

BIRCH RUN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 9--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township 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, 2014 is \$90,000.
2. \$75,000 of the \$175,000 Sewer System Improvement Bonds issued by Saginaw County in May 1997. The March 31, 2014 total balance of these bonds is \$45,000.
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, 2014, the Downtown Development Authority transferred funds of \$72,153 to the Sewer System Fund in connection with these agreements.

Birch Run Township  
 Component Unit Fund  
 Balance Sheet - Downtown Development Authority (DDA)  
 March 31, 2014

<u>Assets</u>	
Cash and cash equivalents	\$ 246,038
Taxes receivable	3,022
Total Assets	\$ 249,060
<u>Liabilities</u>	
Accounts payable	\$ 2,842
Due to other governmental units	57,777
Total Liabilities	60,619
<u>Fund Balance</u>	
Unassigned	188,441
Total Liabilities and Fund Balance	\$ 249,060

NOTE: Reconciliation of the governmental fund balance sheet to the statement of net position for the component unit is not required as the fund balance was equal to the net position as of March 31, 2014.

Birch Run Township  
 Component Unit Fund  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Downtown Development Authority (DDA)  
 For the Year Ended March 31, 2014

Revenues		
Taxes		\$ 116,649
Interest		<u>310</u>
Total Revenues		<u>116,959</u>
Expenditures		
Current		
Community and economic development		<u>118,124</u>
Total Expenditures		<u>118,124</u>
Net Change in Fund Balance		(1,165)
Fund Balance, Beginning		<u>189,606</u>
Fund Balance, Ending		<u><u>\$ 188,441</u></u>

NOTE: Reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities for the component unit is not required as the net change in fund balance was equal to the change in net position for the year ended March 31, 2014.