

BIRCH RUN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 31, 2008

NOTE 14: FUND EQUITY

Specific reservations of fund equity include:

Reserved for prepaid expenditures – This reserve was created to indicate that the portion of fund balance represented by prepaid expenditures is not available for appropriation.

Reserved for debt service – This reserve was created to indicate that the portion of fund balance represented by debt service is not available for appropriation.

Reserved for nonexpendable cemetery principal – This reserve was created to indicate that portion of fund balance representing the nonexpendable principal portion required to be retained in perpetuity for cemetery care.

Reserved for state construction code activity– This reserve was created to indicate that portion of fund balance representing the cumulative surplus of construction code fees charged in excess of construction code costs.

NOTE 15: 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, 2008 is \$270,000.
2. Contract Payable to Birch Run Village for 28.35% of the past and future payments due on the 1992, \$1.4 million, Village Sanitary Sewer System Bonds payable through Genesee County. These bonds were refunded in 2003. The balance due on these bonds at March 31, 2008 was \$114,818.
3. \$75,000 of the \$175,000 Sewer System Improvement Bonds issued by Saginaw County in May, 1997. The March 31, 2008 total balance of these bonds is \$105,000.
4. A pro-rata portion of the \$300,000 Sewer Judgment Bonds Payable. The amount is to be determined annually based on the DDA's use of the Township's sewer engineering plans. The balance due on this debt as of March 31, 2008 is \$20,000.

During the year ended March 31, 2008 the Downtown Development Authority transferred \$86,492 to the Sewer Fund in connection with these agreements.

BIRCH RUN TOWNSHIP

DOWNTOWN DEVELOPMENT FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended March 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Actual</i>
	<u>Original</u>	<u>Final</u>		<i>Over (Under)</i>
				<u>Final Budget</u>
Revenues:				
Property taxes	\$ 106,031	\$ 106,031	\$ 111,354	\$ 5,323
Interest and rents	-	500	676	176
Total revenues	<u>106,031</u>	<u>106,531</u>	<u>112,030</u>	<u>5,499</u>
Expenditures:				
Current				
Community and economic development	<u>91,492</u>	<u>91,992</u>	<u>91,521</u>	<u>(471)</u>
Total expenditures	<u>91,492</u>	<u>91,992</u>	<u>91,521</u>	<u>(471)</u>
Net change in fund balance	14,539	14,539	20,509	5,970
Fund balance, beginning of year	<u>76,013</u>	<u>76,013</u>	<u>76,013</u>	-
Fund balance, end of year	<u>\$ 90,552</u>	<u>\$ 90,552</u>	<u>\$ 96,522</u>	<u>\$ 5,970</u>