

WEBSTER TOWNSHIP

**Report on Audit of Financial Statements and
Supplementary Information**

For the Year Ended March 31, 2017

WEBSTER TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - John Kingsley

Clerk - Barbara Calleja

Treasurer - Carol Whitney

TOWNSHIP BOARD

Barbara Calleja

John Kingsley

Richard Kleinschmidt

Gary Koch

John Scharf

John Westman

Carol Whitney

TOWNSHIP ATTORNEY

Reading, Etter & Lillich

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	
MANAGEMENT DISCUSSION AND ANALYSIS	8
BASIC FINANCIAL STATEMENTS	
GOVERNMENT - WIDE FINANCIAL STATEMENTS	
Statement of Net Position	14
Statement of Activities	15
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Assets and Liabilities - Fiduciary Funds	21
NOTES TO FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	34
Public Safety Fund	35
Development Rights Fund	36
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	38
<u>SUPPLEMENTARY INFORMATION</u>	
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheets - Funds Included in GASB 54 Consolidation	41
Combining Balance Sheets - All Special Revenue Funds	42
Combining Balance Sheets - All Agency Funds	43
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Funds Included in GASB 54 Consolidation	44
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	45

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
<u>INDIVIDUAL FUNDS</u>	
GENERAL FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	48
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49
Statement of Revenues - Budget and Actual	50
Statement of Expenditures - Budget and Actual	51
PUBLIC SAFETY FUND	
Balance Sheet	56
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	57
DEVELOPMENT RIGHTS FUND	
Balance Sheet	59
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	60
CAPITAL IMPROVEMENT FUND (PRE GASB 54 - RESTATEMENT)	
Balance Sheet	62
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	63
CURRENT TAX COLLECTION FUND	
Balance Sheet	65
TRUST AND AGENCY FUND	
Balance Sheet	67
DEVELOPER ESCROW FUND	
Balance Sheet	69



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INDEPENDENT AUDITORS' REPORT

June 20, 2017

To the Board of Trustees
Webster Township
5665 Webster Church Road
Dexter, Michigan 48130

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster Township, Michigan, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise Webster 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, each major fund, and the aggregate remaining fund information of the Webster Township, Michigan, as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 - 11 and 34 - 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Township, Michigan's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis
March 31, 2017

Within this section of Webster Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2017. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$10,412,366. This is a \$1,324,412 increase over last year's net position of \$9,087,954.

The following tables provide a summary of the Township's financial activities and changes in net position:

	Summary of Net Position	
	Governmental Activities	
	3/31/2017	3/31/2016
Current and other assets	\$ 5,548,200	\$ 5,304,685
Capital assets	4,878,143	3,789,702
Total assets	10,426,343	9,094,387
Accounts payable	13,977	6,433
Net position:		
Invested in capital assets, net of related debt	4,878,143	3,789,702
Restricted	524,630	778,238
Unrestricted	5,009,593	4,520,014
Total net position	\$ 10,412,366	\$ 9,087,954

Summary of Changes in Net Position

	Governmental Activities	
	3/31/2017	3/31/2016
Revenues:		
Program revenues		
Charges for services	\$ 188,106	\$ 181,509
Capital contributions and grants	912,530	
General revenues		
State shared revenue	521,431	476,769
Property taxes	1,264,753	1,247,639
Interest income	13,180	6,782
Cable franchise fees	95,303	94,592
Other income	22,834	17,078
Total revenues	3,018,137	2,024,369
Expenses		
General government	560,402	451,454
Fire protection	605,073	518,747
Police protection	323,429	327,966
Community development	80,337	59,720
Public works	124,484	116,182
Total expenses	1,693,725	1,474,069
Changes in net position	1,324,412	550,300
Beginning net position	9,087,954	8,537,654
Ending net position	\$ 10,412,366	\$ 9,087,954

The overall increase in the net position is smaller than the previous year due to increase in capital assets and overall revenue.

Financial Analysis of the Township's Funds

Webster Township reported three major funds for the year ended March 31, 2017. These funds included:

- General Fund
- Public Safety Fund
- Development Rights Fund

The General Fund increased its fund balance by \$404,008. This is consistent with prior years' activities.

The Public Safety Fund decreased its fund balance by \$152,431 in the year ended March 31, 2017. This was mainly due to an increase in fire protection expenses.

The Development Rights Fund decreased its fund balance by \$15,606 due to several development rights purchases during the year.

General Fund Budgetary Highlights

The Township approved a budget prior to the start of the fiscal year, and made immaterial amendments to bring it closer to fiscal reality. There were two areas that expenditures went over budget.

Capital Asset and Debt Administration

Total depreciation expense for the year was \$9,878 and was assigned to the general government activity in the Statement of Activities. The Township added \$57,535 to their capital assets with the monies spent on construction in progress for a new fire hall, plus \$1,040,784 for development rights purchases.

The Township issued no additional debt.

Economic Conditions and Future Activities

Due to an upturn in Michigan's economy taxable values and in turn tax revenues and State Shared Revenue continues to increase. Total tax revenue increased about 1% which is due to an increase in taxable value and a slight decrease in mileage rate. State Shared Revenues increased about 9%.

The Township is still dealing with a lawsuit with a developer as they were in the prior year. The Township hopes to have that resolved soon.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and to comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Webster Township at 5665 Webster Church Road, Dexter, Michigan 48130.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

WEBSTER TOWNSHIP

STATEMENT OF NET POSITION
MARCH 31, 2017

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,400,236
Receivables	
Taxes	48,361
Interest	1,456
State shared revenues	87,933
Prepaid expense	10,214
Capital assets	
Non-depreciable	4,661,870
Depreciable, net of accumulated depreciation	<u>216,273</u>
Total assets	10,426,343
LIABILITIES	
Accounts payable	<u>13,977</u>
NET POSITION	
Invested in capital assets, net of related debt	4,878,143
Restricted	524,630
Unrestricted	<u>5,009,593</u>
Total net position	<u><u>\$ 10,412,366</u></u>

The accompanying notes are an integral part of these financial statements.

WEBSTER TOWNSHIP

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues Charges for Services</u>	<u>Capital Contributions and Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
GOVERNMENTAL ACTIVITIES				
General government	\$ (560,402)	\$ 184,078	\$	\$ (376,324)
Fire protection	(605,073)			(605,073)
Police protection	(323,429)	4,028		(319,401)
Community development	(80,337)		912,530	832,193
Public works	(124,484)			(124,484)
Total governmental activities	<u>\$ (1,693,725)</u>	<u>\$ 188,106</u>	<u>\$ 912,530</u>	<u>(593,089)</u>
General revenues				
Property taxes				1,264,753
State shared revenues				521,431
Unrestricted investment earnings				13,180
Franchise fees				95,303
Other income				22,834
Total general revenues				<u>1,917,501</u>
Changes in net position				1,324,412
Net position, April 1, 2016				<u>9,087,954</u>
Net position, March 31, 2017				<u>\$ 10,412,366</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

WEBSTER TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2017**

	General	Public Safety	Development Rights	Total
ASSETS				
Cash and investments	\$ 4,440,157	\$ 701,625	\$ 258,454	\$ 5,400,236
Receivables				
Taxes	14,869	26,795	6,697	48,361
State Revenues	87,933			87,933
Interest	1,003			1,003
Due from other funds	453			453
Prepaid	10,214			10,214
Total assets	\$ 4,554,629	\$ 728,420	\$ 265,151	\$ 5,548,200
 LIABILITIES				
Accounts payable	\$ 8,438	\$ 670	\$ 4,869	\$ 13,977
 FUND BALANCES				
Nonspendable - prepaid	10,214			10,214
Restricted for:				
Public safety		523,381		523,381
Development rights			1,249	1,249
Committed for:				
Capital Improvements	38,099			38,099
Assigned for future budget deficit	2,320,533	204,369	259,033	2,783,935
Unassigned	2,177,345			2,177,345
Total fund balances	4,546,191	727,750	260,282	5,534,223
Total liabilities and fund balance	\$ 4,554,629	\$ 728,420	\$ 265,151	\$ 5,548,200

The accompanying notes are integral part of these financial statements.

WEBSTER TOWNSHIP

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2017

Total fund balance per balance sheet \$ 5,534,223

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 in the funds.

Historical cost	\$ 5,155,496	
Accumulated depreciation	<u>(277,353)</u>	
Capital assets net of depreciation		<u>4,878,143</u>
Net position of governmental activities		<u><u>\$ 10,412,366</u></u>

The accompanying notes are an integral part of these financial statements.

WEBSTER TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>General</u>	<u>Public Safety</u>	<u>Development Rights</u>	<u>Total</u>
REVENUES				
Taxes	\$ 300,436	\$ 771,494	\$ 192,823	\$ 1,264,753
Licenses and permits	15,280			15,280
Fines and forfeitures		4,028		4,028
State shared revenues	521,431			521,431
Cable franchise fees	95,303			95,303
Charges for services	185,253			185,253
Interest	12,469	549	162	13,180
Miscellaneous	6,379			6,379
	<u>1,136,551</u>	<u>776,071</u>	<u>192,985</u>	<u>2,105,607</u>
Total revenues				
EXPENDITURES				
Current:				
Elected officials	163,143			163,143
General government	387,381			387,381
Fire protection		605,073		605,073
Police protection		323,429		323,429
Community development			80,337	80,337
Public works	124,484			124,484
Capital outlay				
General government	57,535			57,535
Development rights			128,254	128,254
	<u>732,543</u>	<u>928,502</u>	<u>208,591</u>	<u>1,869,636</u>
Total expenditures				
Net changes in fund balances	404,008	(152,431)	(15,606)	235,971
FUND BALANCE, APRIL 1, 2016	<u>4,142,183</u>	<u>880,181</u>	<u>275,888</u>	<u>5,298,252</u>
FUND BALANCE, MARCH 31, 2017	<u>\$ 4,546,191</u>	<u>\$ 727,750</u>	<u>\$ 260,282</u>	<u>\$ 5,534,223</u>

The accompanying notes are an integral part of these financial statements.

WEBSTER TOWNSHIP

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017

Net change in fund balances - governmental funds \$ 235,971

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlay as expenditures. However,
in the Statement of Activities the cost of those assets is allocated
over their useful lives as depreciation expense. The amount by which
capital outlays exceeded depreciation is as follows:

Depreciation expense	\$ (9,878)	
Acquisition of capital assets	<u>1,098,319</u>	
		<u>1,088,441</u>

Change in net position of governmental activities \$ 1,324,412

The accompanying notes are an integral part of these financial statements.

WEBSTER TOWNSHIP

**STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2017**

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Developer Escrow Fund</u>	<u>Totals</u>
ASSETS				
Cash	<u>\$ 453</u>	<u>\$ 3,695</u>	<u>\$ 18,164</u>	<u>\$ 22,312</u>
 LIABILITIES				
Due to other funds	\$ 453	\$	\$	\$ 453
Due to others	<u> </u>	<u>3,695</u>	<u>18,164</u>	<u>21,859</u>
Total liabilities	<u>\$ 453</u>	<u>\$ 3,695</u>	<u>\$ 18,164</u>	<u>\$ 22,312</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Webster Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net positions are required to be displayed in three components: 1) invested in capital assets 2) restricted and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net positions are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources, when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use, or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB standards. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

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 required to be accounted for in another fund.

The Public Safety Fund accounts for the activities related to the Township's contracting of police and fire protection services. This activity is primarily funded through the collection of property taxes.

The Development Rights Fund accounts for the activities in acquiring and preserving Township property for conservation purposes. This activity is primarily funded through the collection of property taxes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net positions and changes in net positions and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. BUDGETARY DATA

The board of trustees follows the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approval by the entire Township Board. The budget is approved by activity. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township Board at any of their regular meetings. The Township was over budget in one activity (unallocated).

D. CAPITAL ASSETS

Under GASB standards, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

G. CASH AND CASH EQUIVALENTS

The Township considers its deposits and restricted deposits and investments held with maturities of three months or less to be cash equivalents.

H. INCOME TAXES

As a governmental agency, the Township is exempt from both federal and state income taxes.

I. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state. Real and personal property in the Township for the 2016 levy was assessed at an adjusted taxable value of \$390,998,424. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection.

The Township levied the following millage for 2016:

General township	.7717
Public safety	1.9816
Development rights	<u>.4953</u>
Total levy	<u><u>3.2486</u></u>

J. DUE TO/FROM OTHER FUNDS

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. All such balances are generally short-term in nature and classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3 for details of interfund transactions, including receivables and payables at year end.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

K. EQUITY

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned – Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Township Board.
- Unassigned – Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

L. DEFERRED INFLOW AND OUTFLOW OF RESOURCES

The Township has adopted GASB #65 “Items Previously Reported as Assets and Liabilities”. Under this standard the Township will report two new sections in the Statement of Net Position (Government Wide Statements) and in the Balance Sheet (Fund Statements) which are called Deferred Outflow (previously called assets) and Deferred Inflow (previously called liabilities).

These separate financial statement elements which meet the definition of deferred outflow and inflow are no longer considered assets or liabilities.

Deferred outflow of resources represent a consumption of net position that applies to a future period. The element will not be recognized as an expense and (or) expenditure until the time restriction is met. The Township did not have any type of deferred outflow as of March 31, 2017.

Deferred inflow of resources represent an acquisition of net position that applies to a future period. The element will not be recognized as revenue until the time restriction is met. The Township did not have any type of deferred inflow as of March 31, 2017.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39 all funds, agencies, and activities of Webster Township as the primary government have been included in the financial statements.

The following potential component unit has been evaluated under the criteria established by GASB statement number 39 and determined not to be a component unit based on financial independence and accountability:

Portage and Base Lakes Water and Sewer Authority - The authority is fiscally independent from the Township requiring a separate audit for the authority's activities.

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES

Interfund transfers for the year ended March 31, 2017 were as follows:

Transfer In	Transfer Out	Purpose	Amount
Capital Improvement Fund	General Fund	Public Improvement	\$ 200,000

Interfund balances between the General Fund and the Current Tax Collection Fund are temporary in nature and are expected to be repaid within the next reporting period.

	Interfund		Purpose
	Receivable	Payable	
General Fund	\$ 453	\$	Interest earned
Current Tax Collection Fund		453	Interest earned
Totals	\$ 453	\$ 453	

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investments in all of the investments mentioned in the preceding paragraph.

As of March 31, 2017 deposits and investments consist of the following:

Deposits	Total	Cash	Investments
Checking accounts	\$ 798,667	\$ 798,667	\$
Money market and savings account	2,737,969	2,737,969	
Non-negotiable certificates of deposit	1,905,258		1,905,258
Total deposits	\$ 5,441,894	\$ 3,536,636	\$ 1,905,258

Deposits and investments are presented in the financial statements in the following areas:

Statement of Net Position	
Cash and investments	\$ 5,400,236
Fiduciary Funds	
Cash	22,311
Total cash and investments	\$ 5,422,547

The carrying amount of cash is stated at \$5,422,547 as of March 31, 2017. The difference between the carrying amounts and amounts mentioned above stem from cash on hand of \$250 and outstanding checks.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 4 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Deposits – Custodial Credit Risk

This is the risk that in the event of a bank failure, the Township will be able to recover its deposits. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of March 31, 2017 deposits in banks totaled \$5,441,893 which was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 5,441,893</u>
-----------------	---------------------

The Township's investment policy does not address this risk.

Investments – Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments, collateral or securities that are in the possession of an outside party.

As of March 31, 2017 the Township had no investments and was not exposed to investment custodial credit risk.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>4/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/17</u>
Capital assets not being depreciated:				
Land	\$ 259,932	\$	\$	\$ 259,932
Intangible assets - purchase development rights	3,296,924	1,040,784		4,337,708
Construction in progress	6,695	57,535		64,230
Subtotal	<u>3,563,551</u>	<u>1,098,319</u>		<u>4,661,870</u>
Capital assets being depreciated:				
Buildings and improvements	482,146			482,146
Office furniture and equipment	11,480			11,480
Subtotal	<u>493,626</u>			<u>493,626</u>
Accumulated depreciation				
Buildings and improvements	(262,501)	(8,730)		(271,231)
Office furniture and equipment	(4,974)	(1,148)		(6,122)
Subtotal	<u>(267,475)</u>	<u>(9,878)</u>		<u>(277,353)</u>
Net capital assets being depreciated	<u>226,151</u>	<u>(9,878)</u>		<u>216,273</u>
Total net book value	<u>\$ 3,789,702</u>	<u>\$ 1,088,441</u>	<u>\$</u>	<u>\$ 4,878,143</u>

There was no debt outstanding for these capital assets at March 31, 2017. All depreciation of \$9,878 is included in the general government expense in the Statement of Activities.

NOTE 6 - CONTINGENCIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

WEBSTER TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

NOTE 7 - EMPLOYEE RETIREMENT PLAN

The Township has a defined contribution simplified employee pension plan in which the employee sets up their own account, and the Township is responsible for contributing 5% of eligible employees' gross income. All employees averaging 35 hours or more per week are eligible for this plan. There is no provision for the employees to contribute to these accounts. Contribution information is as follows:

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 5,278

This balance reflects contributions for the period from April 1, 2016 to March 31, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

WEBSTER TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budget Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$	\$	\$ 300,436	\$
Licenses and permits			15,280	
State Revenues			521,431	
Charges for services			185,253	
Other revenues			114,151	
	<u>970,889</u>	<u>970,889</u>	<u>1,136,551</u>	<u>165,662</u>
EXPENDITURES	<u>2,902,941</u>	<u>2,902,941</u>	<u>732,543</u>	<u>2,170,398</u>
Net change in fund balance	(1,932,052)	(1,932,052)	404,008	2,336,060
FUND BALANCE, APRIL 1, 2016	<u>4,142,183</u>	<u>4,142,183</u>	<u>4,142,183</u>	
FUND BALANCE, MARCH 31, 2017	<u>\$ 2,210,131</u>	<u>\$ 2,210,131</u>	<u>\$ 4,546,191</u>	<u>\$ 2,336,060</u>

WEBSTER TOWNSHIP

PUBLIC SAFETY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017

	Budget Amount		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$	\$	\$ 771,494	\$
District court fees			4,028	
Interest income			549	
Total revenues	760,613	760,613	776,071	15,458
EXPENDITURES	985,452	985,452	928,502	56,950
Net change in fund balance	(224,839)	(224,839)	(152,431)	72,408
FUND BALANCE, APRIL 1, 2016	880,181	880,181	880,181	
FUND BALANCE, MARCH 31, 2017	\$ 655,342	\$ 655,342	\$ 727,750	\$ 72,408

WEBSTER TOWNSHIP

**DEVELOPMENT RIGHTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Budget Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$	\$	\$ 192,823	\$
Interest income			162	
Total revenues	<u>189,572</u>	<u>189,572</u>	<u>192,985</u>	<u>3,413</u>
EXPENDITURES				
Development rights purchase			32,956	
Contracted services			40,021	
Tax chargebacks			38	
Legal fees			6,646	
Mileage			676	
Capital outlay			128,254	
Total expenditures	<u>342,564</u>	<u>342,564</u>	<u>208,591</u>	<u>133,973</u>
Net change in fund balance	<u>(152,992)</u>	<u>(152,992)</u>	<u>(15,606)</u>	<u>137,386</u>
FUND BALANCE APRIL 1, 2016	<u>275,888</u>	<u>275,888</u>	<u>275,888</u>	
FUND BALANCE MARCH 31, 2017	<u>\$ 122,896</u>	<u>\$ 122,896</u>	<u>\$ 260,282</u>	<u>\$ 137,386</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

WEBSTER TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2017

NOTE – BUDGETARY INFORMATION

Budget Overruns

The following expenditures exceeded appropriations in the general fund:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance (Unfavorable)</u>
General Fund			
Assessor	\$ 89,845	\$ 96,188	\$ (6,343)
Clerk	52,790	55,018	(2,228)
	<u>\$ 142,635</u>	<u>\$ 151,206</u>	<u>\$ (8,571)</u>

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

WEBSTER TOWNSHIP

**COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
MARCH 31, 2017**

	General Fund Pre GASB 54 - Consolidation	Capital Improvement Fund	Totals Restated General Fund
ASSETS			
Cash and investments	\$ 2,598,157	\$ 1,842,000	\$ 4,440,157
Taxes receivable	14,869		14,869
State shared revenue receivable	87,933		87,933
Interest receivable	404	599	1,003
Due from other funds/advances	453		453
Prepaid expense	10,214		10,214
	<u>10,214</u>	<u> </u>	<u>10,214</u>
Total assets	<u>\$ 2,712,030</u>	<u>\$ 1,842,599</u>	<u>\$ 4,554,629</u>
LIABILITIES			
Accounts payable	\$ 8,438	\$	\$ 8,438
FUND BALANCES			
Nonspendable:			
Prepays	10,214		10,214
Committed - capital improvement		38,099	38,099
Assigned - future budget deficit	516,033	1,804,500	2,320,533
Unassigned	2,177,345		2,177,345
	<u>2,177,345</u>	<u> </u>	<u>2,177,345</u>
Total fund balances	<u>2,703,592</u>	<u>1,842,599</u>	<u>4,546,191</u>
Total liabilities and fund balances	<u>\$ 2,712,030</u>	<u>\$ 1,842,599</u>	<u>\$ 4,554,629</u>

WEBSTER TOWNSHIP
COMBINING BALANCE SHEETS
ALL SPECIAL REVENUE FUNDS
MARCH 31, 2017

	Public Safety	Development Rights	Totals
ASSETS			
Cash and investments	\$ 701,625	\$ 258,454	\$ 960,079
Taxes receivable	26,795	6,697	33,492
Total assets	\$ 728,420	\$ 265,151	\$ 993,571
LIABILITIES			
Accounts payable	\$ 670	\$ 4,869	\$ 5,539
FUND BALANCES			
Restricted for:			
Public safety	523,381		523,381
Development rights		1,249	1,249
Assigned for future budget deficit	204,369	259,033	463,402
Total fund balances	727,750	260,282	988,032
Total liabilities and fund balance	\$ 728,420	\$ 265,151	\$ 993,571

WEBSTER TOWNSHIP

COMBINING BALANCE SHEETS
ALL AGENCY FUNDS
MARCH 31, 2017

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Developer Escrow Fund</u>	<u>Totals</u>
ASSETS				
Cash	<u>\$ 453</u>	<u>\$ 3,695</u>	<u>\$ 18,164</u>	<u>\$ 22,312</u>
LIABILITIES				
Due to other funds	\$ 453	\$	\$	\$ 453
Due to others		<u>3,695</u>	<u>18,164</u>	<u>21,859</u>
Total liabilities	<u>\$ 453</u>	<u>\$ 3,695</u>	<u>\$ 18,164</u>	<u>\$ 22,312</u>

WEBSTER TOWNSHIP

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
FOR THE YEAR ENDED MARCH 31, 2017**

	General Fund - Pre GASB 54 Consolidation	Capital Improvement Fund	Eliminations	Totals Restated General Fund
REVENUES				
Taxes	\$ 300,436	\$	\$	\$ 300,436
Licenses and permits	15,280			15,280
State revenues	521,431			521,431
Cable franchise fees	95,303			95,303
Charges for services	185,253			185,253
Interest	9,145	3,324		12,469
Miscellaneous	6,379			6,379
Total revenues	1,133,227	3,324		1,136,551
EXPENDITURES				
Current:				
Township board	24,302			24,302
Supervisor	37,879			37,879
Election	16,388			16,388
Assessor	96,188			96,188
Clerk	55,018			55,018
Board of review	1,520			1,520
Treasurer	45,944			45,944
Building and grounds	16,537			16,537
Township operations	117,903			117,903
Planning and zoning	138,708			138,708
Roads	107,394			107,394
Solid waste management	17,090			17,090
Parks and recreation	137			137
Construction		57,535		57,535
Total expenditures	675,008	57,535		732,543
Excess of revenues over (under) expenditures	458,219	(54,211)		404,008
OTHER FINANCING SOURCES (USES)				
Transfers in		200,000	(200,000)	
Transfers (out)	(200,000)		200,000	
Total other financing sources (uses)	(200,000)	200,000		
Net changes in fund balances	258,219	145,789		404,008
FUND BALANCE, APRIL 1, 2016	2,445,373	1,696,810		4,142,183
FUND BALANCE, MARCH 31, 2017	\$ 2,703,592	\$ 1,842,599	\$	\$ 4,546,191

WEBSTER TOWNSHIP

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED MARCH 31, 2017**

	Public Safety	Development Rights	Totals
REVENUES			
Property taxes	\$ 771,494	\$ 192,823	\$ 964,317
District court fees	4,028		4,028
Interest	549	162	711
	776,071	192,985	969,056
 EXPENDITURES			
Public safety	928,502		928,502
Public works		208,591	208,591
	928,502	208,591	1,137,093
 Net change in fund balance	(152,431)	(15,606)	(168,037)
 FUND BALANCE , APRIL 1, 2016	880,181	275,888	1,156,069
 FUND BALANCE , MARCH 31, 2017	\$ 727,750	\$ 260,282	\$ 988,032

INDIVIDUAL FUNDS

**GENERAL FUND
(PRE GASB 54 - RESTATEMENT)**

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash and investments	\$ 2,598,157
Receivables	
Taxes receivable	14,869
State shared revenues	87,933
Interest	404
Due from other funds/advances	453
Prepaid expense	<u>10,214</u>
Total assets	<u><u>\$ 2,712,030</u></u>

LIABILITIES

Accounts payable	\$ 8,438
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FUND BALANCE

2,703,592

Total liabilities and fund balance	<u><u>\$ 2,712,030</u></u>
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This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Taxes	\$ 296,539	\$ 300,436	\$ 3,897
Licenses and permits	5,500	15,280	9,780
State revenues	416,290	521,431	105,141
Charges for services	171,644	185,253	13,609
Other revenues	79,216	110,827	31,611
Total revenues	969,189	1,133,227	164,038
EXPENDITURES			
Township board	29,750	24,302	5,448
Supervisor	38,320	37,879	441
Elections	27,050	16,388	10,662
Assessor	89,845	96,188	(6,343)
Clerk	52,790	55,018	(2,228)
Board of review	4,175	1,520	2,655
Treasurer	49,531	45,944	3,587
Building and grounds	55,400	16,537	38,863
Township operations	155,450	117,903	37,547
Planning and zoning	155,630	138,708	16,922
Roads	300,000	107,394	192,606
Solid waste management	27,000	17,090	9,910
Parks and recreation	13,000	137	12,863
Total expenditures	997,941	675,008	322,933
Excess of revenues over (under) expenditures	(28,752)	458,219	486,971
OTHER FINANCING (USES)			
Transfers (out)	(200,000)	(200,000)	
Net change in fund balance	(228,752)	258,219	486,971
FUND BALANCE, APRIL 1, 2016	2,445,373	2,445,373	
FUND BALANCE, MARCH 31, 2017	\$ 2,216,621	\$ 2,703,592	\$ 486,971

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TAXES			
Current property taxes	\$ 296,539	\$ 300,436	\$ 3,897
LICENSES AND PERMITS	5,500	15,280	9,780
STATE REVENUES			
State revenue - other		503,886	
Local community stabilization		17,545	
Total state revenues	416,290	521,431	105,141
CHARGES FOR SERVICES			
Copies		1,061	
Land division		1,250	
Township hall rental		1,175	
Property tax administration fees		141,301	
Election reimbursement		7,123	
Tax collection fees		8,020	
City of Dexter		25,323	
Total charges for services	171,644	185,253	13,609
OTHER REVENUES			
Cable franchise fees		95,303	
Interest income		9,145	
Reimbursements		5,393	
Miscellaneous		986	
Total other revenues	79,216	110,827	31,611
Total revenues	\$ 969,189	\$ 1,133,227	\$ 164,038

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Salary	\$	\$ 16,403	\$
Payroll taxes		1,255	
Tax chargebacks		105	
Publications		1,072	
Membership and dues		5,467	
	<u>29,750</u>	<u>24,302</u>	<u>5,448</u>
TOTAL township board			
SUPERVISOR			
Salary		33,320	
Payroll taxes		2,681	
Health insurance		1,732	
Professional development		146	
	<u>38,320</u>	<u>37,879</u>	<u>441</u>
TOTAL supervisor			
ELECTIONS			
Per diems		11,681	
Payroll taxes		168	
Supplies and postage		2,695	
Publications and printing		572	
Miscellaneous		1,272	
	<u>27,050</u>	<u>16,388</u>	<u>10,662</u>
TOTAL elections			
ASSESSOR			
Salaries		77,335	
Payroll taxes		5,828	
Health insurance		5,872	
Retirement		2,888	
Mileage		1,375	
Professional development		2,668	
Outside consulting services		222	
	<u>89,845</u>	<u>96,188</u>	<u>(6,343)</u>
TOTAL assessor			

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CLERK			
Salary		35,000	
Deputy salary		11,347	
Health insurance		4,294	
Payroll taxes		3,874	
Professional development		503	
		<u>52,790</u>	
		<u>55,018</u>	<u>(2,228)</u>
BOARD OF REVIEW			
Salary		1,412	
Payroll taxes		108	
		<u>4,175</u>	
		<u>1,520</u>	<u>2,655</u>
TREASURER			
Salary		33,320	
Deputy salary		4,378	
Health insurance		4,800	
Payroll taxes		3,251	
Professional development		195	
		<u>49,531</u>	
		<u>45,944</u>	<u>3,587</u>
BUILDING AND GROUNDS			
Supplies		288	
Grounds maintenance		11,432	
Building maintenance		4,817	
		<u>55,400</u>	
		<u>16,537</u>	<u>38,863</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED MARCH 31, 2017**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
TOWNSHIP OPERATION			
Supplies		2,698	
Postage		5,683	
Membership and dues		912	
Legal services		28,242	
Audit fees		9,800	
Contractual services		10,336	
Insurance and bonds		13,683	
Mileage		453	
Printing and publishing		5,794	
Utilities		7,767	
Public relations		5,380	
Office/computer supplies		8,181	
Miscellaneous		2,474	
Transportation services		16,500	
Total township operation	155,450	117,903	37,547
PLANNING AND ZONING			
Salaries		63,044	
Payroll taxes		4,624	
Retirement		2,390	
Contracted services		47,193	
Mileage		778	
Printing and publishing		790	
Professional development/training		508	
Miscellaneous		352	
Health insurance		19,029	
Total planning and zoning	155,630	138,708	16,922

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

GENERAL FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ROADS	<u>300,000</u>	<u>107,394</u>	<u>192,606</u>
SOLID WASTE MANAGEMENT	<u>27,000</u>	<u>17,090</u>	<u>9,910</u>
PARKS AND RECREATION	<u>13,000</u>	<u>137</u>	<u>12,863</u>
Total expenditures	<u><u>\$ 997,941</u></u>	<u><u>\$ 675,008</u></u>	<u><u>\$ 322,933</u></u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

PUBLIC SAFETY FUND

WEBSTER TOWNSHIP

**PUBLIC SAFETY FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash and investments	\$ 701,625
Taxes receivable	<u>26,795</u>
Total assets	<u><u>\$ 728,420</u></u>

LIABILITIES

Accounts payable	\$ 670
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FUND BALANCE

	<u>727,750</u>
Total liabilities and fund balance	<u><u>\$ 728,420</u></u>

WEBSTER TOWNSHIP

PUBLIC SAFETY FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 771,494	\$
District court fees		4,028	
Interest income		549	
Total revenues	760,613	776,071	15,458
EXPENDITURES			
Neighborhood Watch	600	600	
Police Protection	383,003	323,429	59,574
Fire Protection	597,799	604,271	(6,472)
Unallocated	4,050	202	3,848
Total expenditures	985,452	928,502	56,950
Net change in fund balance	(224,839)	(152,431)	72,408
FUND BALANCE, APRIL 1, 2016	880,181	880,181	
FUND BALANCE, MARCH 31, 2017	\$ 655,342	\$ 727,750	\$ 72,408

DEVELOPMENT RIGHTS FUND

WEBSTER TOWNSHIP

**DEVELOPMENT RIGHTS FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash and investments	\$ 258,454
Taxes receivable	<u>6,697</u>
Total assets	<u><u>\$ 265,151</u></u>

LIABILITIES

Accounts payable	\$ 4,869
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FUND BALANCE

	<u>260,282</u>
Total liabilities and fund balance	<u><u>\$ 265,151</u></u>

WEBSTER TOWNSHIP

**DEVELOPMENT RIGHTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$	\$ 192,823	\$
Interest income		162	
	189,572	192,985	3,413
EXPENDITURES			
Development rights purchase		161,210	
Contracted services		40,021	
Tax chargebacks		38	
Legal fees		6,646	
Mileage		676	
	342,564	208,591	133,973
Net change in fund balance	(152,992)	(15,606)	137,386
FUND BALANCE, APRIL 1, 2016	275,888	275,888	
FUND BALANCE, MARCH 31, 2017	\$ 122,896	\$ 260,282	\$ 137,386

CAPITAL IMPROVEMENT FUND (PRE GASB 54 - RESTATEMENT)

This supplementary information shows the Capital Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**CAPITAL IMPROVEMENT FUND (PRE GASB 54 - RESTATEMENT)
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash and investments	\$ 1,842,000
Interest receivable	<u>599</u>
Total	<u><u>\$ 1,842,599</u></u>

FUND BALANCE

\$ 1,842,599

This supplementary information shows the Capital Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

WEBSTER TOWNSHIP

**CAPITAL IMPROVEMENT FUND (PRE GASB 54 - RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2017**

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income	\$ 1,700	\$ 3,324	\$ 1,624
EXPENDITURES	1,905,000	57,535	1,847,465
Excess of revenues over (under) expenditures	(1,903,300)	(54,211)	1,849,089
OTHER FINANCING SOURCES			
Transfers in	200,000	200,000	
Net change in fund balance	(1,703,300)	145,789	1,849,089
FUND BALANCE, APRIL 1, 2016	1,696,810	1,696,810	
FUND BALANCE, MARCH 31, 2017	\$ (6,490)	\$ 1,842,599	\$ 1,849,089

This supplementary information shows the Capital Improvement Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information. See footnote for reconciliation of funds presented together for GASB 54 purposes.

CURRENT TAX COLLECTION FUND

WEBSTER TOWNSHIP

**CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash

\$ 453

LIABILITIES

Due to other funds

\$ 453

TRUST AND AGENCY FUND

WEBSTER TOWNSHIP

**TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2017**

ASSETS

Cash

\$ 3,695

LIABILITIES

Due to others

\$ 3,695

DEVELOPER ESCROW FUND

WEBSTER TOWNSHIP
DEVELOPER ESCROW FUND
BALANCE SHEET
MARCH 31, 2017

ASSETS

Cash

\$ 18,164

LIABILITIES

Performance deposits

\$ 18,164