

Township of Atlas
Genesee County, Michigan
Annual Financial Statements
and
Independent Auditors' Report
March 31, 2014

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**Township of Atlas
List of Elected Officials
March 31, 2014**

Township of Atlas

Shirley Kautman-Jones – Supervisor

Ann Marie Moore – Treasurer

Teresa L. Onica – Clerk

Barry June – Trustee

Patrick Major – Trustee

Independent Auditors' Report

To the Township Board
Township of Atlas
Goodrich, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Atlas, as of and for the year ended March 31, 2014, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinion.

Opinion

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 Township of Atlas as of March 31, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as identified 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 regarding 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Atlas's basic financial statements as a whole. The list of elected officials, and accompanying other supplementary information 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 other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The list of elected officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Yeo & Yeo, P.C.

Lansing, MI
August 15, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Township of Atlas Management's Discussion and Analysis

As management of the Township of Atlas, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2014. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- As noted on page 4-2, the assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$ 4,949,666. Of this amount, \$ 2,648,569 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- As noted on page 4-3, the Township's total net position increased by \$ 145,689.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$ 3,330,586 a decrease of \$ 241,388. Approximately 50% of this total amount, or \$ 1,688,569, is available for spending at the Township's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the general fund's unassigned fund balance was \$ 1,684,912. Total fund balance for the general fund was \$ 2,530,443.

Overview of Financial Statements

The annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the required supplementary information, and other supplemental information. Government Accounting Standards Board Statement 34 (GASB 34) requires the reporting of two types of financial statements: Government-wide Financial Statements and Fund Financial Statements.

Government-wide Financial Statements:

The Government-wide financial statements provide a perspective of the Township as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two Government-wide statements: The Statement of Net Position and the Statement of Activities.

The Statement of Net Position (page 4-1) combines and consolidates the governmental fund current financial resources (short-term spendable resources) with capital assets, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities (page 4-3) accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of the Townships' various services.

When analyzed together, the two statements help the reader determine whether the Township is financially stronger or weaker as a result of the year's activities.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township can be divided into two categories: governmental funds and fiduciary fund.

Township of Atlas Management's Discussion and Analysis

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (fund balance).

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Township maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire Protection, and Police Administrative, each of which is considered to be a major fund. The Sewer Receiving, Atlas Meadows Septic, Willow Gate, Building Authority Fire Hall and Sewer Capital Projects Fund are considered non major funds and are presented in a combined column for reporting purposes.

The Township adopts an annual appropriated budget for the general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in 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*, and other supplemental information concerning budgetary information for the Township's major funds.

Township of Atlas
Management's Discussion and Analysis

Government Wide Financial Analysis:

Township's Net Position

Net Position may serve over time as a useful indicator of government's financial position. In the case of the Township of Atlas, as the following table demonstrates, assets exceeded liabilities by \$4,934,569.

	<u>2014</u>	<u>2013</u>
Assets		
Current assets	\$ 3,576,007	\$ 3,874,618
Capital assets	2,991,751	2,558,652
Less accumulated depreciation	<u>(1,475,595)</u>	<u>(1,358,611)</u>
Total capital assets	<u>1,516,156</u>	<u>1,200,041</u>
Total assets	<u>5,092,163</u>	<u>5,074,659</u>
Liabilities		
Current liabilities	157,594	210,682
Bonds payable	<u>-</u>	<u>60,000</u>
Total liabilities	<u>157,594</u>	<u>270,682</u>
Net assets		
Investment in capital assets, net of related debt	1,516,156	1,140,041
Restricted	784,941	912,705
Unrestricted	<u>2,633,472</u>	<u>2,751,231</u>
Total net position	<u>\$ 4,934,569</u>	<u>\$ 4,803,977</u>

One of the larger portions of the Township's net position, \$ 1,516,156 (31%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. This line item increased during the year primarily due to the

purchase of three acres of land approximately \$38,000 and the addition of a fire tanker for \$369,000.

An additional \$ 784,941 (16%) represents resources that are subject to external restrictions on how they may be used (police and fire protection and sewer improvements). The remaining balance of *unrestricted net position*, \$ 2,633,472 (53%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The Township's net position increased by \$ 130,592 during the current fiscal year.

Township's Changes in Net Position

Revenues:

	<u>2014</u>	<u>2013</u>
Program revenue		
Charges for services	\$ 436,859	\$ 591,120
Operating grants and contributions	28,402	19,248
General revenue:		
Property taxes	1,149,262	829,932
State shared revenue	452,457	446,507
Interest earnings	5,768	8,629
Gain on sale of capital assets	220	1,575
Cable franchise fees	39,828	36,215
Miscellaneous revenue	<u>59,694</u>	<u>57,728</u>
Total revenues	<u>\$ 2,172,490</u>	<u>\$ 1,990,954</u>

Township of Atlas Management's Discussion and Analysis

Expenses:

	2014	2013
Expenses		
General government	\$ 405,126	\$ 462,738
Public safety	860,782	835,299
Public works	722,950	727,747
Community and economic development	33,673	31,329
Recreation and culture	19,367	19,594
Interest	-	2,453
	<u>2,041,898</u>	<u>2,079,160</u>
Change in net assets	130,592	(88,206)
Net assets - beginning of year	<u>4,803,977</u>	<u>4,892,183</u>
Net assets - ending of year	<u>\$ 4,934,569</u>	<u>\$ 4,803,977</u>

Governmental activities

The Township's total governmental revenue changed by \$ 181,536 from the prior fiscal year. This change can primarily be attributed to the sum of the following;

- An increase in the property tax revenue collected of \$ 319,330 attributed to the voter approved millage increase for police services from 1.0 mil to 2.1 mils and an overall increase in taxable values.

Offset by the following:

- A decrease in charges for services of \$ 154,261, primarily due to a decrease in charges for services (special assessments) for police services, as this was eliminated after the voter approved millage increase.

Expenses for the Township decreased by \$ 37,262. This decrease is primarily attributed to the following:

- A decrease in general government of \$ 57,612 primarily due to a decrease in building and grounds and township board operating expenses for the year.

Offset by the following:

- An increase in public safety expenses of \$ 25,483, primarily due to increases in depreciation expense for fire fund vehicles and equipment.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$ 3,330,586, a decrease of \$ 241,389. \$ 1,688,569 of the fund balance constitutes unassigned fund balance, which is available for spending at the Township's discretion.

The General Fund is the main operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 1,684,912. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 138% of total General Fund expenditures. The fund balance of the General Fund decreased by \$ 117,502 during the current fiscal year. Much of this decrease is attributed to the General Fund covering some of the police contract during the current year

The fund balance of the Fire Protection Fund decreased by \$ 307,003 during the current fiscal year, primarily due to the purchase of a new fire truck.

Township of Atlas Management's Discussion and Analysis

The fund balance of the Police Administrative Board increased by \$ 175,238 during the current fiscal due to the General Fund transferring money to the Police Fund to cover a portion of the contract service costs.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The most significant budgeted fund is the General Fund. Prior to the beginning of any year, the Township's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Township acts to amend its budget to reflect changes in these original assumptions, facts, and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year.

Following are significant events that impacted the 2014 budget:

- Appropriation of general fund balance to help cover police contract services.
- Planned appropriation of general fund balance to help cover purchase of a tanker truck for the fire department. Ultimately general fund dollars were not used for this purchase.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2014 fiscal year:

- Increase in the millage for police services to 2.1 mills and renewal of the fire millage of 1 mill.
- Final debt payments on the Building Authority Fire Hall to be made at the start of fiscal year 2014.
- Reduced expenditures to reduce budget.

The following factor are expected to have an impact on the Township's budget for the 2015 fiscal year:

- Aggressive plan for maintenance and improvements to roads within township.
- Increase in the building of new single family residential homes within Township and Village of Goodrich. New commercial building within the Village of Goodrich for a memory care assisted living facility will increase the overall taxable value for the Township.
- With reduced funding from the State of Michigan for the upkeep and maintenance of local roads, the Township will anticipate a budgeted amount similar to current fiscal year budgeted amount of \$ 545,000.for the next fiscal year.
- The Fire Department is anticipating the replacement of a rescue vehicle.
- Building Authority has retired all of its installment debt obligations

Request for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Township's finances. If you have questions about this report or would like additional information, contact the Township Clerk's office at Atlas Township, Genesee County, Michigan.

BASIC FINANCIAL STATEMENTS

Township of Atlas
Statement of Net Position
March 31, 2014

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,597,923
Certificates of deposit and accrued interest	803,303
Receivables	
Customers	10,354
Taxes	63,286
Special assessments	15,542
Due from other units of government	66,357
Prepaid items	19,242
Nondepreciable capital assets	81,601
Depreciable capital assets, net	<u>1,434,555</u>
 Total assets	 <u>5,092,163</u>
Liabilities	
Accounts payable	138,259
Accrued and other liabilities	<u>19,335</u>
 Total liabilities	 <u>157,594</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Statement of Net Position
March 31, 2014

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	1,516,156
Restricted for:	
Police	330,771
Fire protection	245,895
Sewer improvements and operations	208,275
Unrestricted	<u>2,633,472</u>
 Total net position	 <u>\$ 4,934,569</u>

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2014**

	General Fund	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Fire Protection Fund	Police Administrative Board		
Assets					
Cash and cash equivalents	\$ 1,693,135	\$ 231,984	\$ 454,600	\$ 218,204	\$ 2,597,923
Certificates of deposit	803,303	-	-	-	803,303
Receivables					
Customers	-	-	-	10,354	10,354
Taxes	17,092	14,846	31,348	-	63,286
Special assessments	29,136	-	-	1,503	30,639
Due from other units of government	66,357	-	-	-	66,357
Due from other funds	2,310	17,368	-	-	19,678
Prepaid items	7,697	11,545	-	-	19,242
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,619,030</u>	<u>\$ 275,743</u>	<u>\$ 485,948</u>	<u>\$ 230,061</u>	<u>\$ 3,610,782</u>
Liabilities					
Accounts payable	\$ 9,361	\$ 3,457	\$ 123,829	\$ 1,612	\$ 138,259
Accrued and other liabilities	15,630	-	-	3,705	19,335
Due to other funds	17,368	-	-	2,310	19,678
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>42,359</u>	<u>3,457</u>	<u>123,829</u>	<u>7,627</u>	<u>177,272</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2014**

	Special Revenue Funds				
General Fund	Fire Protection Fund	Police Administrative Board	Nonmajor Governmental Funds	Total Governmental Funds	
Deferred inflows of resources					
Total deferred inflows of resources	46,228	14,846	31,348	10,502	102,924
Fund Balances					
Non-spendable:					
Prepaid expenses	7,697	11,545	-	-	19,242
Restricted for:					
Police	-	-	330,771	-	330,771
Fire protection	-	245,895	-	-	245,895
Sewer improvements and operations	-	-	-	208,275	208,275
Committed for:					
Working capital	164,157	-	-	-	164,157
Garbage service and aquaweed control	275,292	-	-	-	275,292
Bridge, street and drain improvements	398,385	-	-	-	398,385
Unassigned	1,684,912	-	-	3,657	1,688,569
 Total fund balances	2,530,443	257,440	330,771	211,932	3,330,586
 Total liabilities, deferred inflows of resources, and fund balances	\$ 2,619,030	\$ 275,743	\$ 485,948	\$ 230,061	\$ 3,610,782

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2014**

Total fund balances for governmental funds	\$ 3,330,586
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,516,156
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	<u>87,827</u>
Net position of governmental activities	<u>\$ 4,934,569</u>

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2014

	Special Revenue Funds				Total Governmental Funds
	General	Fire Protection Fund	Police Administrative Fund	Other Governmental Funds	
Revenues					
Taxes and collection fees	\$ 305,669	\$ 271,271	\$ 552,973	\$ -	\$ 1,129,913
Licenses and permits	29,769	-	-	-	29,769
Federal grants	38,502	800	-	-	39,302
State revenue sharing	452,457	-	-	-	452,457
Charges for services	322,602	19,800	-	62,650	405,052
Fines and forfeitures	-	-	3,825	-	3,825
Interest income	5,355	75	81	258	5,769
Special assessments	-	-	10,796	-	10,796
Other revenue					
Cable franchise fees	39,828	-	-	-	39,828
Tower rental	26,690	-	-	-	26,690
Miscellaneous	31,328	722	954	-	33,004
Total revenues	<u>1,252,200</u>	<u>292,668</u>	<u>568,629</u>	<u>62,908</u>	<u>2,176,405</u>
Expenditures					
Current					
General government	391,492	-	-	-	391,492
Public safety	45,197	169,692	545,913	-	760,802
Public works	666,722	-	-	56,228	722,950
Community and economic development	33,673	-	-	-	33,673
Recreation and culture	15,997	-	-	-	15,997
Capital outlay	64,100	368,999	-	-	433,099
Debt service					
Principal retirement	-	-	-	60,000	60,000
Total expenditures	<u>1,217,181</u>	<u>538,691</u>	<u>545,913</u>	<u>116,228</u>	<u>2,418,013</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2014

		Special Revenue Funds			
	General	Fire Protection Fund	Police Administrative Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	<u>35,019</u>	<u>(246,023)</u>	<u>22,716</u>	<u>(53,320)</u>	<u>(241,608)</u>
Other financing sources (uses)					
Transfers in	-	-	152,521	61,200	213,721
Transfers out	(152,521)	(61,200)	-	-	(213,721)
Sale of fixed assets	<u>-</u>	<u>220</u>	<u>-</u>	<u>-</u>	<u>220</u>
Total other financing sources and (uses)	<u>(152,521)</u>	<u>(60,980)</u>	<u>152,521</u>	<u>61,200</u>	<u>220</u>
Net change in fund balance	(117,502)	(307,003)	175,237	7,880	(241,388)
Fund balance - beginning of year	<u>2,647,945</u>	<u>564,443</u>	<u>155,534</u>	<u>204,052</u>	<u>3,571,974</u>
Fund balance - end of year	<u>\$ 2,530,443</u>	<u>\$ 257,440</u>	<u>\$ 330,771</u>	<u>\$ 211,932</u>	<u>\$ 3,330,586</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2014**

Net change in fund balances - Total governmental funds \$ (241,388)

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(116,984)
Capital outlay	433,099

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Special assessments	(12,510)
Grants from other units of government	(10,900)
Property taxes	19,349
Other revenue	(74)

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Repayments of long-term debt	60,000
------------------------------	--------

Change in net position of governmental activities **\$ 130,592**

Township of Atlas
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
March 31, 2014

	<u>Tax Collection Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 2,889</u>
Liabilities	
Accounts payable	<u>\$ 2,889</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Notes to Financial Statements
March 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Township of Atlas (Township) is governed by an elected five-member Board. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township's operations.

Blended component unit

Atlas Township Building Authority (the "Building Authority") – The Building Authority is governed by a Board that is appointed by the Township supervisor. Although it is legally separate from the Township, it is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings. The financial statements of the Building Authority are consolidated with the financial statements of the Township as follows:

- a. The assets of the Building Authority held for payment of the outstanding bond issue are reported in the Debt Service Funds.
- b. Fixed asset records (Township hall and fire station) of the Building Authority are maintained by the primary government.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* 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 of the end of the current fiscal period.

Township of Atlas
Notes to Financial Statements
March 31, 2014

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

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 Fire Protection and Police Administrative Board Funds are special revenue funds and are restricted to expenditures for that purpose.

Additionally, the Township reports the following:

The nonmajor special revenue and capital projects funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The nonmajor debt service fund records the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Current Tax Collection Fund accounts for property taxes collected on behalf of other units of government.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

Assets, liabilities, and net position or equity

Deposits – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments – Investments, including certificate of deposits are stated at fair value based on quoted market prices.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.”

Township of Atlas
Notes to Financial Statements
March 31, 2014

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2013 taxable valuation of the Township totaled \$ 270,981,847, on which ad valorem taxes consisted of 3.8686 mills for operating, fire, and police purposes. This resulted in \$ 1,048,320 for operating, fire, and police protection expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, vehicles and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, vehicles and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	20 - 50 years
Building improvements	5 to 7 years
Vehicles	5 to 15 years
Office and computer equipment	5 to 7 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.

Long-term obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Township of Atlas
Notes to Financial Statements
March 31, 2014

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable - assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Township’s highest level of decision-making, its Board. A fund balance commitment may be established, modified, or rescinded by a resolution of the Township Board.

Assigned – amounts intended to be used for specific purposes, as determined by Township management. The Township Board has granted the management the authority to commit funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township’s policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township’s policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Adoption of New Accounting Standards

The Government Accounting Standards Board issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, which the government adopted

effective April 1, 2013. This statement modifies certain requirements for inclusion of component units in the financial reporting entity, and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances.

Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued Statements 67, Financial Reporting for Pension Plans and 68 Accounting and Financial Reporting for Pensions. Statement 67 changes how public employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending March 31, 2015 and Statement 68 is effective for the year ending March 31, 2016.

The Government Accounting Standards Board has also issued *Statement 69, Government Combinations and Disposals of Government Operations, Statement 70, Nonexchange Financial Guarantees, and Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*

Statement 69 provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity. Statement 69 is effective for the year ending March 31, 2015.

Township of Atlas
Notes to Financial Statements
March 31, 2014

Statement 70, addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is “more likely than not” that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements. Statement 70 is effective for the year ending March 31, 2015.

Statement 71, improves accounting and financial reporting by addressing an issue in Statement 68, *Accounting and Financial Reporting of Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. Statement 71 should be applied simultaneously with the provisions of Statement 68.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The Township supervisor submits to the Township Board a proposed operating budget for the commencing fiscal year prior to its start each year. The operating budget includes proposed expenditures and the means to finance them. Budgets are prepared on a basis consistent with the accounting basis utilized by the fund. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of a resolution.

The budget document presents information by fund, activity, department and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township supervisor is authorized to transfer small budget amounts (no specified limit) between departments within any fund with subsequent Board ratification. Any revisions altering the total expenditures of a particular fund must be approved by the Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Township of Atlas
Notes to Financial Statements
March 31, 2014

Excess of Expenditures Over Appropriations

During the year the Township incurred expenditures in excess of the amount appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variance
General Fund:			
Building inspection department	\$ 33,380	\$ 45,197	\$ 11,817
Community and economic development	27,660	33,673	6,013
Capital outlay	-	64,100	64,100
Fire Protection Fund:			
Capital outlay	242,000	368,999	126,999

NOTE 3 - DEPOSITS AND INVESTMENTS

As of year end, the Township had the following investments classified as cash and equivalents:

Investment	Fair Value	Average Maturities	Rating	Organization
Bank invest. pools - JP Morgan	\$ 254,592	< 60 days	Aaa	Moody's
Mich. Coop. Liquid Assets - MBIA	<u>255,468</u>	< 60 days	AAAm	S&P
	<u>\$ 510,060</u>			

At year end, the breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts and certificates of deposit)	\$ 2,893,618
Bank investment pools	254,592
Michigan Cooperative Liquid Assets	255,468
Petty cash and cash on hand	<u>437</u>
Total	3,404,115
Less: Amount classified as certificate of deposit	<u>(803,303)</u>
Total Cash and cash equivalents	<u>\$ 2,600,812</u>

As of year end, the Township had the following investments classified as cash and equivalents:

Investment	Fair Value	Average Maturities	Rating	Organization
Bank invest. pools - JP Morgan	\$ 254,592	< 60 days	Aaa	Moody's
Mich. Coop. Liquid Assets - MBIA	<u>255,468</u>	< 60 days	AAAm	S&P
	<u>\$ 510,060</u>			

Interest rate risk – The Township does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates.

Credit risk – State statutes authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and

Township of Atlas
Notes to Financial Statements
March 31, 2014

other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The investment policy adopted by the Township authorizes investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

Concentration of credit risk – The Township has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of year end, the Township had \$ 3,188,439 of bank deposits (certificates of deposit, checking and savings accounts). Of that amount, \$ 1,903,436 was covered by federal depository insurance or collateralized by U.S. treasury securities; the remaining amount of \$ 1,285,003 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, 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.

Custodial credit risk – investments – For an investment, 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 or collateral securities that are in the possession of an outside party. The Township does not have investments with custodial credit risk.

NOTE 4 - CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 44,001	\$ 37,600	\$ -	\$ 81,601
Capital assets being depreciated				
Buildings, additions and improvements	1,187,589	26,500	-	1,214,089
Machinery and equipment	428,301	-	-	428,301
Vehicles	898,761	368,999	-	1,267,760
Total capital assets being depreciated	<u>2,514,651</u>	<u>395,499</u>	<u>-</u>	<u>2,910,150</u>
Less accumulated depreciation for				
Buildings, additions and improvements	478,442	26,369	-	504,811
Machinery and equipment	311,131	32,273	-	343,404
Vehicles	569,038	58,342	-	627,380
Total accumulated depreciation	<u>1,358,611</u>	<u>116,984</u>	<u>-</u>	<u>1,475,595</u>
Net capital assets being depreciated	<u>1,156,040</u>	<u>278,515</u>	<u>-</u>	<u>1,434,555</u>
Governmental activities capital assets, net	<u>\$ 1,200,041</u>	<u>\$ 316,115</u>	<u>\$ -</u>	<u>\$ 1,516,156</u>

Township of Atlas
Notes to Financial Statements
March 31, 2014

Depreciation was allocated during the year as follows:

Governmental activities	
General government	\$ 13,634
Public safety	99,980
Recreation and culture	<u>3,370</u>
 Total governmental activities	 <u>\$ 116,984</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Fund	\$ 2,310
Fire Protection Fund	General Fund	<u>17,368</u>
		<u>\$ 19,678</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) payments between the sewer receiving fund and general fund occur and 2) reimbursements for payroll between funds occur and are reimbursed. Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund balances are included in the funds financial statements but have been eliminated from the government wide financial statements.

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Police Administrative Fund	\$ 152,521
Fire Protection Fund	Nonmajor Fund	<u>61,200</u>
		<u>\$ 213,721</u>

Transfers are used to move unrestricted fund revenues to finance various programs that the Township must account for in other funds in accordance with budgetary authorizations.

NOTE 6 – DEFERRED INFLOWS OF RESOURCES

At year end the various components of deferred outflows of resources are as follows:

Earned but unavailable revenues	
Property taxes	\$ 63,286
Special assessments	15,542
Other revenue - customer collections	<u>8,999</u>
	<u>\$ 87,827</u>

NOTE 7 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Township of Atlas
Notes to Financial Statements
March 31, 2014

NOTE 8 - DEFERRED COMPENSATION PLAN

The Township offers qualified participants a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan is a defined contribution plan available to all permanent Township employees and requires a vesting period of three years from the date of entry into the plan at a 15 percent contribution. The amount contributed by the Township during 2014 under the deferred compensation plan was \$ 17,584.

NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

The Township has entered into a contract for policing services through December of 2016. The potential remaining balance on the contract is approximately \$ 1,530,375 at March 31, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Atlas
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 204,000	\$ 204,000	\$ 208,803	\$ 4,803
Administration fee	102,650	102,650	96,866	(5,784)
Licenses and permits	26,681	26,681	29,769	3,088
Federal grants	29,000	29,000	38,502	9,502
State shared revenue	451,606	451,606	452,457	851
Charges for services	318,514	318,514	322,602	4,088
Interest income	7,500	7,500	5,355	(2,145)
Other revenue	62,525	62,525	97,846	35,321
Total revenues	<u>1,202,476</u>	<u>1,202,476</u>	<u>1,252,200</u>	<u>49,724</u>
Expenditures				
General government				
Township board	149,137	149,137	131,567	(17,570)
Supervisor	44,320	44,320	44,645	325
Elections	13,725	13,725	10,079	(3,646)
Clerk	69,579	69,579	67,383	(2,196)
Board of review	2,260	2,260	2,480	220
Treasurer	66,826	66,826	66,687	(139)
Assessor	51,700	51,700	46,170	(5,530)
Cemetery	1,200	1,200	210	(990)
Buildings and grounds	22,000	39,000	22,271	(16,729)
Total general government	<u>420,747</u>	<u>437,747</u>	<u>391,492</u>	<u>(46,255)</u>

Township of Atlas
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Public safety				
Fire department	90,000	90,000	-	(90,000)
Building inspection department	33,380	33,380	45,197	11,817
Total public safety	<u>123,380</u>	<u>123,380</u>	<u>45,197</u>	<u>(78,183)</u>
Public works				
Aqua Weed	78,032	78,032	61,811	(16,221)
Drains	30,000	30,000	17,178	(12,822)
Highways, streets and bridges	418,500	418,500	337,657	(80,843)
Street lighting	15,000	15,000	11,899	(3,101)
Garbage	238,182	238,182	238,177	(5)
Total public works	<u>779,714</u>	<u>779,714</u>	<u>666,722</u>	<u>(112,992)</u>
Community and economic development				
Planning	19,660	19,660	24,039	4,379
Zoning	8,000	8,000	9,634	1,634
Total community and economic development	<u>27,660</u>	<u>27,660</u>	<u>33,673</u>	<u>6,013</u>
Recreation and culture				
Library	22,600	22,600	15,997	(6,603)

Township of Atlas
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Capital outlay	-	-	64,100	64,100
Total expenditures	<u>1,374,101</u>	<u>1,391,101</u>	<u>1,217,181</u>	<u>(173,920)</u>
Excess (deficiency) of revenues over expenditures	(171,625)	(188,625)	35,019	223,644
Other Financing Sources (Uses)				
Transfers out - police service	<u>(538,653)</u>	-	<u>(152,521)</u>	<u>(152,521)</u>
Net change in fund balance	(710,278)	(188,625)	(117,502)	71,123
Fund balance - beginning of year	<u>2,647,945</u>	<u>2,647,945</u>	<u>2,647,945</u>	-
Fund balance - end of year	<u>\$ 1,937,667</u>	<u>\$ 2,459,320</u>	<u>\$ 2,530,443</u>	<u>\$ 71,123</u>

Township of Atlas
Required Supplementary Information
Budgetary Comparison Schedule
Fire Protection Fund
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes	\$ 264,000	\$ 264,000	\$ 271,271	\$ 7,271
Federal grants	-	-	800	800
Charges for services	-	-	19,800	19,800
Interest income	400	400	75	(325)
Other revenue	1,001	1,001	722	(279)
Sale of fixed assets	-	-	220	220
Transfers in	240,000	240,000	-	(240,000)
 Total revenues	 <u>505,401</u>	 <u>505,401</u>	 <u>292,888</u>	 <u>(212,513)</u>
Expenditures				
Public safety	210,068	210,068	169,692	(40,376)
Capital outlay	242,000	242,000	368,999	126,999
 Total expenditures	 <u>452,068</u>	 <u>452,068</u>	 <u>538,691</u>	 <u>86,623</u>
 Excess (deficiency) of revenues over expenditures	 <u>53,333</u>	 <u>53,333</u>	 <u>(245,803)</u>	 <u>(299,136)</u>
Other Financing Sources (Uses)				
Transfer in	100,000	100,000	-	(100,000)
Transfers out	(58,432)	(58,432)	(61,200)	(2,768)
 Total other financing sources and (uses)	 <u>41,568</u>	 <u>41,568</u>	 <u>(61,200)</u>	 <u>(102,768)</u>
 Net change in fund balance	 94,901	 94,901	 (307,003)	 (401,904)
 Fund balance - beginning of year	 <u>503,520</u>	 <u>503,520</u>	 <u>564,443</u>	 <u>60,923</u>
 Fund balance - end of year	 <u>\$ 598,421</u>	 <u>\$ 598,421</u>	 <u>\$ 257,440</u>	 <u>\$ (340,981)</u>

Township of Atlas
Required Supplementary Information
Budgetary Comparison Schedule
Police Administrative Board
For the Year Ended March 31, 2014

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Taxes	\$ 556,160	\$ 565,960	\$ 552,973	\$ (12,987)
Licenses and permits	2,450	2,450	-	(2,450)
Special assessments	-	-	10,796	10,796
Fines and forfeitures	7,000	7,000	3,825	(3,175)
Interest income	100	100	81	(19)
Other revenue	250	250	954	704
 Total revenues	 <u>565,960</u>	 <u>575,760</u>	 <u>568,629</u>	 <u>(7,131)</u>
Expenditures				
Public safety	<u>565,960</u>	<u>575,760</u>	<u>545,913</u>	<u>(29,847)</u>
 Excess of revenues (deficiency) over expenditures	 -	 -	 22,716	 22,716
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>152,521</u>	<u>152,521</u>
 Net change in fund balance	 -	 -	 175,237	 175,237
Fund balance - beginning of year	<u>155,534</u>	<u>155,534</u>	<u>155,534</u>	<u>-</u>
Fund balance - end of year	<u>\$ 155,534</u>	<u>\$ 155,534</u>	<u>\$ 330,771</u>	<u>\$ 175,237</u>

OTHER SUPPLEMENTARY INFORMATION

Township of Atlas
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2014

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sewer Receiving Fund</u>	<u>Atlas Meadows Septic Fund</u>	<u>Willow Gate Fund</u>	<u>Building Authority Fire Hall</u>	<u>Sewer Capital Projects Fund</u>	
Assets						
Cash and cash equivalents	\$ 30,932	\$ 13,740	\$ 9,937	\$ 3,657	\$ 159,938	\$ 218,204
Receivables						
Customers	10,354	-	-	-	-	10,354
Special assessments	-	700	803	-	-	1,503
Total assets	<u>\$ 41,286</u>	<u>\$ 14,440</u>	<u>\$ 10,740</u>	<u>\$ 3,657</u>	<u>\$ 159,938</u>	<u>\$ 230,061</u>
Liabilities						
Accounts payable	\$ -	\$ 946	\$ 666	\$ -	\$ -	\$ 1,612
Accrued and other liabilities	3,705	-	-	-	-	3,705
Due to other funds	2,310	-	-	-	-	2,310
Total liabilities	<u>6,015</u>	<u>946</u>	<u>666</u>	<u>-</u>	<u>-</u>	<u>7,627</u>
Deferred inflows of resources						
Total deferred inflows of resources	<u>8,999</u>	<u>700</u>	<u>803</u>	<u>-</u>	<u>-</u>	<u>10,502</u>
Fund Balances						
Restricted for:						
Special revenue funds	26,272	12,794	9,271	-	-	48,337
Capital projects fund	-	-	-	-	159,938	159,938
Unassigned	-	-	-	3,657	-	3,657
Total fund balances	<u>26,272</u>	<u>12,794</u>	<u>9,271</u>	<u>3,657</u>	<u>159,938</u>	<u>211,932</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,286</u>	<u>\$ 14,440</u>	<u>\$ 10,740</u>	<u>\$ 3,657</u>	<u>\$ 159,938</u>	<u>\$ 230,061</u>

Township of Atlas
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2014

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Sewer Receiving Fund	Atlas Meadows Septic Fund	Willow Gate Fund	Building Authority Fire Hall	Sewer Capital Projects Fund	
Revenues						
Charges for services	\$ 46,545	\$ 9,450	\$ 6,655	\$ -	\$ -	\$ 62,650
Interest income	14	13	1	2	228	258
Total revenues	<u>46,559</u>	<u>9,463</u>	<u>6,656</u>	<u>2</u>	<u>228</u>	<u>62,908</u>
Expenditures						
Public works	46,671	7,365	2,192	-	-	56,228
Debt service						
Principal retirement	-	-	-	60,000	-	60,000
Total expenditures	<u>46,671</u>	<u>7,365</u>	<u>2,192</u>	<u>60,000</u>	<u>-</u>	<u>116,228</u>
Excess (deficiency) of revenues over expenditures	(112)	2,098	4,464	(59,998)	228	(53,320)
Other financing sources						
Transfers in	-	-	-	61,200	-	61,200
Net change in fund balance	(112)	2,098	4,464	1,202	228	7,880
Fund balance - beginning of year	<u>26,384</u>	<u>10,696</u>	<u>4,807</u>	<u>2,455</u>	<u>159,710</u>	<u>204,052</u>
Fund balance - end of year	<u>\$ 26,272</u>	<u>\$ 12,794</u>	<u>\$ 9,271</u>	<u>\$ 3,657</u>	<u>\$ 159,938</u>	<u>\$ 211,932</u>