

BIRCH RUN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 9--RISK MANAGEMENT (continued)

The Township manages its workers compensation risk by purchasing commercial insurance through the Accident Fund. The Township also participates in a pool, the Michigan Township Participating Plan, with other municipalities for various risks of loss including property liability, wrongful acts liability, auto liability, crime liability, in-land marine liability, and bonding liability. The pool is organized under Public Act 138 of 1982, as amended. The Township has no liability for additional assessments based on the claims filed against the pool, nor do they have rights to dividends.

NOTE 10--DOWNTOWN DEVELOPMENT AUTHORITY AGREEMENTS

To the extent that future DDA captured tax revenues are available, the Township DDA has made agreements to be obligated to the Township Sewer Fund for repayment of the following debts:

1. \$575,000 Sanitary Sewer System Improvement Bonds issued by Saginaw county December 5, 1996. The balance due on these bonds at March 31, 2015 is \$60,000.
2. \$75,000 of the \$175,000 Sewer System Improvement Bonds issued by Saginaw County in May 1997. The March 31, 2015 total balance of these bonds is \$35,000.
3. The DDA has agreed to contribute toward the financing of the construction of the water tower and the related water system improvements in the amount of \$18,000 per year for the term of the water projects financing.

During the year ended March 31, 2015, the Downtown Development Authority transferred funds of \$41,296 to the Sewer System Fund in connection with these agreements.

NOTE 11--STATE CONSTRUCTION CODE ACT

The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus generated since January 1, 2000, is as follows:

Cumulative surplus at April 1, 2014	\$	49,559
Current year building permit revenue		28,847
Related expenditures		
Direct costs		(19,687)
Cumulative surplus at March 31, 2015	\$	<u>58,719</u>

Birch Run Township
 Component Unit -Downtown Development Authority
 Statement of Net Assets and DDA and Balance
 March 31, 2015

<u>Assets</u>	<u>DDA Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and cash equivalents	\$ 231,866	\$ -	\$ 231,866
Taxes receivable	4,364	-	4,364
Due from other governmental units	17,256	-	17,256
Total Assets	253,486	-	253,486
<u>Liabilities</u>			
Accounts payable	5,243	-	5,243
Due to other governmental units	34,524	3,025	37,549
Total Liabilities	39,767	3,025	42,792
<u>Fund Balance</u>			
Unassigned	213,719	(213,719)	-
Total Liabilities and Fund Balance	\$ 253,486	(213,719)	-
<u>Net Assets</u>			
Unrestricted		\$ 210,694	210,694

Birch Run Township
 Component Unit-Downtown Development Authority
 Statement of Activities and Revenues, Expenditures,
 and Changes in Fund Balance
 For the Year Ended March 31, 2015

	DDA Fund	Adjustments	Statement Of Activities
Revenues			
Taxes	\$ 134,248	\$ -	\$ 134,248
Interest	33	-	33
Total Revenues	<u>134,281</u>	<u>-</u>	<u>134,281</u>
Expenditures			
Current			
Community and economic development	109,003	3,025	112,028
Total Expenditures	<u>109,003</u>	<u>3,025</u>	<u>112,028</u>
Net Change in Fund Balance/ Net assets	25,278	3,025	22,253
Fund Balance, Beginning	<u>188,441</u>		<u>188,441</u>
Fund Balance, Ending	<u>\$ 213,719</u>		<u>\$ 210,694</u>