures</b>	2,886,963	3,354,924	2,828,656	526,268
<b>Excess of Revenues Over Expenditures</b>	769,290	379,957	1,077,902	697,945
<b>Other Financing Sources (Uses)</b>				
Transfers in	22,500	22,500	21,352	(1,148)
Transfers out	(614,869)	(590,694)	(573,591)	17,103
<b>Total Other Financing Sources (Uses)</b>	(592,369)	(568,194)	(552,239)	15,955
<b>Net Change in Fund Balances</b>	176,921	(188,237)	525,663	713,900
<b>Fund Balances, Beginning of Year</b>	6,215,657	6,215,657	6,215,657	-
<b>Fund Balances, End of Year</b>	<u>\$ 6,392,578</u>	<u>\$6,027,420</u>	<u>\$6,741,320</u>	<u>\$ 713,900</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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 1,728,271	\$ 1,711,983	\$ (16,288)
Fines and forfeitures	100	30	(70)
Interest and rentals	55,000	33,550	(21,450)
Other	53,840	52,493	(1,347)
<b>Total Revenues</b>	<u>1,837,211</u>	<u>1,798,056</u>	<u>(39,155)</u>
<b>Expenditures</b>			
Current:			
Public safety	1,904,470	1,750,767	153,703
Capital outlay	433,000	464,994	(31,994)
<b>Total Expenditures</b>	<u>2,337,470</u>	<u>2,215,761</u>	<u>121,709</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(500,259)</u>	<u>(417,705)</u>	<u>82,554</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	400,000	400,000	-
Transfers out	(108,390)	(108,381)	9
<b>Total Other Financing Sources (Uses)</b>	<u>291,610</u>	<u>291,619</u>	<u>9</u>
<b>Net Change in Fund Balances</b>	(208,649)	(126,086)	82,563
<b>Fund Balances, Beginning of Year</b>	<u>2,527,805</u>	<u>2,527,805</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 2,319,156</u></u>	<u><u>\$ 2,401,719</u></u>	<u><u>\$ 82,563</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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 602,754	\$ 597,610	\$ (5,144)
Interest and rentals	16,000	7,603	(8,397)
<b>Total Revenues</b>	<u>618,754</u>	<u>605,213</u>	<u>(13,541)</u>
<b>Expenditures</b>			
Current:			
Public safety:			
Law enforcement	<u>600,100</u>	<u>577,521</u>	<u>22,579</u>
<b>Net Change in Fund Balances</b>	18,654	27,692	9,038
<b>Fund Balances, Beginning of Year</b>	<u>1,114,553</u>	<u>1,114,553</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,133,207</u></u>	<u><u>\$ 1,142,245</u></u>	<u><u>\$ 9,038</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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Interest and rentals	\$ 17,336	\$ 12,494	\$ (4,842)
Other	466,972	381,215	(85,757)
<b>Total Revenues</b>	<u>484,308</u>	<u>393,709</u>	<u>(90,599)</u>
<b>Expenditures</b>			
Capital outlay	141,100	82,299	58,801
Debt service:			
Principal repayment	245,000	245,000	-
Interest and fiscal charges	40,226	33,953	6,273
Bond issuance costs	10,053	6,255	3,798
Total debt service	<u>295,279</u>	<u>285,208</u>	<u>10,071</u>
<b>Total Expenditures</b>	<u>436,379</u>	<u>367,507</u>	<u>68,872</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>47,929</u>	<u>26,202</u>	<u>(21,727)</u>
<b>Other Financing Sources (Uses)</b>			
Bond proceeds	371,000	411,200	40,200
Transfers out	(2,000)	(852)	1,148
Payments to escrow agent	(360,000)	(409,474)	(49,474)
<b>Total Other Financing Sources (Uses)</b>	<u>9,000</u>	<u>874</u>	<u>(8,126)</u>
<b>Net Change in Fund Balances</b>	56,929	27,076	(29,853)
<b>Fund Balances, Beginning of Year</b>	<u>1,372,890</u>	<u>1,372,890</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,429,819</u></u>	<u><u>\$ 1,399,966</u></u>	<u><u>\$ (29,853)</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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 510,081	\$ 505,311	\$ (4,770)
Intergovernmental sources	22,000	21,913	(87)
Interest and rentals	43,000	36,688	(6,312)
Other	8,900	8,275	(625)
<b>Total Revenues</b>	<u>583,981</u>	<u>572,187</u>	<u>(11,794)</u>
<b>Expenditures</b>			
Current:			
Recreation and cultural:			
Library	207,751	177,215	30,536
Capital outlay	142,400	142,891	(491)
<b>Total Expenditures</b>	<u>350,151</u>	<u>320,106</u>	<u>30,045</u>
<b>Excess of Revenues Over Expenditures</b>	<u>233,830</u>	<u>252,081</u>	<u>18,251</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(237,918)	(237,917)	1
<b>Net Change in Fund Balances</b>	(4,088)	14,164	18,252
<b>Fund Balances, Beginning of Year</b>	<u>1,802,769</u>	<u>1,802,769</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,798,681</u></u>	<u><u>\$ 1,816,933</u></u>	<u><u>\$ 18,252</u></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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 523,522	\$ 518,719	\$ (4,803)
Interest and rentals	12,600	12,117	(483)
Miscellaneous	500	459	(41)
<b>Total Revenues</b>	<u>536,622</u>	<u>531,295</u>	<u>(5,327)</u>
<b>Expenditures</b>			
Current:			
Recreation and cultural:			
Parks and recreation	64,500	34,761	29,739
Debt service:			
Principal repayment	743,000	738,000	5,000
Interest and fiscal charges	87,881	77,357	10,524
Bond issuance costs	10,053	13,492	(3,439)
Total debt service	<u>840,934</u>	<u>828,849</u>	<u>12,085</u>
<b>Total Expenditures</b>	<u>905,434</u>	<u>863,610</u>	<u>41,824</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(368,812)</u>	<u>(332,315)</u>	<u>36,497</u>
<b>Other Financing Sources (Uses)</b>			
Refunding bonds issued	906,000	873,800	(32,200)
Payments to escrow agent	(895,000)	(870,132)	24,868
<b>Total Other Financing Sources (Uses)</b>	<u>11,000</u>	<u>3,668</u>	<u>(7,332)</u>
<b>Net Change in Fund Balances</b>	(357,812)	(328,647)	29,165
<b>Fund Balances, Beginning of Year</b>	<u>1,036,260</u>	<u>1,036,260</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 678,448</u>	<u>\$ 707,613</u>	<u>\$ 29,165</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, 2012**

	Budget	Actual	Variance
<b>Revenues</b>			
Licenses and permits	\$ 1,261,554	\$ 1,165,917	\$ (95,637)
Interest and rentals	3,750	1,759	(1,991)
Other	2,860	2,608	(252)
<b>Total Revenues</b>	<u>1,268,164</u>	<u>1,170,284</u>	<u>(97,880)</u>
<b>Expenditures</b>			
Current:			
Public safety	886,689	842,583	44,106
Capital outlay	11,798	11,897	(99)
<b>Total Expenditures</b>	<u>898,487</u>	<u>854,480</u>	<u>44,007</u>
<b>Net Change in Fund Balances</b>	369,677	315,804	53,873
<b>Fund Balances, Beginning of Year</b>	<u>450,190</u>	<u>450,190</u>	-
<b>Fund Balances, End of Year</b>	<u><u>\$ 819,867</u></u>	<u><u>\$ 765,994</u></u>	<u><u>\$ 53,873</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Local sources:			
Taxes	\$ 301,868	\$ 299,337	\$ (2,531)
Interest and rentals	6,900	6,618	(282)
Other revenue	2,600	1,083	(1,517)
<b>Total Revenues</b>	<u>311,368</u>	<u>307,038</u>	<u>(4,330)</u>
<b>Expenditures</b>			
Current:			
Recreation and cultural:			
Parks and recreation	9,500	7,362	2,138
Capital outlay	4,000	1,121	2,879
<b>Total Expenditures</b>	<u>13,500</u>	<u>8,483</u>	<u>5,017</u>
<b>Excess of Revenues Over Expenditures</b>	<u>297,868</u>	<u>298,555</u>	<u>687</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	25,000	-	(25,000)
Transfers out	(350,309)	(350,309)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(325,309)</u>	<u>(350,309)</u>	<u>(25,000)</u>
<b>Net Change in Fund Balances</b>	(27,441)	(51,754)	(24,313)
<b>Fund Balances, Beginning of Year</b>	<u>638,014</u>	<u>638,014</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 610,573</u></u>	<u><u>\$ 586,260</u></u>	<u><u>\$ (24,313)</u></u>

See accompanying notes to basic financial statements.

**CASCADE CHARTER TOWNSHIP**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**December 31, 2012**

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<b>Assets</b>	<u>Agency Funds</u>
Cash	\$ 150
Cash equivalents, deposits and investments (Note B)	<u>4,704,858</u>
<b>Total Assets</b>	<b><u><u>\$ 4,705,008</u></u></b>
<b>Liabilities</b>	
Accounts payable	\$ 24,529
Due to other funds (Note D)	2,186,383
Due to other governmental units	2,388,629
Escrow deposits	<u>105,467</u>
<b>Total Liabilities</b>	<b><u><u>\$ 4,705,008</u></u></b>

See accompanying notes to basic financial statements.

**CASCADE CHARTER TOWNSHIP**  
**Component Unit**  
**Balance Sheet**  
**December 31, 2012**

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	<u>Downtown Development Authority</u>
<b>Assets</b>	
Cash equivalents, deposits and investments (Note B)	\$ 2,053,069
Taxes receivable (Note C)	161,437
Accounts receivable	<u>5,886</u>
<b>Total Assets</b>	<b><u><u>\$ 2,220,392</u></u></b>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 206,356
Deferred revenue	<u>161,437</u>
<b>Total Liabilities</b>	<b><u>367,793</u></b>
<b>Fund Balances</b>	
Restricted	<u>1,852,599</u>
<b>Total Liabilities and Fund Balances</b>	<b><u><u>\$ 2,220,392</u></u></b>

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, 2012**

	Downtown Development Authority
<b>Revenues</b>	
Taxes	\$ 539,337
Interest and rentals	11,454
	550,791
<b>Expenditures</b>	
Current:	
General government:	
Other services and charges	242,059
Capital outlay	560,407
Debt service:	
Principal repayment	85,000
Interest and fiscal charges	22,838
Total debt service	107,838
	910,304
	(359,513)
<b>Other Financing Sources (Uses)</b>	
Transfers out	(20,500)
	(380,013)
<b>Fund Balances, Beginning of Year</b>	2,232,612
<b>Fund Balances, End of Year</b>	\$ 1,852,599

See accompanying notes to basic financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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**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, 2012**

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**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, 2012**

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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, 2012**

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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.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for each individual fund.

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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**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, 2012 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, 2012, the accumulated liability (expected to be financed by General Fund and Fire and Inspections Special Revenue Funds revenues) amounted to \$97,388.

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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## **9. Net Position**

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides 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. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

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.

## **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.

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

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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:

<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>
<b>General Fund</b>	\$ 1,336,606	Unfunded pension liability
	284,716	Callable bond, debt series 2003
	475,000	Loss of personal property tax revenues
	<u>2,096,322</u>	
<b>Special Revenue Funds</b>		
Fire Fund	500,000	Fire truck
	260,063	Callable bond, debt series 2003
	198,000	Fire rescue vehicle
	660,000	Loss of personal property tax revenues
	<u>1,618,063</u>	
Police Fund	<b>230,000</b>	Loss of personal property tax revenues
Dam Major Repair Fund	<b>250,000</b>	Dam repairs
Library Fund	400,000	Major building/land improvements
	570,887	Callable bond, debt series 2003
	195,000	Loss of personal property tax revenues
	<u>1,165,887</u>	
Pathways Fund	<b>200,000</b>	Loss of personal property tax revenues
Open Space Fund	<b>116,000</b>	Loss of personal property tax revenues
<b>Permanent Fund</b>		
Cemetery Fund	<u>5,000</u>	Whitneyville monuments
<b>Total Committed Funds</b>	<u><u>\$ 5,681,272</u></u>	

*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, 2012**

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*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, 2012**

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**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, 2012 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	\$ 15,974,862
Component Unit	2,053,069

Cash equivalents, deposits and investments per the Fiduciary Funds:

Primary government:	
Agency Funds	<u>4,704,858</u>
	<u><u>\$ 22,732,789</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, 2012**

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

December 31, 2012 balances are detailed as follows:

Cash equivalents	\$ 10,248,815
Deposits	7,204,985
	<u>\$ 17,453,800</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 \$17,453,800 and the bank balance was \$17,505,164. Of the bank balance, \$3,695,911 was covered by federal depository insurance and \$13,809,253 was uninsured and uncollateralized.

**Investments**

As of December 31, 2012 the Township and its component unit had the following investments in their portfolio:

	<b>Standard &amp; Poor's Rating</b>	<b>Fair Value</b>
<b>Primary Government</b>		
Kent County Surplus Funds Investment Pool	N/A	\$ 4,276,725
Chemical Bank Chemcash Sweep Accounts	N/A	839,524
Fifth Third Securities Institutional Money Market Fund	N/A	71,387
Federal National Mortgage Association (FNMA)	AAA	45,397
Federal Home Loan Mortgage Corporation (FHLMC)	AAA	5,440
		<u>\$ 5,238,473</u>
<b>Component Unit</b>		
Fifth Third Securities Institutional Money Market Fund	N/A	\$ 24,492
Government National Mortgage Association (GNMA)	AAA	16,024
		<u>\$ 40,516</u>



**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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The Kent County Surplus Funds Investment Pool and the Fifth Third Securities Institutional Money Market Fund 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, 2012.

*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. For the Primary Government at December 31, 2012 the weighted average maturity (WAM) (in years) for the FNMA securities .6586; and for the FRLMC securities .0325. The WAM for the portfolio was .658. For the Component Unit the WAM for the GNMA securities was .2085 years.

*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, 2012 for the Primary Government. More than 5 percent of the Township's investments is in GNMA securities (40%) at December 31, 2012 for 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, 2012**

**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 2012 calendar year, the 2011 Township property tax levies are recognized in the amounts collected. As the 2012 property tax roll was levied for 2013 operations, Township taxes that become due December 1, 2012 have not been included as revenue for the year ended December 31, 2012. Instead, the uncollected portion of the 2012 Township tax roll at December 31, 2012 is reported in the General, Police, Fire, Library, Pathways and Open Space Funds as taxes receivable, with total 2012 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, 2012 on the 2012 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 2012 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:

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Township taxes levied	\$5,044,606	\$5,135,665	\$5,433,686	\$5,533,468
Taxes collected:				
Current to March 1	4,850,760	4,874,596	5,116,765	5,211,669
Total to December 31, 2012	5,015,977	5,133,997	5,431,002	5,532,168
Percentages of collections:				
Current to March 1	96.16%	94.92%	94.17%	94.18%
Total to December 31, 2012	99.43%	99.97%	99.95%	99.98%

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 2011 valuations in the following summary:

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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<b>Year</b>	<b>Real</b>	<b>Personal</b>	<b>Total</b>
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
2002	1,011,639,610	135,639,100	1,147,278,710

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 2011 valuations of these certificates are compared with prior years in the following exhibit:

<b>Year</b>	<b>Real</b>	<b>Personal</b>	<b>Total</b>
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
2002	26,448,122	30,987,200	57,435,322

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

**Note D – Interfund Receivables/Payables and Transfers**

Amounts due from/to other funds representing 2012 interest earnings, 2012 budgeted transfers and property tax collections due at December 31, 2012 are detailed as follows:

	<b>Due From</b>	<b>Due To</b>
<b>Major Funds</b>		
General Fund:		
Special Revenue Funds:		
Improvement Revolving Fund	\$ 29,711	\$ —
Agency Funds:		
Trust Account Agency Fund	334	—
Tax Account Agency Fund	625,881	—
	655,926	—
Special Revenue Funds:		
Fire Fund:		
Tax Account Agency Fund	732,877	—
Police Fund:		
Tax Account Agency Fund	255,813	—
Improvement Revolving Fund:		
General Fund	—	29,711
Tax Account Agency Fund	4,982	—
Library Fund:		
Tax Account Agency Fund	216,304	—
Pathways Fund:		
Tax Account Agency Fund	222,043	—
Open Space Fund:		
Tax Account Agency Fund	128,149	—
	2,216,094	29,711
<b>Total Major Funds</b>	<b>2,216,094</b>	<b>29,711</b>

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

	<b>Due From</b>	<b>Due To</b>
<b>Nonmajor Funds</b>		
Agency Funds:		
Trust Account Agency Fund:		
General Fund	\$ —	\$ 334
Tax Account Agency Fund:		
General Fund	—	625,881
Special Revenue Funds:		
Fire Fund	—	732,877
Police Fund	—	255,813
Improvement Revolving Fund	—	4,982
Library Fund	—	216,304
Pathways Fund	—	222,043
Open Space Fund	—	128,149
	—	2,186,383
<b>Total Nonmajor Funds</b>	—	2,186,383
<b>Total All Funds</b>	\$ 2,216,094	\$ 2,216,094

Interfund transfers during the year ended December 31, 2012 were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Funds</b>		
General Fund:		
Special Revenue Funds:		
Fire Special Revenue Fund	\$ —	\$ 400,000
Improvement Revolving Fund	852	—
Cascade Dam Major Repair Fund	—	45,000
Debt Service Fund:		
Building Authority Fund	—	118,591
Capital Projects Fund:		
Open Space Preservation Fund	—	10,000
Component Unit:		
Downtown Development Authority	20,500	—
	21,352	573,591
<b>Total General Fund</b>	21,352	573,591

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

	<b>Transfers In</b>	<b>Transfers Out</b>
Special Revenue Funds:		
Fire Fund:		
General Fund	\$ 400,000	\$ —
Building Authority Debt Service Fund	—	108,381
Improvement Revolving Fund:		
General Fund	—	852
Library Fund:		
Building Authority Debt Service Fund	—	237,917
Open Space Fund:		
Building Authority Debt Service Fund	—	350,309
	<b>Total Major Funds</b>	<b>1,271,050</b>
	<b>421,352</b>	<b>—</b>
<b>Nonmajor Funds</b>		
Special Revenue Fund:		
Cascade Dam Major Repair Fund:		
General Fund	45,000	—
Debt Service Fund:		
Building Authority Fund:		
General Fund	118,591	—
Fire Special Revenue Fund	108,381	—
Library Special Revenue Fund	237,917	—
Open Space Fund	350,309	—
Capital Projects Fund:		
Open Space Preservation Fund:		
General Fund	10,000	—
	<b>Total Nonmajor Funds</b>	<b>—</b>
	<b>870,198</b>	<b>—</b>
<b>Component Unit</b>		
Downtown Development Authority:		
General Fund	—	20,500
	<b>Total All Funds and Component Unit</b>	<b>1,291,550</b>
	<b>\$ 1,291,550</b>	<b>\$ 1,291,550</b>

The General Fund transfer to the Fire Special Revenue Fund was made to pay the amount budgeted for 2012 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. The General Fund transfer to the Open Space Capital Projects Fund was made to pay the previously agreed-upon amount to fund park land capital outlays. All of the transfers to the Debt Service Fund were made to fund required 2012 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, 2012**

**Note E – General Fixed Assets**

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Balances</u> <u>January 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>December 31, 2012</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 9,650,440	\$ —	\$ —	\$ 9,650,440
Capital assets being depreciated:				
Land improvements	7,145,309	344,621	—	7,489,930
Infrastructure	1,400,000	—	—	1,400,000
Buildings and improvements	8,372,466	—	—	8,372,466
Furniture and equipment	953,110	61,575	—	1,014,685
Vehicles	<u>1,716,098</u>	<u>406,645</u>	<u>300,199</u>	<u>1,822,544</u>
Total capital assets being depreciated	<u>19,586,983</u>	<u>\$812,841</u>	<u>\$ 300,199</u>	<u>20,099,625</u>
Less accumulated depreciation for:				
Land improvements	3,479,090	\$358,880	\$ —	3,837,970
Infrastructure	728,000	28,000	—	756,000
Buildings and improvements	2,432,141	200,310	—	2,632,451
Furniture and equipment	558,449	80,308	—	638,757
Vehicles	<u>781,534</u>	<u>67,805</u>	<u>223,199</u>	<u>626,140</u>
Total accumulated depreciation	<u>7,979,214</u>	<u>\$735,303</u>	<u>\$ 223,199</u>	<u>8,491,318</u>
Total capital assets being depreciated, net	<u>11,607,769</u>			<u>11,608,307</u>
<b>Net Capital Assets - Governmental Activities</b>	<u>\$ 21,258,209</u>			<u>\$ 21,258,747</u>

Depreciation expense was charged to Township activities as follows:

General government	\$ 94,472
Public safety	123,572
Recreation and cultural	<u>517,259</u>
	<u>\$ 735,303</u>

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

**Discretely Presented Component Unit**

Capital asset activity for the Downtown Development Authority (DDA) for the year ended December 31, 2012 was as follows:

	<u>Balances</u> <u>January 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>December 31, 2012</u>
Capital assets not being depreciated:				
Land	\$ 59,366	\$ —	\$ —	\$ 59,366
Capital assets being depreciated:				
Land improvements	4,536,853	675,013	—	5,211,866
Vehicles	46,528	—	—	46,528
	<u>4,583,381</u>	<u>\$675,013</u>	<u>\$ —</u>	<u>5,258,394</u>
Less accumulated depreciation for:				
Land improvements	1,496,893	\$194,972	\$ —	\$ 1,691,865
Vehicles	—	9,306	—	9,306
	<u>1,496,893</u>	<u>\$204,278</u>	<u>\$ —</u>	<u>1,701,171</u>
Total capital assets being depreciated, net	<u>3,086,488</u>			<u>3,557,223</u>
<b>Net DDA Capital Assets</b>	<u>\$ 3,145,854</u>			<u>\$ 3,616,589</u>

**Note F – Deferred Revenue/Special Assessments Receivable**

Deferred revenue of the General Fund and the Fire, Police, Library, Pathways and Open Space Special Revenue Funds represents 2012 property tax levies that became due December 31, 2012, and are levied for 2013 operations.

Deferred revenue of the Improvement Revolving Special Revenue Fund represents 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, 2012**

**Note G – Long-term Debt**

Amounts available and to be provided for long-term debt at December 31, 2012 are summarized as follows:

	<b>Bond Issues</b>	<b>Municipal Purchase Notes</b>	<b>Accumulated Vacation, Sick and Comp. Time</b>	<b>Total</b>
<b><u>Primary Government</u></b>				
<b>Amounts Available For Retirement of Long-term Debt</b>				
Debt Service Fund	\$ —	\$ —	\$ —	\$ —
<b>Amounts To Be Provided For Retirement of Long-term Debt</b>				
General Fund	265,408	—	53,186	318,594
Special Revenue Funds:				
Fire Fund	242,424	—	44,202	286,626
Improvement Revolving Fund	786,200	—	—	786,200
Library Fund	532,168	—	—	532,168
Pathways Fund	1,153,800	679,000	—	1,832,800
Open Space Fund	4,055,000	—	—	4,055,000
<b>Total Primary Government</b>	<b>7,035,000</b>	<b>679,000</b>	<b>97,388</b>	<b>7,811,388</b>
<b><u>Discretely Presented Component Unit</u></b>				
<b>Amounts To Be Provided For Retirement of Long-term Debt</b>				
Downtown Development Authority	748,000	—	—	748,000
<b>Total Amounts Available and To Be Provided</b>	<b>\$ 7,783,000</b>	<b>\$ 679,000</b>	<b>\$ 97,388</b>	<b>\$ 8,559,388</b>

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

Changes in long-term debt for the year ended December 31, 2012 are summarized as follows:

	<u>Debt Outstanding Jan. 1, 2012</u>	<u>Debt Added</u>	<u>Debt Retired</u>	<u>Debt Outstanding Dec. 31, 2012</u>
<b><u>Primary Government</u></b>				
<b>Bond Issues</b>				
General obligation:				
September 26, 2002	\$ 925,000	\$ —	\$ 925,000	\$ —
September 26, 2002	425,000	—	425,000	—
November 19, 2002 (IRF)	555,000	—	180,000	375,000
January 12, 2005 (Pathways)	330,000	—	50,000	280,000
May 9, 2012 Refunding (Pathways)	—	873,800	—	873,800
May 9, 2012 Refunding (IRF)	—	411,200	—	411,200
Building Authority:				
February 5, 2003 (General)	370,040	—	104,632	265,408
February 5, 2003 (Fire)	337,995	—	95,571	242,424
February 5, 2003 (Library)	741,965	—	209,797	532,168
June 2, 2009 (Open Space)	4,245,000	—	190,000	4,055,000
<b>Municipal Purchase Notes</b>				
Pedestrian Pathways:				
March 6, 2002	390,000	—	390,000	—
October 1, 2010 Refunding	947,000	—	268,000	679,000
Leslie E. Tassell Park:				
March 6, 2002 (General)	395,000	—	395,000	—
<b>Accumulated Vacation Pay</b>	35,754	146,732	137,244	45,242
<b>Accumulated Sick Leave</b>	36,478	8,801	5,349	39,930
<b>Accumulated Compensation Time</b>	7,373	16,575	11,732	12,216
<b>Total Primary Government</b>	<u>9,741,605</u>	<u>1,457,108</u>	<u>3,387,325</u>	<u>7,811,388</u>
<b><u>Discretely Presented Component Unit</u></b>				
<b>Bond Issues</b>				
Development Refunding Bonds:				
October 1, 2010	833,000	—	85,000	748,000
<b>Total Long-term Debt</b>	<u><u>\$10,574,605</u></u>	<u><u>\$1,457,108</u></u>	<u><u>\$ 3,472,325</u></u>	<u><u>\$8,559,388</u></u>

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

Long-term bonds, notes and installment purchase agreements at December 31, 2012 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>
<b><u>Primary Government</u></b>				
<b>General Obligation Bonds</b>				
\$1,935K 2002 Refunding:				
Annual maturities of \$185K to \$190K	Dec. 1, 2014	4.00	\$ 375,000	\$ 190,000
\$560K 2005 Pathways Improvement:				
Annual maturities of \$50K to \$60K	Nov. 1, 2017	3.65 - 4.10	280,000	50,000
\$874K 2012 Pathways Refunding:				
Annual maturities of \$82K to \$248K	Nov. 1, 2017	1.20 - 2.05	873,800	81,600
\$411K 2012 Water & Sewer Refunding :				
Annual maturities of \$38K to \$116K	Nov. 1, 2017	1.20 - 2.05	411,200	38,400
<b>Building Authority Bonds</b>				
\$1,060K 2003 Township Capital Outlay Refunding:				
Annual maturities of \$24K to \$108K	Aug. 1, 2016	3.70 - 4.00	265,408	107,184
\$969K 2003 Fire Station Refunding:				
Annual maturities of \$22K to \$99K	Aug. 1, 2016	3.70 - 4.00	242,424	97,902
\$2,126K 2003 Library Building Refunding:				
Annual maturities of \$49K to \$217K	Aug. 1, 2016	3.70 - 4.00	532,168	214,914
\$4,430K 2009 Township Open Space and Parkland Improvements:				
Annual maturities of \$190K to \$340K	May 1, 2028	2.30 - 4.50	4,055,000	190,000
<b>Municipal Purchase Notes</b>				
\$1,205K Refunding Notes, Series 2010:				
Annual maturities of \$130K to \$275K	Nov. 1, 2015	1.90 – 2.45	679,000	274,000
<b>Accumulated Employee Benefits</b>				
Vacation, sick and compensation time	N/A	N/A	97,388	20,000
<b>Total Primary Government</b>			<u>7,811,388</u>	<u>1,264,000</u>
<b><u>Discretely Presented Component Unit</u></b>				
<b>Tax Increment Financing Authority Bonds</b>				
\$912K Refunding Notes, Series 2010:				
Annual maturities of \$88K to 103K	Oct. 1, 2020	1.90 – 3.65	748,000	88,000
<b>Total Long-term Debt</b>			<u>\$ 8,559,388</u>	<u>\$ 1,352,000</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.

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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.

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>
2013	\$ 1,244,000	\$ 257,991	\$ 1,501,991
2014	1,337,000	221,612	1,558,612
2015	758,000	181,716	939,716
2016	696,000	161,620	857,620
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>\$ 7,714,000</u>	<u>\$ 1,746,591</u>	<u>\$ 9,460,591</u>

On May 9, 2012, the Township issued \$1,285,000 in general obligation bonds to advance refund \$1,255,000 of outstanding 2002 serial bonds. The average interest rate of the refunding bonds was 1.814756% resulting in a total net present value savings of \$65,608 or 5.228%. The net proceeds of \$1,279,606 after Debt Service Fund transfers of \$14,712, and bond issuance costs of \$20,106 were deposited with an escrow agent and used to purchase United States Treasury Securities. Under the terms of these agreements, these securities, together with interest earned to maturity, will be sufficient to pay all principal and interest as it becomes due. This procedure relieves the Township from being primarily liable for the debt and the Township is virtually assured of not being required to make further payments with respect to the debt. These funds cannot be commingled with other funds and cannot be redeemed prior to maturity. Any excess funds were returned to the Township upon final payment of principal and interest which was completed on November 1, 2012. This defeasance procedure allows the Township to remove the assets and liabilities from its financial statements, which it has done for the fiscal year ended December 31, 2012.

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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>
2013	\$ 88,000	\$ 21,392	\$ 109,392
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>\$ 748,000</u>	<u>\$ 109,406</u>	<u>\$ 857,406</u>

**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, 2010.

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 2012 were 5% of covered payroll. The Township was required to contribute at an actuarially determined rate of 9.04% during 2012. Cascade Township actually contributed 10% of covered payroll in 2012. The contribution requirements of plan members and the commission are established and may be amended by MERS.

For the year ended December 31, 2012, the Township’s contributions totaling \$211,950 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2010. Employee contributions totaled \$105,982. 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

**CASCADE CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2012**

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:

<b>Valuation Year Ended December 31</b>	<b>Fiscal Year Ended December 31</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
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%	—

As of December 31, 2010, the most recent actuarial valuation date, the plan was 79% funded. The actuarial accrued liability for benefits was \$5,913,046, and the actuarial value of assets was \$4,668,584, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,244,462. The covered payroll (annual payroll of active employees covered by the plan) was \$2,119,640 and the ratio of the UAAL to the covered payroll was 59%.

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 \$8,541 for 2012.

**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, 2012, the Cascade Dam Major Repair Fund had accumulated \$379,718.

## **SUPPLEMENTARY INFORMATION**

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CASCADE CHARTER TOWNSHIP**  
**Schedule of Funding Progress**  
**December 31, 2012**

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<b>Valuation Year Ended December 31</b>	<b>Actuarial Accrued Liability</b>	<b>Actuarial Value of Assets</b>	<b>Funded Ratio</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Covered Payroll</b>	<b>UAAL as Percent of Covered Payroll</b>
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%

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## **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, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 6,246,330	\$ 5,946,580
Receivables:		
Taxes	862,771	863,494
Accounts	101,502	96,390
Due from other funds	655,926	683,028
Due from other governmental units	426,340	207,429
Prepaid expenditures	12,246	30,385
	<b>\$ 8,305,115</b>	<b>\$ 7,827,306</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 46,423	\$ 49,150
Deferred revenue	1,517,372	1,562,499
	<b>1,563,795</b>	<b>1,611,649</b>
<b>Fund Balances</b>		
Nonspendable	12,246	30,385
Committed	2,096,322	-
Unassigned	4,632,752	6,185,272
	<b>6,741,320</b>	<b>6,215,657</b>
	<b>\$ 8,305,115</b>	<b>\$ 7,827,306</b>

**CASCADE CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Schedule of Revenues**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Taxes:</b>		
Current property taxes	\$ 1,248,169	\$ 1,257,531
Hydrant rental assessment	38,935	38,970
Street lighting assessment	90,869	88,547
Delinquent property taxes	12,714	9,772
Industrial facilities taxes	4,885	7,923
Interest and penalties on taxes	20,910	19,728
Tax administration fees	492,196	485,410
	<u>1,908,678</u>	<u>1,907,881</u>
<b>Licenses and permits:</b>		
Cablevision fees	328,092	306,574
Soil erosion fees	-	4,038
Dog licenses	285	272
Other permits	635	20
	<u>329,012</u>	<u>310,904</u>
<b>State sources:</b>		
Sales taxes	1,249,342	1,276,954
PA 48/Metro Authority	13,210	12,491
	<u>1,262,552</u>	<u>1,289,445</u>
<b>Charges for services:</b>		
Planning and zoning fees	36,521	22,166
Summer tax collection fees	25,236	25,127
P.A. 198 tax application fees	4,150	4,000
Yard waste tag fees	2,110	2,106
Sewer and water implementation fees	30,005	11,471
Grave openings	13,800	10,380
Passport application fees	14,400	11,025
Sale of printed materials	136	60
	<u>126,358</u>	<u>86,335</u>
<b>Interest and rentals:</b>		
Interest on deposits and investments	23,765	49,019
Rental income	163,735	149,589
	<u>187,500</u>	<u>198,608</u>
<b>Other revenue:</b>		
Sale of assets	100	360
Contributions	20,675	27,025
Interfund reimbursements	39,315	38,354
Park income	5,124	4,945
Reimbursements	11,365	4,444
Refunds and rebates	1,017	566
Other	14,862	7,132
	<u>92,458</u>	<u>82,826</u>
<b>Total Revenues</b>	<u><u>\$ 3,906,558</u></u>	<u><u>\$ 3,875,999</u></u>

**CASCADE CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Schedule of Expenditures**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
Current:		
General government:		
Township board:		
Personnel services	\$ 20,994	\$ 20,784
Other services and charges	22,110	13,175
	43,104	33,959
Supervisor:		
Personnel services	10,303	10,201
Other services and charges	1,005	992
Miscellaneous	-	8,500
Capital outlay	30	-
	11,338	19,693
Manager:		
Personnel services	140,530	137,426
Other services and charges	4,574	8,117
	145,104	145,543
Clerk:		
Personnel services	63,332	65,852
Other services and charges	2,041	3,127
Capital outlay	-	328
	65,373	69,307
Treasurer:		
Personnel services	105,821	102,001
Other services and charges	4,615	4,402
Capital outlay	-	875
	110,436	107,278
Assessor:		
Personnel services	168,977	165,363
Supplies	130	10
Other services and charges	10,620	17,875
	179,727	183,248
Elections:		
Personnel services	25,057	1,123
Supplies	2,150	765
Other services and charges	8,122	2,446
	35,329	4,334
General administration:		
Personnel services	55,391	53,987
Supplies	21,812	17,635
Other services and charges	324,335	289,732
Capital outlay	300	146
	401,838	361,500
Buildings and grounds:		
Personnel services	149,568	143,698
Supplies	720	1,105
Other services and charges	162,367	175,078
Capital outlay	81	519
	312,736	320,400
Cemetery:		
Other services and charges	2,775	2,625
Total general government	1,307,760	1,247,887

(Continued)

**CASCADE CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Schedule of Expenditures**  
**For the years ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Public works:		
Drains:		
Other services and charges	\$ 40,347	\$ 13,424
Highways, streets and bridges:		
Capital outlay	79,180	147,943
Street lighting:		
Other services and charges	85,637	148,128
Capital outlay	1,294	1,295
	<u>86,931</u>	<u>149,423</u>
Hydrant rental:		
Other services and charges	39,000	39,000
Sanitation services:		
Other services and charges	53,932	46,361
Total public works	<u>299,390</u>	<u>396,151</u>
Community and economic development:		
Planning:		
Personnel services	122,153	112,874
Supplies	110	65
Other services and charges	20,484	3,984
	<u>142,747</u>	<u>116,923</u>
Zoning:		
Personnel services	1,865	135
Total community and economic development	<u>144,612</u>	<u>117,058</u>
Recreation and cultural:		
Parks and recreation:		
Supplies	2,334	2,626
Other services and charges	28,913	29,892
Capital outlay	-	982
	<u>31,247</u>	<u>33,500</u>
Historical:		
Supplies	2,240	3,005
Total recreation and cultural	<u>33,487</u>	<u>36,505</u>
Other township:		
Personal services	265,741	231,813
Other services and charges	87,879	109,564
Total other township	<u>353,620</u>	<u>341,377</u>
Capital outlay	275,943	94,880
Debt service:		
Principal repayment	395,000	70,000
Interest and fiscal charges	18,844	21,720
Total debt service	<u>413,844</u>	<u>91,720</u>
<b>Total Expenditures</b>	<u><u>\$ 2,828,656</u></u>	<u><u>\$ 2,325,578</u></u>

**NONMAJOR GOVERNMENTAL FUNDS**



**CASCADE CHARTER TOWNSHIP**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2012**

	Special Revenue		Debt Service
	Dam Major Repair	HAZMAT	Building Authority
<b>Assets</b>			
Cash equivalents, deposits and investments	\$ 379,718	\$ 59,397	\$ -
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	129,718	59,397	-
Committed	250,000	-	-
<b>Total Fund Balances</b>	379,718	59,397	-
<b>Total Liabilities and Fund Balances</b>	\$ 379,718	\$ 59,397	\$ -

Capital Projects	Permanent	
Open Space Preservation	Cemetery Perpetual Care	Total
\$ 340,344	\$ 77,248	\$ 856,707
\$ -	\$ -	\$ -
-	72,248	72,248
340,344	-	529,459
-	5,000	255,000
340,344	77,248	856,707
\$ 340,344	\$ 77,248	\$ 856,707

**CASCADE CHARTER TOWNSHIP**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended December 31, 2012**

	Special Revenue		Debt Service
	Dam Major Repair	HAZMAT	Building Authority
<b>Revenues</b>			
Charges for services	\$ -	\$ 6,000	\$ -
Interest and rentals	4,889	253	-
Other	-	-	-
<b>Total Revenues</b>	<u>4,889</u>	<u>6,253</u>	<u>-</u>
<b>Expenditures</b>			
Capital outlay	-	8,263	-
Debt service:			
Principal repayment	-	-	600,000
Interest and fiscal charges	-	-	215,198
<b>Total Expenditures</b>	<u>-</u>	<u>8,263</u>	<u>815,198</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,889</u>	<u>(2,010)</u>	<u>(815,198)</u>
<b>Other Financing Sources</b>			
Transfers in	45,000	-	815,198
<b>Net Change in Fund Balances</b>	49,889	(2,010)	-
<b>Fund Balances, Beginning of Year</b>	329,829	61,407	-
<b>Fund Balances, End of Year</b>	<u>\$ 379,718</u>	<u>\$ 59,397</u>	<u>\$ -</u>

Capital Projects	Permanent Cemetery Perpetual Care	Total
\$ -	\$ 2,375	\$ 8,375
1,646	307	7,095
10,000	-	10,000
11,646	2,682	25,470
-	-	8,263
-	-	600,000
-	-	215,198
-	-	823,461
11,646	2,682	(797,991)
10,000	-	870,198
21,646	2,682	72,207
318,698	74,566	784,500
\$ 340,344	\$ 77,248	\$ 856,707

**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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Interest and rentals	\$ 6,000	\$ 4,889	\$ (1,111)
<b>Expenditures</b>			
Current:			
General government	55,000	-	55,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(49,000)</u>	<u>4,889</u>	<u>53,889</u>
<b>Other Financing Sources</b>			
Transfers in	50,000	45,000	(5,000)
<b>Net Change in Fund Balances</b>	1,000	49,889	48,889
<b>Fund Balances, Beginning of Year</b>	<u>329,829</u>	<u>329,829</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 330,829</u>	<u>\$ 379,718</u>	<u>\$ 48,889</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, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Charges for services	\$ 6,000	\$ 6,000	\$ -
Interest and rentals	800	253	(547)
<b>Total Revenues</b>	<u>6,800</u>	<u>6,253</u>	<u>(547)</u>
<b>Expenditures</b>			
Capital outlay	<u>12,800</u>	<u>8,263</u>	<u>4,537</u>
<b>Net Change in Fund Balances</b>	(6,000)	(2,010)	3,990
<b>Fund Balances, Beginning of Year</b>	<u>61,407</u>	<u>61,407</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 55,407</u></u>	<u><u>\$ 59,397</u></u>	<u><u>\$ 3,990</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, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 2,420,348	\$ 2,529,277
Taxes receivable	958,779	939,868
Due from other funds	732,877	769,481
Prepaid expenditures	11,800	25,526
<b>Total Assets</b>	<b>\$ 4,123,804</b>	<b>\$ 4,264,152</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 30,430	\$ 26,998
Deferred revenue	1,691,655	1,709,349
<b>Total Liabilities</b>	1,722,085	1,736,347
<b>Fund Balances</b>		
Nonspendable	11,800	25,526
Restricted	771,856	2,502,279
Committed	1,618,063	-
<b>Total Fund Balances</b>	2,401,719	2,527,805
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,123,804</b>	<b>\$ 4,264,152</b>



**CASCADE CHARTER TOWNSHIP**  
**Fire Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Taxes:		
Current property taxes	\$ 1,689,593	\$ 1,702,263
Delinquent property taxes	14,764	12,594
Industrial facilities taxes	6,613	10,724
Penalties and interest on taxes	1,013	1,414
Total taxes	<u>1,711,983</u>	<u>1,726,995</u>
Fines and forfeitures:		
District court fines	30	31
Interest and rentals:		
Interest on deposits and investments	33,550	14,947
Other revenue:		
Other	317	2
Sale of assets	51,811	-
Donations	125	200
Refunds and rebates	240	-
Total other revenue	<u>52,493</u>	<u>202</u>
<b>Total Revenues</b>	<u>1,798,056</u>	<u>1,742,175</u>
<b>Expenditures</b>		
Current:		
Public safety:		
Fire department:		
Personnel services	1,548,623	1,471,044
Supplies	40,440	44,949
Other services and charges	161,704	191,611
Total fire department	<u>1,750,767</u>	<u>1,707,604</u>
Capital outlay	464,994	65,492
Debt service:		
Principal repayment	-	129,413
Interest and fiscal charges	-	1,714
Total debt service	<u>-</u>	<u>131,127</u>
<b>Total Expenditures</b>	<u>2,215,761</u>	<u>1,904,223</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(417,705)</u>	<u>(162,048)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	400,000	400,000
Transfers out	(108,381)	(98,373)
<b>Total Other Financing Sources (Uses)</b>	<u>291,619</u>	<u>301,627</u>
<b>Net Change in Fund Balances</b>	<u>(126,086)</u>	<u>139,579</u>
<b>Fund Balances, Beginning of Year</b>	<u>2,527,805</u>	<u>2,388,226</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 2,401,719</u></u>	<u><u>\$ 2,527,805</u></u>

**CASCADE CHARTER TOWNSHIP  
Police Special Revenue Fund  
Comparative Balance Sheet  
December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 1,186,957	\$ 1,162,087
Taxes receivable	334,668	328,067
Due from other funds	255,813	268,591
<b>Total Assets</b>	<b>\$ 1,777,438</b>	<b>\$ 1,758,745</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 44,712	\$ 47,534
Deferred revenue	590,481	596,658
<b>Total Liabilities</b>	635,193	644,192
<b>Fund Balances</b>		
Restricted	912,245	1,114,553
Committed	230,000	-
<b>Total Fund Balances</b>	1,142,245	1,114,553
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,777,438</b>	<b>\$ 1,758,745</b>

**CASCADE CHARTER TOWNSHIP**  
**Police Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Taxes:		
Current property taxes	\$ 589,762	\$ 594,185
Delinquent property taxes	5,186	4,397
Industrial facilities taxes	2,308	3,743
Penalties and interest on taxes	354	494
Total taxes	<u>597,610</u>	<u>602,819</u>
Interest and rentals:		
Interest on deposits and investments	<u>7,603</u>	<u>14,214</u>
<b>Total Revenues</b>	<u>605,213</u>	<u>617,033</u>
<b>Expenditures</b>		
Current:		
Law enforcement:		
Other services and charges	<u>577,521</u>	<u>615,788</u>
<b>Net Change in Fund Balances</b>	27,692	1,245
<b>Fund Balances, Beginning of Year</b>	<u>1,114,553</u>	<u>1,113,308</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,142,245</u></u>	<u><u>\$ 1,114,553</u></u>

**CASCADE CHARTER TOWNSHIP**  
**Improvement Revolving Special Revenue Fund**  
**Comparative Balance Sheet**  
**December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 1,379,959	\$ 1,367,498
Receivables:		
Accounts	46,417	824
Special assessments	2,998,676	2,662,927
Due from other funds	4,982	11,926
<b>Total Assets</b>	<b>\$ 4,430,034</b>	<b>\$ 4,043,175</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,681	\$ 6,213
Due to other funds	29,711	-
Deferred revenue	2,998,676	2,664,072
<b>Total Liabilities</b>	<b>3,030,068</b>	<b>2,670,285</b>
<b>Fund Balances</b>		
Restricted	1,399,966	1,372,890
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,430,034</b>	<b>\$ 4,043,175</b>

**CASCADE CHARTER TOWNSHIP**  
**Improvement Revolving Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Interest and rentals:		
Interest on deposits and investments	\$ 8,885	\$ 10,037
Interest on special assessments	3,609	5,478
Total interest and rentals	12,494	15,515
Other revenue:		
Special assessments	111,981	105,532
Hookup fees	269,234	88,735
Miscellaneous	-	278,144
Total other revenue	381,215	472,411
<b>Total Revenues</b>	<b>393,709</b>	<b>487,926</b>
<b>Expenditures</b>		
Capital outlay	82,299	28,414
Debt service:		
Principal repayment	245,000	230,000
Interest and fiscal charges	33,953	46,770
Bond issuance costs	6,255	-
Total debt service	285,208	276,770
<b>Total Expenditures</b>	<b>367,507</b>	<b>305,184</b>
<b>Excess of Revenues Over Expenditures</b>	<b>26,202</b>	<b>182,742</b>
<b>Other Financing Sources (Uses)</b>		
Refunding bond proceeds	411,200	-
Transfers out	(852)	-
Payments to escrow agent	(409,474)	-
<b>Total Other Financing Sources (Uses)</b>	<b>874</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>27,076</b>	<b>182,742</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,372,890</b>	<b>1,190,148</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,399,966</b>	<b>\$ 1,372,890</b>

**CASCADE CHARTER TOWNSHIP**  
**Cascade Dam Major Repair Special Revenue Fund**  
**Comparative Balance Sheet**  
**December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 379,718	\$ 351,693
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 21,864
<b>Fund Balances</b>		
Restricted	129,718	329,829
Committed	250,000	-
<b>Total Fund Balances</b>	<b>379,718</b>	<b>329,829</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 379,718</b>	<b>\$ 351,693</b>

**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, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Interest and rentals:		
Interest on deposits and investments	\$ 4,889	\$ 5,550
<b>Expenditures</b>		
Current:		
Buildings and grounds:		
Other services and charges	-	21,864
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	4,889	(16,314)
<b>Other Financing Sources</b>		
Transfers in	45,000	45,000
<b>Net Change in Fund Balances</b>	49,889	28,686
<b>Fund Balances, Beginning of Year</b>	329,829	301,143
<b>Fund Balances, End of Year</b>	\$ 379,718	\$ 329,829

**CASCADE CHARTER TOWNSHIP**  
**Library Special Revenue Fund**  
**Comparative Balance Sheet**  
**December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 1,807,287	\$ 1,796,463
Taxes receivable	282,982	277,399
Accounts receivable	7,353	5,478
Due from other funds	216,304	227,109
Prepaid expenditures	9,672	9,240
<b>Total Assets</b>	<b>\$ 2,323,598</b>	<b>\$ 2,315,689</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,380	\$ 8,412
Deferred revenue	499,285	504,508
<b>Total Liabilities</b>	506,665	512,920
<b>Fund Balances</b>		
Nonspendable	9,672	9,240
Restricted	641,374	1,393,529
Committed	1,165,887	400,000
<b>Total Fund Balances</b>	1,816,933	1,802,769
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,323,598</b>	<b>\$ 2,315,689</b>



**CASCADE CHARTER TOWNSHIP**  
**Library Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Taxes:		
Current property taxes	\$ 498,676	\$ 502,417
Delinquent property taxes	4,383	3,717
Industrial facilities taxes	1,952	3,165
Penalties and interest on taxes	300	417
Total taxes	505,311	509,716
Intergovernmental sources:		
Contributions	21,913	21,913
Interest and rentals:		
Interest on deposits and investments	36,688	6,534
Other revenue:		
Donations	8,275	7,500
<b>Total Revenues</b>	<b>572,187</b>	<b>545,663</b>
<b>Expenditures</b>		
Current:		
Recreation and cultural:		
Library:		
Supplies	3,560	1,381
Other services and charges	173,655	184,091
Total library	177,215	185,472
Capital outlay	142,891	-
<b>Total Expenditures</b>	<b>320,106</b>	<b>185,472</b>
<b>Excess of Revenues Over Expenditures</b>	<b>252,081</b>	<b>360,191</b>
<b>Other Financing Sources (Uses)</b>		
Transfers out	(237,917)	(215,951)
<b>Net Change in Fund Balances</b>	<b>14,164</b>	<b>144,240</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,802,769</b>	<b>1,658,529</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,816,933</b>	<b>\$ 1,802,769</b>

**CASCADE CHARTER TOWNSHIP**  
**Pathways Special Revenue Fund**  
**Comparative Balance Sheet**  
**December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 707,613	\$ 1,036,260
Taxes receivable	290,490	284,760
Due from other funds	222,043	233,135
<b>Total Assets</b>	<b>\$ 1,220,146</b>	<b>\$ 1,554,155</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Deferred revenue	\$ 512,533	\$ 517,895
<b>Fund Balances</b>		
Restricted	507,613	1,036,260
Committed	200,000	-
<b>Total Fund Balances</b>	<b>707,613</b>	<b>1,036,260</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,220,146</b>	<b>\$ 1,554,155</b>

**CASCADE CHARTER TOWNSHIP**  
**Pathways Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Taxes:		
Current taxes	\$ 511,909	\$ 515,749
Delinquent taxes	4,499	3,816
Industrial facilities taxes	2,004	3,249
Penalties and interest on taxes	307	428
Total taxes	<u>518,719</u>	<u>523,242</u>
Interest and rentals:		
Interest on deposits and investments	12,117	13,248
Other revenue:		
Miscellaneous	459	-
<b>Total Revenues</b>	<u>531,295</u>	<u>536,490</u>
<b>Expenditures</b>		
Current:		
Recreation and cultural:		
Parks and recreation:		
Other services and charges	34,761	53,781
Debt service:		
Principal repayment	738,000	403,000
Interest and fiscal charges	77,357	99,048
Bond issuance costs	13,492	-
Total debt service	<u>828,849</u>	<u>502,048</u>
<b>Total Expenditures</b>	<u>863,610</u>	<u>555,829</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(332,315)	(19,339)
<b>Other Financing Sources (Uses)</b>		
Refunding bonds issued	873,800	-
Payments to escrow agent	(870,132)	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,668</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(328,647)	(19,339)
<b>Fund Balances, Beginning of Year</b>	<u>1,036,260</u>	<u>1,055,599</u>
<b>Fund Balances, End of Year</b>	<u>\$ 707,613</u>	<u>\$ 1,036,260</u>

**CASCADE CHARTER TOWNSHIP  
Inspections Special Revenue Fund  
Comparative Balance Sheet  
December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 783,228	\$ 457,399
Prepaid expenditures	5,416	11,481
<b>Total Assets</b>	<b>\$ 788,644</b>	<b>\$ 468,880</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 22,650	\$ 10,943
Due to other funds	-	7,747
<b>Total Liabilities</b>	<b>22,650</b>	<b>18,690</b>
<b>Fund Balances</b>		
Nonspendable	5,416	11,481
Restricted	760,578	438,709
<b>Total Fund Balances</b>	<b>765,994</b>	<b>450,190</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 788,644</b>	<b>\$ 468,880</b>

**CASCADE CHARTER TOWNSHIP**  
**Inspections Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Licenses and permits:		
Building permits	\$ 208,304	\$ 94,615
Electrical permits	52,286	40,244
Mechanical permits	68,617	52,246
Plumbing permits	30,060	25,433
Permits - other townships	710,563	649,646
Plan reviews	90,891	74,888
Contractor registration fees	5,196	8,178
Total licenses and permits	1,165,917	945,250
Interest and rentals:		
Interest on deposits and investments	1,759	330
Other revenue:		
Miscellaneous	2,608	943
<b>Total Revenues</b>	<b>1,170,284</b>	<b>946,523</b>
<b>Expenditures</b>		
Current:		
Public safety:		
Inspections:		
Personnel services	588,585	552,568
Supplies	5,929	7,266
Other services and charges	248,069	216,354
Total inspections	842,583	776,188
Capital outlay	11,897	-
<b>Total Expenditures</b>	<b>854,480</b>	<b>776,188</b>
<b>Net Change in Fund Balances</b>	315,804	170,335
<b>Fund Balances, Beginning of Year</b>	450,190	279,855
<b>Fund Balances, End of Year</b>	<b>\$ 765,994</b>	<b>\$ 450,190</b>

**CASCADE CHARTER TOWNSHIP  
HAZMAT Special Revenue Fund  
Comparative Balance Sheet  
December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 59,397	\$ 62,372
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 965
<b>Fund Balances</b>		
Restricted	59,397	61,407
<b>Total Liabilities and Fund Balances</b>	\$ 59,397	\$ 62,372

**CASCADE CHARTER TOWNSHIP**  
**HAZMAT Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Charges for services:		
HAZMAT fees	\$ 6,000	\$ 6,000
Interest and rentals:		
Interest on deposits and investments	253	388
<b>Total Revenues</b>	<u>6,253</u>	<u>6,388</u>
<b>Expenditures</b>		
Current:		
Public safety:		
HAZMAT:		
Other services and charges	-	1,423
Capital outlay	8,263	1,837
<b>Total Expenditures</b>	<u>8,263</u>	<u>3,260</u>
<b>Net Change in Fund Balances</b>	(2,010)	3,128
<b>Fund Balances, Beginning of Year</b>	<u>61,407</u>	<u>58,279</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 59,397</u></u>	<u><u>\$ 61,407</u></u>

**CASCADE CHARTER TOWNSHIP**  
**Open Space Special Revenue Fund**  
**Comparative Balance Sheet**  
**December 31, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 586,433	\$ 640,126
Taxes receivable	167,654	164,346
Due from other funds	128,149	134,550
<b>Total Assets</b>	<b>\$ 882,236</b>	<b>\$ 939,022</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 173	\$ 2,112
Deferred revenue	295,803	298,896
<b>Total Liabilities</b>	295,976	301,008
<b>Fund Balances</b>		
Restricted	470,260	638,014
Committed	116,000	-
<b>Total Fund Balances</b>	586,260	638,014
<b>Total Liabilities and Fund Balances</b>	<b>\$ 882,236</b>	<b>\$ 939,022</b>



**CASCADE CHARTER TOWNSHIP**  
**Open Space Special Revenue Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Local sources:		
Taxes:		
Current taxes	\$ 295,441	\$ 297,658
Delinquent taxes	2,563	2,191
Industrial facilities taxes	1,156	1,876
Penalties and interest on taxes	177	247
Total taxes	299,337	301,972
Interest and rentals:		
Interest on deposits and investments	6,618	5,340
Other revenue:		
Sale of assets	-	600
Donations	1,000	34,500
Miscellaneous	83	-
Total other revenue	1,083	35,100
<b>Total Revenues</b>	307,038	342,412
<b>Expenditures</b>		
Current:		
Recreation and cultural:		
Parks and recreation:		
Other services and charges	7,362	3,814
Capital outlay	1,121	7,785
<b>Total Expenditures</b>	8,483	11,599
<b>Excess of Revenues Over Expenditures</b>	298,555	330,813
<b>Other Financing Sources (Uses)</b>		
Transfers out	(350,309)	(349,059)
<b>Net Change in Fund Balances</b>	(51,754)	(18,246)
<b>Fund Balances, Beginning of Year</b>	638,014	656,260
<b>Fund Balances, End of Year</b>	\$ 586,260	\$ 638,014

## **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, 2012 and 2011**

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	<u>2012</u>	<u>2011</u>
<b>Assets</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances</b>		
Restricted	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<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, 2012 and 2011**

	2012	2011
<b>Revenues</b>	\$ -	\$ -
<b>Expenditures</b>		
Debt service:		
Principal repayment	600,000	540,000
Interest and fiscal charges	215,198	231,082
<b>Total Expenditures</b>	<b>815,198</b>	<b>771,082</b>
<b>Excess (Deficiency) of Revenues       Over Expenditures</b>	<b>(815,198)</b>	<b>(771,082)</b>
<b>Other Financing Sources</b>		
Transfers in	815,198	771,082
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>

## **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, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 340,344	\$ 318,698
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund Balances</b>		
Restricted	340,344	318,698
<b>Total Liabilities and Fund Balances</b>	\$ 340,344	\$ 318,698

**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, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Interest and rentals:		
Interest on deposits and investments	\$ 1,646	\$ 2,005
Other revenue:		
Contributions	10,000	50,000
<b>Total Revenues</b>	<u>11,646</u>	<u>52,005</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	<u>11,646</u>	<u>52,005</u>
<b>Other Financing Sources</b>		
Transfers in	10,000	50,000
<b>Net Change in Fund Balances</b>	21,646	102,005
<b>Fund Balances, Beginning of Year</b>	<u>318,698</u>	<u>216,693</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 340,344</u></u>	<u><u>\$ 318,698</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, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Cash equivalents, deposits and investments	\$ 77,248	\$ 74,566
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>	\$ -	\$ -
<b>Fund balances</b>		
Nonspendable	72,248	69,566
Committed	5,000	5,000
<b>Total Fund Balances</b>	77,248	74,566
<b>Total Liabilities and Fund Balances</b>	\$ 77,248	\$ 74,566

**CASCADE CHARTER TOWNSHIP**  
**Cemetery Perpetual Care Fund**  
**Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended December 31, 2012 and 2011**

	2012	2011
<b>Revenues</b>		
Charges for services:		
Grave openings	\$ 1,875	\$ -
Cemetery care fees	500	140
Total charges for services	<u>2,375</u>	<u>140</u>
Interest and rentals:		
Interest on deposits and investments	<u>307</u>	<u>534</u>
<b>Total Revenues</b>	<u>2,682</u>	<u>674</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,682</u>	<u>674</u>
<b>Other Financing Sources</b>		
Transfers in	<u>-</u>	<u>1,350</u>
<b>Net Change in Fund Balances</b>	2,682	2,024
<b>Fund Balances, Beginning of Year</b>	<u>74,566</u>	<u>72,542</u>
<b>Fund Balances, End of Year</b>	<u>\$ 77,248</u>	<u>\$ 74,566</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, 2012**

	Trust Account	Tax Account	Total
<b>Assets</b>			
Cash	\$ -	\$ 150	\$ 150
Cash equivalents, deposits and investments	105,801	4,599,057	4,704,858
<b>Total Assets</b>	<b>\$ 105,801</b>	<b>\$ 4,599,207</b>	<b>\$ 4,705,008</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 24,529	\$ 24,529
Due to other funds	334	2,186,049	2,186,383
Due to other governmental units	-	2,388,629	2,388,629
Escrow deposits	105,467	-	105,467
<b>Total Liabilities</b>	<b>105,801</b>	<b>4,599,207</b>	<b>4,705,008</b>
<b>Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 105,801</b>	<b>\$ 4,599,207</b>	<b>\$ 4,705,008</b>

**CASCADE CHARTER TOWNSHIP**  
**All Agency Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the year ended December 31, 2012**

	Balances January 1, 2012	Additions	Deductions	Balances December 31, 2012
<b>Trust Account Fund</b>				
<b>Assets</b>				
Cash equivalents, deposits and investments	\$ 128,434	\$ 26,430	\$ 49,063	\$ 105,801
<b>Liabilities</b>				
Due to other funds	\$ 733	\$ 344	\$ 743	\$ 334
Escrow deposits	127,701	26,086	48,320	105,467
<b>Total Liabilities</b>	<b>\$ 128,434</b>	<b>\$ 26,430</b>	<b>\$ 49,063</b>	<b>\$ 105,801</b>
<b>Tax Account Fund</b>				
<b>Assets</b>				
Cash	\$ 150	\$ -	\$ -	\$ 150
Cash equivalents, deposits and investments	5,241,513	48,259,697	48,902,153	4,599,057
Accounts receivable	9,895	-	9,895	-
<b>Total Assets</b>	<b>\$ 5,251,558</b>	<b>\$48,259,697</b>	<b>\$48,912,048</b>	<b>\$ 4,599,207</b>
<b>Liabilities</b>				
Accounts payable	\$ 58,078	\$ 298,688	\$ 332,237	\$ 24,529
Due to other funds	2,319,340	5,956,306	6,089,597	2,186,049
Due to other governmental units	2,874,140	42,004,703	42,490,214	2,388,629
<b>Total Liabilities</b>	<b>\$ 5,251,558</b>	<b>\$48,259,697</b>	<b>\$48,912,048</b>	<b>\$ 4,599,207</b>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 150	\$ -	\$ -	\$ 150
Cash equivalents, deposits and investments	5,369,947	48,286,127	48,951,216	4,704,858
Accounts receivable	9,895	-	9,895	-
<b>Total Assets</b>	<b>\$ 5,379,992</b>	<b>\$48,286,127</b>	<b>\$48,961,111</b>	<b>\$ 4,705,008</b>
<b>Liabilities</b>				
Accounts payable	\$ 58,078	\$ 298,688	\$ 332,237	\$ 24,529
Due to other funds	2,320,073	5,956,650	6,090,340	2,186,383
Due to other governmental units	2,874,140	42,004,703	42,490,214	2,388,629
Escrow deposits	127,701	26,086	48,320	105,467
<b>Total Liabilities</b>	<b>\$ 5,379,992</b>	<b>\$48,286,127</b>	<b>\$48,961,111</b>	<b>\$ 4,705,008</b>

## **OTHER INFORMATION**

**CASCADE CHARTER TOWNSHIP**  
**Summary of 2011 Taxes Levied and Collected**  
**For the year ended December 31, 2012**

<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>
<b>Kent County</b>					
Operating	\$1,340,790,861	5.3940	\$ 7,232,098	\$ 186,700	\$ 7,045,398
Drains			1,944	47	1,897
<b>Total Kent County</b>			<u>7,234,042</u>	<u>186,747</u>	<u>7,047,295</u>
<b>Kent District Library</b>	1,340,790,861	0.8800	1,179,859	45,338	1,134,521
<b>State Education Tax</b>					
Caledonia Community Schools	151,378,718	6.0000	908,272	14,343	893,929
Forest Hills Public Schools	1,109,964,120	6.0000	6,655,700	161,496	6,494,204
Lowell Area Schools	29,528,323	6.0000	177,169	3,125	174,044
<b>Total State Education Tax</b>			<u>7,741,141</u>	<u>178,964</u>	<u>7,562,177</u>
<b>School Districts</b>					
Kent Intermediate School District	1,340,790,861	4.6903	6,288,666	141,710	6,146,956
Grand Rapids Community College	1,340,790,861	1.7865	2,395,280	53,976	2,341,304
Caledonia Community Schools:					
Other	175,759,781	7.0000	1,261,091	45,006	1,216,085
Operating	120,152,404	18.0000	1,866,080	47,669	1,818,411
Forest Hills Public Schools:					
Other	1,148,780,253	8.0500	9,949,186	293,661	9,655,525
Operating	374,026,766	18.0000	5,745,652	319,905	5,425,747
Lowell Area Schools:					
Other	29,528,323	7.0000	206,697	4,789	201,908
Operating	4,621,027	18.0000	70,563	3,943	66,620
<b>Total School Districts</b>			<u>27,783,215</u>	<u>910,659</u>	<u>26,872,556</u>
<b>Cascade Charter Township</b>	1,340,790,861				
Operating		0.9716	1,302,670	50,057	1,252,613
Fire		1.3152	1,763,366	67,760	1,695,606
Police		0.4591	615,514	23,652	591,862
Library		0.3882	520,452	19,999	500,453
Pathways		0.3985	534,262	20,530	513,732
Open Space		0.2300	308,342	11,848	296,494
Street lighting assessments			90,492	2,262	88,230
Hydrant assessments			36,415	1,492	34,923
Delinquent special assessments			13,749	2,944	10,805
Tax administration fees			490,979	15,140	475,839
<b>Total Township</b>			<u>5,676,241</u>	<u>215,684</u>	<u>5,460,557</u>
<b>Total Ad Valorem Taxes</b>			<u>\$49,614,498</u>	<u>\$1,537,392</u>	<u>\$48,077,106</u>

(Continued)

**CASCADE CHARTER TOWNSHIP**  
**Summary of 2011 Taxes Levied and Collected**  
**For the year ended December 31, 2012**

<u>Tax Abatements</u>	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current * Collections</u>
<b>Industrial Facilities (P.A. 198) New</b>					
Kent County	\$ 15,276,500	2.69700	\$ 34,066	\$ 3,868	\$ 30,198
Kent District Library	15,276,500	0.44000	5,558	1,133	4,425
State education tax:					
Caledonia Community Schools	7,322,500	6.00000	19,214	6,823	12,391
Forest Hills Public Schools	7,954,000	6.00000	3,602	-	3,602
Kent Intermediate School District	15,276,500	2.34515	29,622	2,667	26,955
Grand Rapids Community College	15,276,500	0.89325	11,283	1,016	10,267
Caledonia Community Schools:					
Operating	7,322,500	3.50000	25,629	6,497	19,132
Other	7,322,500	9.00000	28,821	10,235	18,586
Forest Hills Public Schools:					
Operating	7,954,000	4.02500	33,277	-	33,277
Other	7,954,000	9.00000	5,403	-	5,403
Cascade Charter Township:	15,276,500				
Operating		0.48580	6,136	1,251	4,885
Fire		0.65760	8,306	1,694	6,612
Police		0.22955	2,899	591	2,308
Library		0.19410	2,452	500	1,952
Pathways		0.19925	2,517	513	2,004
Open Spaces		0.11500	1,452	296	1,156
Tax administration fees			2,202	371	1,831
			<u>\$ 222,439</u>	<u>\$ 37,455</u>	<u>\$ 184,984</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	\$ 261,524
Kent District Library	42,666
Grand Rapids Community College	86,617
Cascade Charter Township:	
Operating	47,107
Fire	63,766
Police	22,259
Library	18,822
Pathways	19,321
Open Spaces	11,151
	<u>573,233</u>
Total DDA capture	<u>\$ 573,233</u>