

Township of Atlas
Genesee County, Michigan
Annual Financial Statements
and
Auditors' Report
March 31, 2013

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**Township of Atlas
List of Elected Officials
March 31, 2013**

Township of Atlas

Shirley Kautman-Jones – Supervisor

Ann Marie Slagle – Treasurer

Teresa L. Onica – Clerk

Barry June – Trustee

Patrick Major – Trustee



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Independent Auditors' Report

To the Township Board
Township of Atlas
Goodrich, Michigan

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, 2013, 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 Township of Atlas as of March 31, 2013, 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.

Adoption of New Accounting Principles

As described in Note 1 to the financial statements, during the year ended March 31, 2013, the Township adopted new accounting guidance, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources and Net Position, and No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the Required Supplementary 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township of Atlas's financial statements as a whole. The list of elected officials, and accompanying other supplemental 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 supplemental 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 supplemental 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 10, 2013

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, 2013. 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 \$ 4,803,977. Of this amount, \$ 2,751,231 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- As noted on page 4-5, the Township's total net position decreased by \$ 88,206.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$ 3,571,975 a decrease of \$ 153,630 in comparison with the prior year. Approximately 62% of this total amount, or \$ 2,229,593, 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 \$ 2,229,593. Total fund balance for the general fund was \$ 2,647,945.

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 \$4,803,977.

	2013	2012
Assets		
Current assets	\$ 3,874,618	\$ 4,198,323
Capital assets	2,558,652	2,462,603
Less accumulated depreciation	(1,358,611)	(1,286,046)
Total capital assets	1,200,041	1,176,557
Total assets	5,074,659	5,374,880
Liabilities		
Current liabilities	210,682	367,697
Bonds payable	60,000	115,000
Total liabilities	270,682	482,697
Net assets		
Investment in capital assets, net of related debt	1,140,041	1,061,557
Restricted	912,705	799,913
Unrestricted	2,751,231	3,030,713
Total net assets	\$ 4,803,977	\$ 4,892,183

One of the larger portions of the Township's net position, \$ 1,140,041 (24%) 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. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources

needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$ 912,705 (19%) 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*, \$ 2,751,231 (57%) 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 decreased by \$ 88,206 during the current fiscal year.

Township's Changes in Net Position

Revenues:

	2013	2012
Program revenue		
Charges for services	\$ 604,620	\$ 594,565
Operating grants and contributions	19,248	4,267
General revenue:		
Property taxes	829,932	899,311
State shared revenue	446,507	450,315
Interest earnings	8,629	12,491
Gain on sale of capital assets	1,575	714
Cable franchise fees	36,215	34,038
Miscellaneous revenue	44,228	51,406
Total revenues	\$ 1,990,954	\$ 2,047,107

**Township of Atlas
Management's Discussion and Analysis**

Expenses:

	2013	2012
Expenses		
General government	\$ 462,738	\$ 481,346
Public safety	835,299	844,200
Public works	727,747	889,612
Community and economic development	31,329	28,442
Recreation and culture	19,594	15,757
Interest	2,453	4,463
 Total expenses	 2,079,160	 2,263,820
 Change in net assets	 (88,206)	 (216,713)
 Net assets - beginning of year	 4,892,183	 5,108,896
 Net assets - ending of year	 \$ 4,803,977	 \$ 4,892,183

Governmental activities

The Township's total governmental revenue changed by \$ 56,153 from the prior fiscal year. This change can primarily be attributed to the sum of the following;

- an increase in the program revenue collected \$ 24,676

Offset by the following:

- a decrease in general revenue collections of \$ 81,189, primarily due to decreases property tax collections due to an aggregate decline in taxable value from the current year to the prior year.

Expenses for the Township decreased by \$ 184,660. This decrease is primarily attributed to the following:

- Decrease in public works of \$ 161,865 primarily due to the Township and County Road Commission not being able to address all of the various road improvement projects budgeted by the Township for the year.

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 \$ 3,571,975, a decrease of \$ 153,630. \$ 2,229,593 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 \$ 2,229,593. 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 170% of total General Fund expenditures. The fund balance of the General Fund decreased by \$ 269,191 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 increased by \$ 27,556 during the current fiscal year.

The fund balance of the Police Administrative Board increased by \$ 77,445 during the current fiscal due to the General Fund transferring money to the Police Fund to cover a portion of the contract service costs.

Township of Atlas Management's Discussion and Analysis

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 2013 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.
- Township furniture replacement and office remodel.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2013 fiscal year:

- State Revenue Sharing cuts throughout the year from the State.
- Declining property tax values resulting in declining tax collections.
- Reduced expenditures to reduce budget.

The following factor will have an impact on the Township's budget for the 2014 fiscal year:

- Atlas Township voters approving a 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 will be made at the start of fiscal year 2014.

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, 2013

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,758,873
Certificates of deposit and accrued interest	806,173
Deposit	127,373
Receivables	
Customers	10,611
Taxes	43,937
Special assessments	28,051
Due from other units of government	80,725
Prepaid items	18,875
Nondepreciable capital assets	44,001
Depreciable capital assets, net	<u>1,156,040</u>
 Total assets	 <u>5,074,659</u>
 Liabilities	
Accounts payable	192,133
Accrued and other liabilities	18,549
Bonds payable	
Due within one year	<u>60,000</u>
 Total liabilities	 <u>270,682</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Statement of Net Position
March 31, 2013

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	1,140,041
Restricted for:	
Debt service	2,455
Police and fire protection	708,653
Sewer improvements and operations	201,597
Unrestricted	<u>2,751,231</u>
 Total net position	 <u>\$ 4,803,977</u>

Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2013

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Board</u>	<u>Nonmajor Governmental Funds</u>	
Assets					
Cash and cash equivalents	\$ 1,839,227	\$ 409,597	\$ 298,642	\$ 211,407	\$ 2,758,873
Certificates of deposit	806,173	-	-	-	806,173
Deposit	-	127,373	-	-	127,373
Receivables					
Customers	-	-	-	10,611	10,611
Taxes	12,277	15,830	15,830	-	43,937
Special assessments	15,402	-	10,796	1,853	28,051
Due from other units of government	80,725	-	-	-	80,725
Due from other funds	2,280	17,204	-	-	19,484
Prepaid items	7,550	11,325	-	-	18,875
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,763,634</u>	<u>\$ 581,329</u>	<u>\$ 325,268</u>	<u>\$ 223,871</u>	<u>\$ 3,894,102</u>
Liabilities					
Accounts payable	\$ 47,105	\$ 336	\$ 143,109	\$ 1,583	\$ 192,133
Accrued and other liabilities	12,801	718	-	5,030	18,549
Due to other funds	17,204	-	-	2,280	19,484
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>77,110</u>	<u>1,054</u>	<u>143,109</u>	<u>8,893</u>	<u>230,166</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2013**

	<u>Special Revenue Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Board</u>		
Deferred inflows of resources					
Total deferred inflows of resources	<u>38,579</u>	<u>15,830</u>	<u>26,626</u>	<u>10,926</u>	<u>91,961</u>
Fund Balances					
Non-spendable:					
Prepaid expenses	7,550	11,325	-	-	18,875
Restricted for:					
Police and fire protection	-	553,120	155,533	-	708,653
Sewer improvements and operations	-	-	-	201,597	201,597
Committed for:					
Working capital	152,624	-	-	-	152,624
Garbage service and aquaweed control	258,178	-	-	-	258,178
Assigned for:					
Debt service	-	-	-	2,455	2,455
Unassigned, reported in:					
General fund	<u>2,229,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,229,593</u>
 Total fund balances	 <u>2,647,945</u>	 <u>564,445</u>	 <u>155,533</u>	 <u>204,052</u>	 <u>3,571,975</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 2,763,634</u>	 <u>\$ 581,329</u>	 <u>\$ 325,268</u>	 <u>\$ 223,871</u>	 <u>\$ 3,894,102</u>

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, 2013**

Total fund balances for governmental funds	\$ 3,571,975
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.	1,200,041
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	91,961
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	<u>(60,000)</u>
Net position of governmental activities	<u>\$ 4,803,977</u>

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2013

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Fund</u>	<u>Other Governmental Funds</u>	
Revenues					
Taxes and collection fees	\$ 312,488	\$ 269,673	\$ 269,734	\$ -	\$ 851,895
Licenses and permits	34,543	-	-	-	34,543
Federal grants	3,923	4,425	-	-	8,348
State revenue sharing	446,507	-	-	-	446,507
Charges for services	323,221	-	-	63,561	386,782
Fines and forfeitures	-	-	7,204	-	7,204
Interest income	7,789	393	90	357	8,629
Special assessments	-	-	163,804	-	163,804
Other revenue					
Cable franchise fees	36,215	-	-	-	36,215
Tower rental	13,500	-	-	-	13,500
Miscellaneous	37,587	4,825	2,600	-	45,012
<u>Total revenues</u>	<u>1,215,773</u>	<u>279,316</u>	<u>443,432</u>	<u>63,918</u>	<u>2,002,439</u>
Expenditures					
Current					
General government	448,369	-	-	-	448,369
Public safety	41,004	164,923	551,271	-	757,198
Public works	673,411	-	-	54,389	727,800
Community and economic development	31,329	-	-	-	31,329
Recreation and culture	18,698	-	-	-	18,698
Capital outlay	86,869	29,981	-	-	116,850
Debt service					
Principal retirement	-	-	-	55,000	55,000
Interest and fiscal charges	-	-	-	2,400	2,400
<u>Total expenditures</u>	<u>1,299,680</u>	<u>194,904</u>	<u>551,271</u>	<u>111,789</u>	<u>2,157,644</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, 2013

	<u>Special Revenue Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Fund</u>		
Excess (deficiency) of revenues over expenditures	<u>(83,907)</u>	<u>84,412</u>	<u>(107,839)</u>	<u>(47,871)</u>	<u>(155,205)</u>
Other financing sources (uses)					
Transfers in	-	-	185,284	58,431	243,715
Transfers out	(185,284)	(58,431)	-	-	(243,715)
Sale of fixed assets	-	1,575	-	-	1,575
Total other financing sources and (uses)	<u>(185,284)</u>	<u>(56,856)</u>	<u>185,284</u>	<u>58,431</u>	<u>1,575</u>
Net change in fund balance	(269,191)	27,556	77,445	10,560	(153,630)
Fund balance - beginning of year	<u>2,917,136</u>	<u>536,889</u>	<u>78,088</u>	<u>193,492</u>	<u>3,725,605</u>
Fund balance - end of year	<u>\$ 2,647,945</u>	<u>\$ 564,445</u>	<u>\$ 155,533</u>	<u>\$ 204,052</u>	<u>\$ 3,571,975</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, 2013**

Net change in fund balances - Total governmental funds \$ (153,630)

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	(93,366)
Capital outlay	116,850

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

Special assessments	(2,983)
Grants from other units of government	10,900
Property taxes	(22,747)
Other revenue	1,770

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	55,000
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Change in net position of governmental activities \$ (88,206)

Township of Atlas
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
March 31, 2013

	<u>Tax Collection Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 1,187</u>
Liabilities	
Accounts payable	<u>\$ 1,187</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Notes to Financial Statements
March 31, 2013

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.

The Township has implemented GASB Statement No. 14, *The Financial Reporting Entity and Statement of Michigan Governmental Accounting and Auditing No. 5*, which defines the reporting of primary government and component unit activities. The basis of criterion of including a public authority in a governmental unit's general purpose financial report is the exercise of financial responsibility over such agency by the governmental unit's elected officials, the selection of the governing authority, the designation of management, the ability to exert significant influence on 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.
- c. Remaining amounts due on bonds issued by the Building Authority are reported on the government-wide financial statements.

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.

Township of Atlas
Notes to Financial Statements
March 31, 2013

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. 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 other charges between the Township's water and sewer function and various other functions of the Township. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Township of Atlas
Notes to Financial Statements
March 31, 2013

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.”

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 2012 taxable valuation of the Township totaled \$ 264,765,383, on which ad valorem taxes consisted of 2.7686 mills for operating, fire, and police purposes. This resulted in \$ 733,029 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	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 assets by the government that is applicable to a future reporting period.

Township of Atlas
Notes to Financial Statements
March 31, 2013

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net assets 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.

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.

Comparative data

Comparative data is not included in the Township's financial statements.

Adoption of New Accounting Standard

The Government Accounting Standards Board issued Statements 63 and 65, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities, which the government adopted effective April 1, 2012. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures.

Township of Atlas
Notes to Financial Statements
March 31, 2013

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, 2014 and Statement 68 is effective for the year ending March 31, 2015.

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.

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:			
Township board	\$ 136,787	\$ 164,636	\$ 27,849
Building inspection department	36,880	41,004	4,124
Community and economic development	24,728	31,329	6,601
Police Fund:			
Public safety	550,700	551,271	571

Township of Atlas
Notes to Financial Statements
March 31, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS

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

Bank deposits (checking and savings accounts and certificates of deposit)	\$	3,109,967
Bank investment pools		98,634
Michigan Cooperative Liquid Assets		357,305
Petty cash and cash on hand		<u>327</u>
Total		3,566,233
Less: Amount classified as certificate of deposit		<u>(806,173)</u>
Total Cash and cash equivalents	\$	<u>2,760,060</u>

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

Investment	Fair Value	Average Maturities	Rating	Rating Organization
Bank invest. pools - JP Morgan	\$ 98,634	< 60 days	Aaa	Moody's
Mich. Coop. Liquid Assets - MBIA	<u>357,305</u>	< 60 days	AAAm	S&P
	<u>\$ 455,939</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 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 \$ 3,364,859 of bank deposits (certificates of deposit, checking and savings accounts). Of that amount, \$ 1,849,537 was covered by federal depository insurance or collateralized by U.S. treasury securities; the remaining amount of \$ 1,515,322 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.

Township of Atlas
Notes to Financial Statements
March 31, 2013

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	\$ -	\$ -	\$ 44,001
Capital assets being depreciated				
Buildings, additions and improvements	1,141,627	60,611	14,649	1,187,589
Machinery and equipment	408,195	26,258	6,152	428,301
Vehicles	868,780	29,981	-	898,761
Total capital assets being depreciated	<u>2,418,602</u>	<u>116,850</u>	<u>20,801</u>	<u>2,514,651</u>
Less accumulated depreciation for				
Buildings, additions and improvements	468,967	24,124	14,649	478,442
Machinery and equipment	283,027	34,256	6,152	311,131
Vehicles	534,052	34,986	-	569,038
Total accumulated depreciation	<u>1,286,046</u>	<u>93,366</u>	<u>20,801</u>	<u>1,358,611</u>
Net capital assets being depreciated	<u>1,132,556</u>	<u>23,484</u>	<u>-</u>	<u>1,156,040</u>
Governmental activities capital assets, net	<u>\$ 1,176,557</u>	<u>\$ 23,484</u>	<u>\$ -</u>	<u>\$ 1,200,041</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	Sewer Receiving Fund	\$ 2,280
Fire Fund	General Fund	<u>17,204</u>
		<u>\$ 19,484</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 Fund	\$ 185,284
Fire Fund	Building Authority	<u>58,431</u>
		<u>\$ 243,715</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.

Township of Atlas
Notes to Financial Statements
March 31, 2013

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	\$ 43,937
Special assessments	28,051
Grants	10,900
Other revenue - customer collections	<u>9,073</u>
	<u>\$ 91,961</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.

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 2013 under the deferred compensation plan was \$ 16,836.

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 2013. The potential remaining balance on the contract is approximately \$ 404,000 at March 31, 2013.

The Township has entered into a contract for the purchase and custom work of a fire truck. Delivery of the truck is expected in summer of 2013. The potential remaining balance on the contract is approximately \$ 242,000 at March 31, 2013.

REQUIRED SUPPLEMENTAL INFORMATION

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Taxes				
Property taxes	\$ 202,863	\$ 202,863	\$ 207,272	\$ 4,409
Administration fee	102,650	102,650	102,322	(328)
Penalties and interest	5,000	5,000	2,894	(2,106)
Licenses and permits	16,581	16,581	34,543	17,962
Federal grants	28,783	28,783	3,923	(24,860)
State shared revenue	434,000	434,000	446,507	12,507
Charges for services	319,596	319,596	323,221	3,625
Interest income	9,075	9,075	7,789	(1,286)
Other revenue	<u>536,778</u>	<u>587,778</u>	<u>87,302</u>	<u>(500,476)</u>
Total revenues	<u>1,655,326</u>	<u>1,706,326</u>	<u>1,215,773</u>	<u>(490,553)</u>
Expenditures				
General government				
Township board	136,787	136,787	164,636	27,849
Supervisor	44,320	44,320	42,383	(1,937)
Elections	14,200	15,200	15,144	(56)
Clerk	68,979	68,979	68,091	(888)
Board of review	2,260	2,260	1,869	(391)
Treasurer	66,826	66,826	63,937	(2,889)
Assessor	57,700	57,700	46,430	(11,270)
Cemetery	1,200	1,200	480	(720)
Buildings and grounds	<u>22,000</u>	<u>56,000</u>	<u>45,399</u>	<u>(10,601)</u>
Total general government	<u>414,272</u>	<u>449,272</u>	<u>448,369</u>	<u>(903)</u>

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				Final Budget
Public safety				
Fire department	100,000	-	-	-
Building inspection department	<u>32,880</u>	<u>36,880</u>	<u>41,004</u>	<u>4,124</u>
Total public safety	<u>132,880</u>	<u>36,880</u>	<u>41,004</u>	<u>4,124</u>
Public works				
Aqua Weed	77,396	77,396	73,480	(3,916)
Drains	30,000	30,000	16,748	(13,252)
Highways, streets and bridges	538,500	538,500	337,067	(201,433)
Street lighting	15,000	15,000	12,069	(2,931)
Garbage	<u>234,000</u>	<u>234,000</u>	<u>234,047</u>	<u>47</u>
Total public works	<u>894,896</u>	<u>894,896</u>	<u>673,411</u>	<u>(221,485)</u>
Community and economic development				
Planning	19,703	19,703	25,269	5,566
Zoning	<u>5,025</u>	<u>5,025</u>	<u>6,060</u>	<u>1,035</u>
Total community and economic development	<u>24,728</u>	<u>24,728</u>	<u>31,329</u>	<u>6,601</u>
Recreation and culture				
Library	<u>23,100</u>	<u>23,100</u>	<u>18,698</u>	<u>(4,402)</u>
Total recreation and culture	<u>23,100</u>	<u>23,100</u>	<u>18,698</u>	<u>(4,402)</u>

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2013

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Capital outlay	56,000	92,000	86,869	(5,131)
Total expenditures	1,545,876	1,520,876	1,299,680	(221,196)
Excess (deficiency) of revenues over expenditures	109,450	185,450	(83,907)	(269,357)
Other Financing Sources (Uses)				
Transfers out - police service	(109,450)	(185,450)	(185,284)	166
Net change in fund balance	-	-	(269,191)	(269,191)
Fund balance - beginning of year	2,917,136	2,917,136	2,917,136	-
Fund balance - end of year	<u>\$ 2,917,136</u>	<u>\$ 2,917,136</u>	<u>\$ 2,647,945</u>	<u>\$ (269,191)</u>

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
Fire Protection Fund
For the Year Ended March 31, 2013

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Taxes	\$ 262,000	\$ 262,000	\$ 269,673	\$ 7,673
Federal grants	-	-	4,425	4,425
Interest income	500	500	393	(107)
Other revenue	6,000	6,000	4,825	(1,175)
Sale of fixed assets	-	-	1,575	1,575
	<u>268,500</u>	<u>268,500</u>	<u>280,891</u>	<u>12,391</u>
Expenditures				
Public safety	210,068	210,068	164,923	(45,145)
Capital outlay	400,000	400,000	29,981	(370,019)
	<u>610,068</u>	<u>610,068</u>	<u>194,904</u>	<u>(415,164)</u>
Excess (deficiency) of revenues over expenditures	<u>(341,568)</u>	<u>(341,568)</u>	<u>85,987</u>	<u>427,555</u>
Other Financing Sources (Uses)				
Transfer in	100,000	100,000	-	(100,000)
Transfers out	(58,432)	(58,432)	(58,431)	1
	<u>41,568</u>	<u>41,568</u>	<u>(58,431)</u>	<u>(99,999)</u>
Net change in fund balance	(300,000)	(300,000)	27,556	327,556
Fund balance - beginning of year	<u>503,520</u>	<u>503,520</u>	<u>536,889</u>	<u>33,369</u>
Fund balance - end of year	<u>\$ 203,520</u>	<u>\$ 203,520</u>	<u>\$ 564,445</u>	<u>\$ 360,925</u>

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
Police Administrative Board
For the Year Ended March 31, 2013

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes	\$ 262,000	\$ 262,000	\$ 269,734	\$ 7,734
Licenses and permits	2,450	2,450	-	(2,450)
Special assessments	162,600	162,600	163,804	1,204
Fines and forfeitures	9,500	9,500	7,204	(2,296)
Interest income	200	200	90	(110)
Other revenue	4,500	4,500	2,600	(1,900)
Total revenues	<u>441,250</u>	<u>441,250</u>	<u>443,432</u>	<u>2,182</u>
Expenditures				
Public safety	<u>550,700</u>	<u>550,700</u>	<u>551,271</u>	<u>571</u>
Total expenditures	<u>550,700</u>	<u>550,700</u>	<u>551,271</u>	<u>571</u>
Excess of revenues (deficiency) over expenditures	(109,450)	(109,450)	(107,839)	1,611
Other Financing Sources (Uses)				
Transfers in	<u>109,450</u>	<u>109,450</u>	<u>185,284</u>	<u>75,834</u>
Net change in fund balance	-	-	77,445	77,445
Fund balance - beginning of year	<u>78,088</u>	<u>78,088</u>	<u>78,088</u>	<u>-</u>
Fund balance - end of year	<u>\$ 78,088</u>	<u>\$ 78,088</u>	<u>\$ 155,533</u>	<u>\$ 77,445</u>

OTHER SUPPLEMENTAL INFORMATION

Township of Atlas
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2013

	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	
Assets						
Cash and cash equivalents	\$ 30,955	\$ 11,642	\$ 5,445	\$ 3,655	\$ 159,710	\$ 211,407
Receivables						
Customers	10,611	-	-	-	-	10,611
Special assessments	-	1,050	803	-	-	1,853
Total assets	<u>\$ 41,566</u>	<u>\$ 12,692</u>	<u>\$ 6,248</u>	<u>\$ 3,655</u>	<u>\$ 159,710</u>	<u>\$ 223,871</u>
Liabilities						
Accounts payable	\$ -	\$ 945	\$ 638	\$ -	\$ -	\$ 1,583
Accrued and other liabilities	3,830	-	-	1,200	-	5,030
Due to other funds	2,280	-	-	-	-	2,280
Total liabilities	<u>6,110</u>	<u>945</u>	<u>638</u>	<u>1,200</u>	<u>-</u>	<u>8,893</u>
Deferred inflows of resources						
Total deferred inflows of resources	<u>9,073</u>	<u>1,050</u>	<u>803</u>	<u>-</u>	<u>-</u>	<u>10,926</u>
Fund Balances						
Restricted for:						
Special revenue funds	26,383	10,697	4,807	-	-	41,887
Capital projects fund	-	-	-	-	159,710	159,710
Assigned for:						
Debt service	-	-	-	2,455	-	2,455
Total fund balances	<u>26,383</u>	<u>10,697</u>	<u>4,807</u>	<u>2,455</u>	<u>159,710</u>	<u>204,052</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,566</u>	<u>\$ 12,692</u>	<u>\$ 6,248</u>	<u>\$ 3,655</u>	<u>\$ 159,710</u>	<u>\$ 223,871</u>

Township of Atlas
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2013

	<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>	
Revenues						
Charges for services	\$ 48,184	\$ 9,800	\$ 5,577	\$ -	\$ -	\$ 63,561
Interest income	<u>21</u>	<u>15</u>	<u>-</u>	<u>3</u>	<u>318</u>	<u>357</u>
Total revenues	<u>48,205</u>	<u>9,815</u>	<u>5,577</u>	<u>3</u>	<u>318</u>	<u>63,918</u>
Expenditures						
Public works	46,284	7,335	770	-	-	54,389
Principal retirement	-	-	-	55,000	-	55,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Total expenditures	<u>46,284</u>	<u>7,335</u>	<u>770</u>	<u>57,400</u>	<u>-</u>	<u>111,789</u>
Excess (deficiency) of revenues over expenditures	1,921	2,480	4,807	(57,397)	318	(47,871)
Other financing sources						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,431</u>	<u>-</u>	<u>58,431</u>
Net change in fund balance	1,921	2,480	4,807	1,034	318	10,560
Fund balance - beginning of year	<u>24,462</u>	<u>8,217</u>	<u>-</u>	<u>1,421</u>	<u>159,392</u>	<u>193,492</u>
Fund balance - end of year	<u>\$ 26,383</u>	<u>\$ 10,697</u>	<u>\$ 4,807</u>	<u>\$ 2,455</u>	<u>\$ 159,710</u>	<u>\$ 204,052</u>

Township of Atlas
Other Supplemental Information
Schedule of Indebtedness
March 31, 2013

Description	Interest Rate	Fiscal Year Date of Maturity	Amount of Annual Maturity	Semi-Annual Interest Payments		Total
				May 1st	Nov 1st	
Governmental Activities						
Amount of original issue - \$ 445,000	4.00%	2014	\$ 60,000	\$ 1,200	-	\$ 61,200