

# PENINSULA TOWNSHIP

13235 Center Road, Traverse City MI 49686

Ph: 231.223.7322 Fax: 231.223.7117

[www.peninsulatownship.com](http://www.peninsulatownship.com)

**ROBERT K. MANIGOLD**  
SUPERVISOR

**JOANNE WESTPHAL**  
CLERK

**DAVID K. WEATHERHOLT**  
TREASURER

**MARK D. AVERY**  
TRUSTEE

**JILL C. BYRON**  
TRUSTEE

**PENELOPE S. ROSI**  
TRUSTEE

**WENDY L. WITKOP**  
TRUSTEE

## **PENINSULA TOWNSHIP BOARD**

**September 27, 2016**

**7:00 p.m.**

**2<sup>nd</sup> Regular Meeting – Township Hall**

1. **Call to Order**
2. **Pledge**
3. **Roll Call**
4. **Approve Agenda**
5. **Brief Citizen Comments – for items not on the Agenda**
6. **Conflict of Interest**
7. **Business**
  1. Consider Approval Audit Draft
  2. Consider Approval PDR Monitoring Contract
  3. Approve Young, Graham, Elsenheimer and Wendling Invoice
  4. BS&A Training Discussion
  5. Consider Contractual Rate for Michelle Reardon
8. **Citizen Comments**
9. **Board Comments**
10. **Adjournment**

Peninsula Township has several portable hearing devices available for audience members. If you would like to use one, please ask the Clerk.

September 17, 2015

To the Township Board  
Peninsula Township

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peninsula Township for the year ended March 31, 2015. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 23, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Peninsula Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2015. We noted no transactions entered into by Peninsula Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were fair value of investments and capital asset depreciation.

The estimate of capital asset depreciation is based on the estimated useful lives of the Township's capital assets. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Audit Adjustments*

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. Management has recorded all of our proposed audit adjustments.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 17, 2015.

### *Other Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Peninsula Township's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information, and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of American, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peninsula Township as of and for the year ended March 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Peninsula Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below we have identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency to be a material weakness;

Material audit adjustments and financial statement preparation:

*Criteria:* We identified and proposed several material audit adjustments that management reviewed and approved. A Schedule of Audit Adjustments is attached. Adjustments were recorded to:

- Convert the fund-based data necessary to prepare the government-wide financial statements
- Corrections of double entered, or incorrectly recorded expenses.
- Corrections of incorrectly recorded transfers between funds.
- Record depreciation expense on business-type activities.

As is the case with many small and medium-sized governmental units, the Township has historically relied on its independent external auditor to assist with the preparation of the financial statements, the related notes, and the management's discussion and analysis as part of its external financial reporting process. Accordingly, the Township's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditor, who cannot, by definition, be considered part of the Township's internal controls. Having the auditor draft the annual financial statements is allowable under current auditing standards and ethical guidelines and may be the most efficient and effective method for preparation of the Township's financial statements. However, when an entity (on its own) lacks the ability to produce financial statements that conform to GAAP, or when material audit adjustments are

identified by the auditor, auditing standards require that such conditions be communicated in writing as material weaknesses. This is a repeat finding.

*Cause:* This condition was caused by the Township's decision to outsource the preparation of its annual financial statements to the external auditor rather than incur the costs of obtaining the necessary training and expertise required for the Township to perform this task internally because outsourcing the task is considered more cost effective.

*Effect:* The Township's accounting records were initially misstated by amounts material to the financial statements. In addition, the Township lacks complete internal controls over the preparation of its financial statements in accordance with GAAP, and, instead, relies, at least in part, on assistance from its external auditor for assistance with this task.

*Auditor's Recommendation:* We recommend that management continue to monitor the relative costs and benefits of securing the internal or other external resources necessary to develop material adjustment and prepare a draft of the Township's annual financial statements versus contracting with its auditor for these services.

*Management Response:* Management has made an ongoing evaluation of the respective costs and benefits of obtaining internal or external resources, specifically for the preparation of financial statements, and has determined that the additional benefits derived from implementing such a system would not outweigh the costs incurred to do so. Management will continue to review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

We did not audit Peninsula Township's response to the internal control finding described above and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the Township Board of Peninsula Township and the State of Michigan Department of Treasury and is not intended to be, and should not be, used by anyone other than these specified parties.

Tobin & Co., P.C.  
Certified Public Accountants  
September 17, 2015

Peninsula Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended March 31, 2016

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INTRODUCTORY SECTION

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## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Peninsula Township, Grand Traverse County, for the year ended March 31, 2016 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Peninsula Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Your present Clerk, Treasurer and Deputies maintain receipts journals, reimbursements journals, general ledgers and account books prescribed in the Uniform Accounting Procedures developed by the State Department of Treasury. Management was sent a letter with more specific recommendations. Comments and recommendations regarding items other than the accounting records themselves are as follows.

### Budgets and Procedures

The required budgets were prepared for the General Fund and Special Revenue Funds.

### General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance increased by \$153,960 from the prior year and totaled \$907,632 at March 31, 2016.

### Special Revenue Funds

#### Fire Fund

This fund, presented on Schedule 2, is used to account for the special voted tax levy for Township fire protection. Revenues consisted principally of property taxes of \$681,849, charges for services of \$30,809, and earned interest of \$977. Expenditures were \$1,017,747. The fund balance at March 31, 2016 was \$385,784.

#### Purchase of Development Rights Fund

This fund, presented on Schedule 3, is used to account for a special voted tax levy for the purchase of development rights. Revenues consisted of property taxes of 1,138,152, and earned interest of \$2,819. Expenses consisted principally of the purchase of development rights and debt service. The fund balance at March 31, 2016 was \$1,717,787.

### Non-major Governmental Funds

Non-major governmental funds balance sheets and revenue and expenditures statements are presented in Schedule 4 and 5.

### Proprietary/Enterprise Funds

The Tower, Sewer, and Water Funds are major funds, while the Lighthouse Fund and the Compactor Station Funds are non-major. These funds are presented on pages 17 through 19 and, 43 and 44. Principally all revenues come from service users or lessees by way of fees, rents and special assessments. All funds had positive net position at March 31, 2016.

### Property Tax Collections

The collection and distribution of the 2015 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements.

See Schedule 10 for a summary of the 2015 tax levy and collections.

Comments and Recommendations

Payroll Procedures

The Clerk maintains required payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were properly prepared. It appears that Forms W-2 and/or 1099 were properly utilized.

Insurance and Surety Bond Coverage

Records reflect that the Township is insured through Municipal Underwriters of Michigan, and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Records indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies, as well as the Supervisor, have surety bond coverage. There is also a blanket bond covering all employees.

Other Data

After completion of our audit, we will mail the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field examiners in the conduct of our audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Township Board  
Peninsula Township  
Grand Traverse County  
Traverse City, Michigan 49684

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peninsula Township as of and for the year ended March 31, 2016, 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.

### **Auditor's 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 from 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 auditor's 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peninsula Township, as of March 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9 through 12 and 33 through 43 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 about 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peninsula Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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.

TOBIN & CO., P.C.  
Certified Public Accountants  
Traverse City, Michigan  
July 6, 2016

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## Peninsula Township Management Discussion and Analysis Letter

As the Township Board of Peninsula Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Peninsula Township for the fiscal year ended March 31, 2016.

### Financial Highlights

The assets of Peninsula Township exceeded its liabilities at the close of the most recent fiscal year by \$21,421,764. Of this amount, \$5,546,111 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$3,986,824, a decrease of \$170,161 in comparison with the prior year. Approximately 23% of the total amount, \$907,632 is available for spending at the Township's discretion.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$907,632 or 113% of the total general fund expenditures.

The Township's total long-term debt decreased by \$1,125,320 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Peninsula Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Township include general government, public safety, road projects, sanitation, and recreation. The business-type activities of the Township include building inspections and sewer and water system.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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. Peninsula Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds:

**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 outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 government'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 between governmental funds and governmental activities.

Peninsula Township maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund and Purchase of Development Rights Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund, special revenue funds, and debt service funds. Budgetary comparison statements have been provided for the general fund and other governmental funds to demonstrate compliance with this budget.

Proprietary funds: Peninsula Township maintains six proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its tower rental, lighthouse rental, water and sewer, and compactor station activities.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 20 of this report.

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. The notes to the financial statements can be found on pages 21 through 31 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Peninsula Township, assets exceeded liabilities by \$21,421,364 at the close of the most recent fiscal year.

A significant portion of the Township's net position, fifty-nine percent, represents its investment in capital assets such as development rights, land, buildings, machinery, and equipment, less any related debt used to acquire those assets that are still outstanding. The Township used 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 pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Township's Net Position					
	2016 Governmental Activities	2016 Business-Type Activities	Total	2015 Governmental Activities	2015 Business-Type Activities	Total
Current and Other Assets	\$ 4,021,433	\$ 2,205,896	\$ 6,227,329	\$ 4,175,565	\$ 2,161,365	\$ 6,336,930
Capital Assets	19,817,664	5,994,534	25,812,198	19,623,403	6,000,161	25,623,564
<b>Total Assets</b>	<b>23,839,097</b>	<b>8,200,430</b>	<b>32,039,527</b>	<b>23,798,968</b>	<b>8,161,526</b>	<b>31,960,494</b>
Long-term Liabilities	7,360,926	2,970,665	10,331,591	8,222,487	3,065,985	11,288,472
Other Liabilities	39,609	251,963	286,572	44,998	235,727	280,725
<b>Total Liabilities</b>	<b>7,399,535</b>	<b>3,222,628</b>	<b>10,618,163</b>	<b>8,267,485</b>	<b>3,301,712</b>	<b>11,569,197</b>
<b>Net Position:</b>						
Invested in Capital Assets	12,456,738	3,418,515	15,875,253	11,400,916	3,389,501	14,790,417
Restricted	3,079,192	-	3,079,192	3,404,613	-	3,404,613
Unrestricted	907,632	1,559,287	2,466,919	725,954	1,470,313	2,196,267
<b>Total Net Position</b>	<b>\$ 16,443,562</b>	<b>\$ 4,977,802</b>	<b>\$ 21,421,364</b>	<b>\$ 15,531,483</b>	<b>\$ 4,859,814</b>	<b>\$ 20,391,297</b>

An additional portion of the Township's position, one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unassigned net position (\$2,466,919) may be used to meet the Township'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 same situation held true for the prior fiscal year.

Governmental activities: Governmental activities increased the Township's net position by \$885,661, accounting for 88% of the total growth in the net position of the Township.

	Governmental Activities	2016 Business-Type Activities	Total	Governmental Activities	2015 Business-Type Activities	Total
<b>Program Revenues</b>						
Charges for Services	\$ 185,581	\$ 838,132	\$ 1,023,713	\$ 304,500	\$ 743,964	\$ 1,047,764
Operating Grants and Contributions	-	-	-	-	-	-
<b>General Revenues</b>						
Property Taxes	2,644,201	-	2,644,201	2,573,656	-	2,573,656
State Shared Revenues	408,235	-	408,235	415,098	-	415,098
Unrestricted Investments						
Earnings	12,894	7,082	19,976	28,790	10,101	44,891
Miscellaneous	124,780	90,673	215,453	69,862	10,504	74,426
<b>Total Revenues</b>	<u>3,375,691</u>	<u>935,887</u>	<u>4,311,578</u>	<u>3,491,206</u>	<u>764,609</u>	<u>4,155,835</u>
<b>Program Expenses</b>						
Legislative	50,060	-	50,060	40,475	-	40,475
General Government	724,205	-	724,205	659,696	-	659,696
Public Safety	1,026,818	-	1,026,818	745,115	-	745,115
Public Works	7,745	667,899	675,644	6,710	571,543	578,253
Recreation and Cultural	93,235	-	93,235	188,354	-	189,354
Interest on Long-term Debt	587,967	-	587,967	299,101	-	299,101
<b>Total Expenses</b>	<u>2,490,020</u>	<u>667,899</u>	<u>3,157,929</u>	<u>1,940,451</u>	<u>571,543</u>	<u>2,511,994</u>
<b>Change in Net Position</b>	885,661	267,988	1,153,649	1,450,755	193,086	1,643,841
<b>Net Position – Beginning of Year</b>	<u>15,557,901</u>	<u>4,709,814</u>	<u>20,267,715</u>	<u>14,080,728</u>	<u>4,666,728</u>	<u>18,747,456</u>
<b>Net Position – End of Year</b>	<u>\$ 16,443,562</u>	<u>\$ 4,977,802</u>	<u>\$ 21,421,364</u>	<u>\$ 15,531,483</u>	<u>\$ 4,859,814</u>	<u>\$ 20,391,297</u>

Business-type activities: Business-type activities increased the Township's net position by \$267,988, accounting for 23% of the total growth in the Township's net position.

**Financial Analysis of the Township's Funds**

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,986,824, a decrease of \$170,161 in comparison with the prior year.

Approximately 23% of the total amount, \$907,632, constitutes unassigned fund balance, which is available for spending at the Township's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$907,632 and the total fund balance was \$907,632. The fund balance of the Township's general fund increased by \$155,260 during the current fiscal year.

Details of the Township's General Fund are contained in the Statement of Revenues, Expenditures and Change in Fund Balance on page 16.

Proprietary funds: The Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Enterprise Funds at the end of the year amounted to \$4,977,802. The total increase in net position was \$267,983. Other factors concerning the finances of the fund have already been addressed in the discussion of the Township's business type activities.

### **Capital Asset and Debt Administration**

Capital assets: The Township's investment in capital assets for its governmental and business type activities as of March 31, 2016, amounts to \$25,812,195 (net of accumulated depreciation). This investment in capital assets includes: (land, purchase of development rights, building and improvements, sewer and water systems, machinery and equipment, park facilities, etc.). The Township's investment in capital assets for the current fiscal year increased by \$188,631.

Details of the Township's capital assets are contained in the notes to the financial statements on page 27.

Long-term debt: At the end of the current fiscal year, the Township had total bonded and installment debt outstanding of \$10,331,591. This debt is backed by the full faith and credit of the government.

Additional information on the Township's long-term debt can be found in the notes on pages 28 and 29.

### **Economic Factors and Next Year's Budgets**

We anticipate no major changes in the budget for 2017/2018. If taxable values continue as in prior years, revenues should increase slightly with similar expenditures. No major expenditures are anticipated for 2016/2017 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of Peninsula Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor, Treasurer or Clerk of Peninsula Township, 13235 Center Road, Traverse City, Michigan 49686 or you may phone us at 231-223-7322.

Peninsula Township  
Statement of Net Position  
March 31, 2016

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 3,770,382	\$ 1,450,773	\$ 5,221,155
Accounts Receivable	111,073	29,116	140,189
Special Assessments Receivable	-	52,402	52,402
Prepaid Items	11,133	134	11,257
Due from Other Units	101,903	8,781	110,684
Due from Other Funds	26,942	209,375	236,317
<b>Total Current Assets</b>	<b>4,043,433</b>	<b>1,750,571</b>	<b>5,772,004</b>
<b>Non-Current Assets:</b>			
Special Assessments Receivable (long-term)	-	455,325	455,325
Non Depreciable Capital Assets	18,514,981	-	18,514,981
Depreciable Capital Assets (net)	5,009,683	5,994,534	7,297,217
<b>Total Assets</b>	<b>23,839,097</b>	<b>8,200,430</b>	<b>32,039,527</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	34,609	39,515	74,124
Due to Other Funds	-	212,448	212,448
Long-term Liabilities, Net of Discounts:			
Due Within One Year	1,060,000	238,942	1,298,942
Due in More Than One Year	6,300,926	2,731,723	9,032,649
<b>Total Liabilities</b>	<b>7,395,535</b>	<b>3,222,628</b>	<b>10,618,163</b>
<b>Net Position</b>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	12,456,738	3,418,515	15,875,253
Restricted	3,079,192	-	3,079,192
Unrestricted	907,632	1,559,287	2,466,919
<b>Total Net Position</b>	<b>\$ 16,443,562</b>	<b>\$ 4,977,802</b>	<b>\$ 21,421,364</b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Statement of Activities  
March 31, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		Total
		Fees and Charges For Services	Operating & Capital Grants & Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>						
Legislative	\$ 50,060	\$ -	\$ -	\$ (50,060)	\$ -	\$ (50,060)
General Government	724,205	154,772	-	(969,433)	-	(569,433)
Public Safety	1,026,818	30,809	-	(996,009)	-	(996,009)
Public Works	7,745	-	-	(7,745)	-	(7,745)
Recreation and Cultural	93,235	-	-	(93,235)	-	(93,235)
Interest on Long-term Debt	587,967	-	-	(587,967)	-	(587,967)
<b>Total Governmental Activities</b>	<b>2,490,030</b>	<b>185,581</b>	<b>-</b>	<b>(2,304,449)</b>	<b>-</b>	<b>(2,304,449)</b>
<b>Business-type Activities:</b>						
Water Fund	354,485	38,516	-	-	38,031	38,031
Sewer Fund	247,162	216,139	-	-	(31,006)	(31,006)
Other Enterprise Funds	66,252	223,160	-	-	163,208	163,208
<b>Total Business-type Activities</b>	<b>667,899</b>	<b>838,153</b>	<b>-</b>	<b>-</b>	<b>170,233</b>	<b>170,233</b>
<b>Total</b>	<b>\$ 3,157,929</b>	<b>\$ 1,023,713</b>	<b>\$ -</b>	<b>(2,304,449)</b>	<b>170,233</b>	<b>(2,134,216)</b>
<b>General Revenues</b>						
Taxes				2,644,201	-	2,644,201
State Shared Revenues				408,235	-	408,235
Investment Earnings				12,894	7,082	19,976
Miscellaneous				124,780	90,673	215,453
<b>Total General Revenues</b>				<b>3,190,110</b>	<b>97,755</b>	<b>3,287,865</b>
<b>Change in Net Position</b>				<b>885,661</b>	<b>267,988</b>	<b>1,153,649</b>
<b>Net Position – Beginning</b>				<b>15,531,483</b>	<b>4,859,814</b>	<b>20,391,297</b>
<b>Prior Period Adjustment</b>				<b>26,418</b>	<b>(150,000)</b>	<b>(123,582)</b>
<b>Net Position – Ending</b>				<b>\$ 16,443,562</b>	<b>\$ 4,977,802</b>	<b>\$ 21,421,364</b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Balance Sheet  
Governmental Funds  
March 31, 2016

	<u>General</u>	<u>Fire</u>	<u>Purchase of Development Rights Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 803,600	\$ 363,660	\$ 1,659,924	\$ 943,196	\$ 3,770,382
Taxes Receivable	17,586	19,981	35,687	12,722	85,676
Accounts Receivable	-	3,727	-	21,670	25,397
Prepaid Items	1,569	8,977	-	587	11,133
Due from State	58,783	-	-	-	58,783
Due from Other Funds	3,073	-	22,484	1,385	26,942
Due from Other Units	43,120	-	-	-	43,120
<b>Total</b>	<b><u>\$ 927,731</u></b>	<b><u>\$ 396,345</u></b>	<b><u>\$ 1,717,797</u></b>	<b><u>\$ 979,560</u></b>	<b><u>4,021,433</u></b>
<b><u>Liabilities and Fund Equity</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable and Other Accruals	\$ 20,099	\$ 10,561	\$ 10	\$ 3,939	34,609
Due to Other Funds	-	-	-	-	-
<b>Total</b>	<b><u>20,099</u></b>	<b><u>10,561</u></b>	<b><u>10</u></b>	<b><u>3,939</u></b>	<b><u>34,609</u></b>
<b><u>Fund Equity:</u></b>					
Fund Balance – Restricted	-	-	-	-	-
Fund Balance – Committed	-	385,784	1,717,787	975,621	3,079,192
Fund Balance – Unassigned	907,632	-	-	-	907,632
<b>Total</b>	<b><u>907,632</u></b>	<b><u>385,784</u></b>	<b><u>1,717,787</u></b>	<b><u>975,621</u></b>	<b><u>3,986,824</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 927,731</u></b>	<b><u>\$ 396,345</u></b>	<b><u>\$ 1,717,797</u></b>	<b><u>\$ 979,560</u></b>	
Amounts reported for governmental activities on the statement of net position are different because:					
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.					19,817,664
Long-term liabilities do not use current financial resources and therefore are not reported in the funds.					<u>(7,360,926)</u>
<b>Net position of governmental activities.</b>					<b><u>\$ 16,443,562</u></b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended March 31, 2016

	<u>General</u>	<u>Fire</u>	<u>Purchase of Development Rights Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$ 443,959	\$ 681,845	\$ 1,138,152	\$ 380,245	\$ 2,644,201
Licenses and Permits	25,760	-	-	-	25,760
State Grants	408,235	-	-	-	408,235
Charges for Services	-	30,809	-	129,012	159,821
Interest and Rents	4,998	977	2,819	11,280	20,074
Other	58,088	49,197	-	10,315	117,600
<b>Total</b>	<u>941,040</u>	<u>762,828</u>	<u>1,140,971</u>	<u>530,852</u>	<u>3,375,691</u>
<b>Expenditures</b>					
Legislative	50,060	-	-	-	50,060
General Government	402,513	-	7,446	14,996	424,955
Public Safety	151,153	656,012	-	97,166	904,331
Public Works	-	-	-	7,745	7,745
Recreation and Culture	-	-	-	93,235	93,235
Other	183,525	-	-	-	183,525
Capital Outlay	12,009	361,735	-	-	374,344
Debt Service	-	-	906,531	542,944	1,449,528
<b>Total</b>	<u>798,858</u>	<u>1,017,747</u>	<u>914,080</u>	<u>756,086</u>	<u>3,486,721</u>
<b>Excess Revenues (Expenditures)</b>	<u>142,182</u>	<u>(254,919)</u>	<u>226,941</u>	<u>(225,234)</u>	<u>(111,030)</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	48,078	-	-	37,693	85,771
Operating Transfers (Out)	(35,000)	-	-	(109,902)	(144,902)
<b>Total</b>	<u>13,078</u>	<u>-</u>	<u>-</u>	<u>(72,209)</u>	<u>(59,131)</u>
<b>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</b>	<u>155,260</u>	<u>(254,919)</u>	<u>226,941</u>	<u>(297,443)</u>	<u>(170,161)</u>
Fund Balance - Beginning of Year	752,372	640,703	1,490,846	1,273,064	
Fund Balance - End of Year	<u>\$ 907,632</u>	<u>\$ 385,784</u>	<u>\$ 1,717,787</u>	<u>\$ 975,621</u>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their estimated useful lives is reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.					
					194,261
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayment					
					<u>861,561</u>
Change in net position of governmental activities.					
					<u>\$ 885,661</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Statement of Net Position  
Proprietary Funds  
March 31, 2016

	Business-type Activities		Enterprise Funds	
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 574,116	\$ 225,063	\$ 651,594	\$ 1,450,773
Due from County	2,832	5,949	-	8,781
Accounts Receivable	15,797	13,519	-	29,116
Special Assessments Receivable	21,610	19,792	-	52,402
Prepaid Items	-	-	124	124
Due from Other Funds	-	209,375	-	209,375
<b>Total Current Assets</b>	<b>625,155</b>	<b>473,698</b>	<b>651,718</b>	<b>1,750,571</b>
<b>Non-Current Assets:</b>				
Special Assessments Receivable (long-term)	237,784	217,541	-	455,325
Depreciable Capital Assets (net)	3,600,445	2,137,255	255,834	5,994,534
<b>Total Assets</b>	<b>4,453,384</b>	<b>2,829,494</b>	<b>907,552</b>	<b>8,200,430</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Expenses	20,850	18,158	507	39,515
Due to Other Funds	209,375	-	3,073	212,448
<b>Long-term Liabilities, Net of Discounts:</b>				
Due Within One Year	193,942	45,000	-	238,942
Due in More Than One Year	2,118,723	513,000	-	2,731,723
<b>Total Liabilities</b>	<b>2,642,890</b>	<b>576,158</b>	<b>3,580</b>	<b>3,222,628</b>
<b>Net Position</b>				
Invested in Capital Assets and Intangible Assets, Net of Related Debt	1,425,564	1,797,796	195,155	3,418,515
Unrestricted	394,930	455,540	708,817	1,559,287
<b>Total Net Position</b>	<b>\$ 1,820,494</b>	<b>\$ 2,253,336</b>	<b>\$ 903,972</b>	<b>\$ 4,977,802</b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended March 31, 2016

	Business-type Activities		Enterprise Funds	
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
<b><u>Operating Revenues</u></b>				
Charges for Services	\$ 345,742	\$ 167,898	104,100	\$ 617,740
Special Assessments	46,774	48,258	-	95,032
Rental Income	-	-	125,860	125,360
<b>Total Operating Revenues</b>	<b>392,516</b>	<b>216,156</b>	<b>229,960</b>	<b>838,132</b>
<b><u>Operating Expenses</u></b>				
Contracted Services	261,300	176,058	54,562	491,923
Depreciation and Amortization	93,182	71,104	11,690	175,976
<b>Total Operating Expenses</b>	<b>354,485</b>	<b>247,162</b>	<b>66,252</b>	<b>667,899</b>
<b>Operating Income (Loss)</b>	<b>38,031</b>	<b>(31,006)</b>	<b>163,208</b>	<b>170,233</b>
<b><u>Non Operating Revenue (Expenses)</u></b>				
Interest Income	1,498	1,757	3,827	7,082
<b>Net Non Operating Revenues (Expenses)</b>	<b>1,498</b>	<b>1,757</b>	<b>3,827</b>	<b>7,082</b>
<b>Income Before Contributions and Transfers</b>	<b>39,529</b>	<b>(29,249)</b>	<b>167,035</b>	<b>177,315</b>
Transfers In	2,693	2,693	85,287	90,673
<b>Change in Net Position</b>	<b>42,222</b>	<b>(26,556)</b>	<b>252,322</b>	<b>267,988</b>
<b><u>Net Position at Beginning of Year</u></b>	<b>1,928,272</b>	<b>2,279,892</b>	<b>651,650</b>	<b>4,859,814</b>
<b><u>Prior Period Adjustment</u></b>	<b>(150,000)</b>	<b>-</b>	<b>-</b>	<b>(150,000)</b>
<b><u>Net Position at End of Year</u></b>	<b>\$ 1,820,494</b>	<b>\$ 2,253,336</b>	<b>\$ 903,972</b>	<b>\$ 4,977,802</b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended March 31, 2016

	<u>Business-type Activities – Enterprise Funds</u>			<u>Total Enterprise Funds</u>
	<u>Water Fund</u>	<u> Sewer Fund</u>	<u>Other Enterprise Funds</u>	
<b><u>Operating Activities</u></b>				
Collections of Charges for Services	\$ 345,742	167,898	\$ 101,000	\$ 617,740
Collections of Special Assessments	46,774	48,258	-	95,032
Collections of Rental Income	-	-	125,360	125,360
Collections of Interest	1,498	1,757	3,827	7,082
Deduct Expenses Using Cash and Cash Equivalents	(293,876)	(17,890)	(51,547)	(444,513)
Net Cash Flow from Operating Activities	<u>139,938</u>	<u>79,023</u>	<u>181,740</u>	<u>400,701</u>
<b><u>Capital Financing Activities</u></b>				
Acquisition of Capital Assets	-	-	(170,351)	(170,351)
Principal Payments	(195,210)	(40,611)	-	(235,841)
Net Cash Flow Provided by (Used) by Financing Activities	<u>(195,210)</u>	<u>(40,611)</u>	<u>(170,351)</u>	<u>(315,519)</u>
<b><u>Non Capital Financing Activities</u></b>				
Transfers In (Out)	2,693	2,693	85,287	90,673
Net Cash Flow Provided by (Used) by Financing Activities	<u>(192,517)</u>	<u>(37,938)</u>	<u>(85,064)</u>	<u>(315,519)</u>
<b><u>Net Increase (Decrease) in Cash</u></b>	<b><u>(52,579)</u></b>	<b><u>41,085</u></b>	<b><u>96,676</u></b>	<b><u>85,182</u></b>
<b><u>Balance of Cash – Beginning of Year</u></b>	<b><u>375,159</u></b>	<b><u>170,421</u></b>	<b><u>554,918</u></b>	<b><u>1,400,498</u></b>
<b><u>Balance of Cash – End of Year</u></b>	<b><u>\$ 622,580</u></b>	<b><u>\$ 211,506</u></b>	<b><u>\$ 651,594</u></b>	<b><u>\$ 1,485,680</u></b>
<b><u>Net Income (Loss)</u></b>				
Add Depreciation and Amortization	93,182	71,104	11,690	175,976
Decrease (Increase) in Receivables	2,832	5,951	-	8,783
Decrease (Increase) in Prepaids	-	-	(1)	(1)
Increase (Decrease) in Payables	(6,153)	(410)	3,016	(3,547)
Net Cash Flow from Operating Activities	<u>\$ 129,390</u>	<u>\$ 47,396</u>	<u>\$ 181,740</u>	<u>\$ 358,526</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Fiduciary Net Position  
March 31, 2016

<u>Assets</u>	<u>Agency Funds</u>
Cash and Investments	\$ 649,195
Total Assets	<u>649,195</u>
<u>Liabilities</u>	
Due to Other Governments	559,319
Due to Other Funds	23,800
Undistributed Taxes and Interest	<u>65,487</u>
Total Liabilities	<u>649,195</u>
Net Position	<u>\$ -</u>

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See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Peninsula Township (the "Township"), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

A. Financial Reporting Entity

Peninsula Township is a general law township located in Grand Traverse County, Michigan. Populations as of the 2010 census was 5,433, and the current taxable valuation of the year of audit was \$632,533,235.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, *Financial Reporting Entity*, includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

Sewer and Water System Operations

The Township entered into a master sewer agreement effective July 1, 1991 through June 30, 2041 with the City of Traverse City, the Townships of Acme and Garfield in Grand Traverse County, with the Township of Elmwood in Leelanau County, and Grand Traverse County. This master sewer agreement defines the allocation of costs and establishes certain rights and responsibilities with respect to the wastewater treatment plant and sewer system. Grand Traverse County is the owner of the treatment plant and the City of Traverse City is the owner of all multi-user facilities. The townships have the option to purchase the facility when certain bonds issued by Grand Traverse County are retired.

The City of Traverse City is the exclusive manager of the plant for the benefit to itself and the townships. As the exclusive manager, the City of Traverse City has the obligation to fully inform and advise townships as to the treatment plant's operation and the townships shall have the right to comment on all matters connected with the administration of the plant.

Further information can be found in note 4.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental 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 segment is 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus/Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. 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.

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

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

Property taxes, franchise taxes, licenses, intergovernmental revenues 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 government.

The government reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Fire Fund accounts for operations of the Township fire department.

The Purchase of Development Rights Fund accounts for revenues to finance the purchase of development rights in the Township.

The Debt Service Fund accounts for debt the Township has incurred and paid.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the operation of the Township's sewer system and treatment plant.

The Water Fund accounts for the operation of the Township's water main and pumping facilities.

Additionally, the Township reports the following fund types:

The Agency Funds account for the collection and disbursements of taxes and other monies due to other units of government and individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, purchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and water and sewer systems, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 to \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Sewer and Water Systems	50 - years
Land Improvements	20 - years
Buildings	40 - years
Building Improvements	25 - years
Towers	25 - years
Vehicles	10 - years
Office Furniture	10 - years
Equipment	5 - years

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Township does not have any items of this type that qualify as deferred outflows of resources.

In addition to liabilities, the statement of net position and the balance sheet, when applicable, will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future period and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Township does not have any items of this type that qualify as deferred inflows of resources.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Township Board. The Township Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Township Board.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. All such assignments can be made only with unanimous approval of all committed members.

As of March 31, 2016, fund balances are composed of the following:

	General Fund	Fire Fund	Purchase of Development Rights Fund	Other Governmental Funds	Total Governmental Funds
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	385,784	1,717,787	975,621	3,079,192
Unassigned	<u>907,632</u>	-	-	-	<u>907,632</u>
<b>Total Fund Balances</b>	<b><u>\$ 907,632</u></b>	<b><u>\$ 385,784</u></b>	<b><u>\$ 1,717,787</u></b>	<b><u>\$ 975,621</u></b>	<b><u>\$ 3,986,824</u></b>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township Board has provided otherwise in its commitment or assignment actions.

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General Fund and Special Revenue Funds. The operating budget is adopted by activity for the General Fund and by activity for the Special Revenue funds. Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Any revisions that alter the total expenditures of any fund must be approved by the Township Board. Budgeted amounts are as originally adopted, or as amended by the Township Board.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments

A reconciliation of cash and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

	Carrying Amount
Government-wide Financial Statement Captions:	
Cash and cash equivalents	\$ 5,221,155
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	649,195
Total	\$ 5,870,350
Deposits	\$ 5,870,176
Cash on hand	174
Total	\$ 5,870,350

Investment and Deposit Risk:

**Interest Rate Risk.** State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified above for investment held at year end.

**Credit Risk.** State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified below. The Township's investment policy does not have specific limits in excess of state law on investment credit. The ratings for each investment are identified above for investments held at year end.

**Custodial Credit Risk – Deposits.** The Township had \$5,941,036 deposited with local financial institutions at March 31, 2016 with a carrying value of \$5,870,176. The Township has \$3,000,637 invested in the Certificate of Deposit Account Registry which is fully insured. Of the remaining balance and interpreting the FDIC insurance coverage of \$250,000 of demand deposits and \$250,000 of time deposits per financial institution, the Township had \$2,367,692 of uninsured deposits at March 31, 2016.

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

**Custodial Credit Risk – Investments.** For an investment, custodial credit risk 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. State law does not require and the Township does not have a policy for investment custodial credit risk. Of the investments listed above, there is not custodial credit risk as these investments are uncategorized as to credit risk.

**Concentration of Credit Risk.** State law limits allowable investments but does not limit concentration of credit risk as identified below. The Township’s investment policy does not have specific limits in excess of state law on concentration of credit risk. More than 5 percent of the Township’s investments are in U.S. Treasury securities. All investments at year end are reported above.

The Township is authorized by statute to invest surplus funds in the following:

- (1) Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- (2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a qualified financial institution.
- (3) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after date of purchase.
- (5) In bankers’ acceptances of United States banks.
- (6) Obligations of the State of Michigan and its political subdivisions that, at the time of purchase, are rated as investment grade by at least one standard rating service.
- (7) Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- (8) External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Township’s deposits are in accordance with statutory authority.

**Receivables**

Receivables in the primary government are as follows:

	<u>Government Activities</u>	<u>Business Activities</u>
Accounts Receivable	\$ 25,397	\$ 29,116
Taxes Receivable	85,676	-
Special Assessments: Due within one year	-	<u>52,402</u>
	<u>\$ 111,073</u>	<u>\$ 81,518</u>

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Capital Assets

	<u>12/31/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/16</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated - Land	\$ 18,514,981	\$ -	\$ -	\$ 18,514,981
Capital assets being depreciated:				
Buildings and Improvements	400,858	-	-	400,858
Vehicles and Equipment	<u>2,523,781</u>	<u>194,107</u>	-	<u>2,917,888</u>
Total capital assets being depreciated	2,924,639	194,107	-	3,318,746
Less Accumulated Depreciation:				
Buildings and improvements	(140,937)	(11,246)	-	(152,173)
Vehicles and Equipment	<u>(1,626,290)</u>	<u>(188,600)</u>	-	<u>(1,863,890)</u>
Total accumulated depreciation	(1,767,227)	(199,846)	-	(2,016,063)
Total capital assets being depreciated, net	<u>1,108,122</u>	<u>194,261</u>	-	<u>1,302,683</u>
Intangible Assets	39,304	-	-	39,304
Less Accumulated Depreciation	<u>(39,304)</u>	-	-	<u>(39,304)</u>
Total intangible assets	-	-	-	-
<b>Governmental Activities</b>				
Capital Assets, Net	<u>\$ 19,817,664</u>	<u>\$ 194,261</u>	<u>\$ -</u>	<u>\$ 19,817,664</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated - Land	\$ 5,690	\$ 108,900	\$ -	\$ 114,590
Capital assets being depreciated:				
Buildings and Improvements	-	61,450	-	61,450
Sewer and Water Systems	8,194,075	-	-	8,194,075
Tower	269,250	-	-	269,250
Equipment	<u>44,049</u>	<u>-</u>	<u>-</u>	<u>44,049</u>
Total capital assets being depreciated	8,507,374	61,450	-	8,568,824
Less Accumulated Depreciation:				
Buildings and Improvements	-	(771)	-	(771)
Sewer and Water Systems	(2,291,085)	(164,290)	-	(2,455,375)
Tower	(180,222)	(9,969)	-	(190,191)
Equipment	<u>(41,596)</u>	<u>(950)</u>	<u>-</u>	<u>(42,546)</u>
Total accumulated depreciation	(2,512,903)	(175,980)	-	(2,688,883)
Total business-type assets being depreciated, net	<u>5,994,471</u>	<u>(114,530)</u>	<u>-</u>	<u>5,879,941</u>
Business-type Activities Capital Assets, Net	<u>\$ 6,000,161</u>	<u>\$ (5,630)</u>	<u>\$ -</u>	<u>\$ 5,994,531</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 77,359
Public Safety	<u>122,487</u>
Total depreciation expense – governmental activities	<u>\$ 199,846</u>

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables as of March 31, 2016 is as follows:

<u>Due From</u>		<u>Due To</u>	
General	\$ 3,073	Fiduciary	\$ 23,869
Purchase of Development Rights	22,484	Water Fund	209,375
Senior Center	823	Light House Gift Shop	3,073
Pellizari Natural Area	562		
Sewer Fund	<u>209,375</u>		
	<u>\$ 236,317</u>		<u>\$ 236,317</u>

Long-term Debt

A summary of bond and contract transactions for the year ended March 31, 2016, as follows:

Governmental Activities

	<u>Balance</u> 1/01/15	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/16	<u>Due Within</u> <u>One Year</u>
PDR Bond Series 2005	\$ 3,750,000	\$ -	\$ 270,000	\$ 3,480,000	\$ 415,000
Center Park Rd. Bond Series 2009	1,040,000	-	240,000	800,000	255,000
General Obligation Limited Tax Refunding 2013	3,580,000	-	570,000	3,210,000	390,000
Unamortized Interest on 2013 Advance Refunding	(147,513)	-	(18,439)	(129,074)	-
<b>Total Governmental Activities</b>	<u>\$ 8,222,487</u>	<u>\$ -</u>	<u>\$ 861,561</u>	<u>\$ 7,360,926</u>	<u>\$ 1,060,000</u>

Business Type Activities

County Wastewater 2003 Bond	\$ 5,714	\$ -	\$ 5,714	\$ -	\$ -
County Wastewater 2011 Bond	138,698	-	14,353	124,345	14,944
Sewer and Water 2004 Bond	603,000	-	45,000	558,000	45,000
Drinking Water 2008 Bond	1,879,000	-	115,000	1,755,000	115,000
Sewer and Water 2012 Bond	598,573	-	65,253	533,320	63,998
	<u>\$ 3,215,985</u>	<u>\$ -</u>	<u>\$ 245,320</u>	<u>\$ 2,970,665</u>	<u>\$ 238,942</u>

Future debt service maturity payments at March 31, 2016 were as follows:

<u>March 31</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$1,015,000	\$ 222,298	\$ 1,237,298	\$ 238,967	\$ 74,330	\$ 313,297
2018	1,085,000	191,270	1,276,270	262,092	68,107	330,199
2019	1,160,000	157,444	1,317,444	261,657	61,212	322,869
2020	2,395,000	208,596	2,603,596	267,497	48,089	315,586
2021	1,730,000	120,582	1,850,582	1,125,452	146,315	1,271,767
2022 - 2028	-	-	-	665,000	33,003	698,003
<b>Total</b>	<u>\$ 7,385,000</u>	<u>\$ 900,190</u>	<u>\$ 8,285,190</u>	<u>\$ 2,820,665</u>	<u>\$ 431,056</u>	<u>\$ 3,251,721</u>

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

NOTE 4 - OTHER INFORMATION

Property Taxes

Township property taxes are attached as an enforceable lien on property as of December 1. Taxes are levied December 1 and are due without penalty on or before February 14. These tax bills include the Township's own property taxes and taxes billed on behalf of Grand Traverse County and the school districts within the Township boundaries.

Real property taxes not collected as of March 1 are turned over to Grand Traverse County for collection, which advances the Township 100% for the delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Inventories

Peninsula Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items recorded as expenses when purchased.

Pension Plans

Defined Contribution Pension

The Township participates in a defined contribution pension plan for Michigan Township employees under contract with the John Hancock Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolutions.

A. Eligibility Requirements

1. Attained age of 18
2. All elected officials and full-time non-seasonal employees

B. Contributions

1. 13% of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.
4. Eligible employees may make voluntary contributions through payroll withholdings in amounts ranging from one to ten percent of compensation.

C. Vesting

1. Contributions are vested to the employee after 20 months of service at 100%

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the audit year, the total contribution for the plan year was \$47,106. Covered payroll for the year was \$362,354 with total payroll for all employees of \$713,898. The plan was funded at the required contribution amount.

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Joint Venture

The Township entered into a master sewer agreement effective July 1, 1987 through June 30, 2011 and supplemented July 1, 1993, August 13, 1998, and March 31, 2003 with the additions of the City of Traverse City, the Townships of Peninsula, East Bay, and Acme in Grand Traverse County, the Township of Elmwood in Leelanau County and with Grand Traverse County. This master sewer agreement defines the allocation of costs and establishes certain rights and responsibilities with respect to the Wastewater Treatment Plant. Grand Traverse County is the owner of the Treatment Plant and the City of Traverse City is the owner of all the multi-user facilities. Ownership of the Treatment Plant will revert to the City of Traverse City when certain bonds issued by Grand Traverse County are retired.

The City of Traverse City is the exclusive manager of the plant for the benefit of itself and the Township. As the exclusive manager, the City of Traverse City has the obligation to fully inform and advise the Townships as to the Treatment Plant's operations and the Townships shall have the right to comment on all matters connected with the administration of the plant. Prior to June 30, the City of Traverse City shall submit a proposed budget for the operation of the Treatment Plant for the year commencing July 1. The Townships have thirty days in which to comment on the proposed budget.

Each of the parties of the agreement is entitled to make use of a portion of the Treatment Plant's capacity as follows:

<u>Party</u>	<u>Capacity Right</u>
City of Traverse City	60.00%
Garfield Township	25.46
East Bay Township	2.78
Elmwood Township	2.77
Acme Township	6.17
Peninsula Township	<u>.86</u>
	<u>100%</u>

Each participant in the joint venture pays an amount sufficient to cover their pro rata share of the treatment plant costs. Each participant's pro rata share is determined by their volume of sewage treated in relation to total sewage treated at the plant.

The Township is also liable for a portion of the Treatment Plant's debt. A portion of the liability is fixed and a portion is determined on a biannual basis based upon the amount of the Township's flows through the Treatment Plant. The Township's portion of Treatment Plant debt is estimated as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 15,222	\$ 4,496
2017	15,738	3,879
2018	16,426	3,235
2019	17,200	2,563
2020	17,914	1,930
2021-23	<u>37,556</u>	<u>1,450</u>
<b>Total</b>	<b><u>\$ 120,056</u></b>	<b><u>\$ 17,553</u></b>

Peninsula Township  
Notes to Financial Statements  
March 31, 2016

Commitments and Contingencies

The Township is contingently liable in connection with bonds issued to construct and operate a waste water treatment septage plant in Grand Traverse County. It currently appears that the facility may begin to operate at a deficit, in which case the Township and other guarantors would be required to fund the operating deficit. At the present time, it is not known whether such a deficit will occur, but if the Township is ultimately required to provide funding, it will be in the form of a loan with repayment provisions.

In addition, in the normal course of operations, the Township becomes a party to various claims and lawsuits. In the opinion of the legal counsel and Township management, the ultimate resolution of such matters will not have a material effect on the financial position of the Township.

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. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

Prior Period Adjustments

During the current year, it was determined that certain prior year expenditures were not properly recorded. To correct this error, the beginning balance of the General Fund of \$725,954, as originally reported, was increased to \$752,372.

It was determined that bonds on the Water Fund were overstated. To correct this error, the beginning balance of the Water Fund of \$1,928,272, as originally reported, was reduced to \$1,772,272.

Subsequent Events

In preparing the accompanying financial statements, the Township officials have evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to March 31, 2016 and prior to July 6, 2016, the date these financial statements were available to be issued. No such significant events or transactions were identified.

SUPPLEMENTAL DATA SECTION

DRAFT

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2016

Schedule 1  
Page 1

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Taxes:</b>				
Property Taxes	\$ 412,000	\$ 412,000	438,528	\$ 26,528
Penalties and Interest on Taxes	4,500	4,500	5,431	931
<b>Licenses and Permits:</b>				
Permits and Fees	15,000	15,000	25,760	10,760
<b>State Grants:</b>				
State Shared Revenues	415,000	415,000	408,233	(6,765)
<b>Charges for Services:</b>				
Summer Tax Collection Fees	1,500	1,500	-	(1,500)
<b>Interest and Rents:</b>				
Interest	4,260	4,260	4,998	738
<b>Other:</b>				
Refunds and Reimbursements	-	-	36,443	36,443
Sale of Fixed Assets	10,000	10,000	9,875	(125)
Miscellaneous	5,000	5,000	11,770	6,770
<b>Total Revenues</b>	<b>867,260</b>	<b>867,260</b>	<b>941,040</b>	<b>73,780</b>
 <u>Expenditures</u>				
<b>Legislative:</b>				
<b>Township Board:</b>				
Salaries and Wages	-	-	21,036	-
Office Supplies	-	-	126	-
Audit and Accounting	-	-	2,319	-
Legal Fees	-	-	10,097	-
Contract Services	-	-	2,280	-
Dues and Memberships	-	-	5,990	-
Mileage	-	-	72	-
Publishing	-	-	1,417	-
Other	-	-	6,723	-
<b>Total</b>	<b>46,837</b>	<b>51,537</b>	<b>50,060</b>	<b>1,477</b>
<b>Total Legislative</b>	<b>46,837</b>	<b>51,537</b>	<b>50,060</b>	<b>1,477</b>
<b>General Government:</b>				
<b>Township Supervisor:</b>				
Salaries and Wages	-	-	47,612	-
Office Supplies	-	-	85	-
Office Equipment	-	-	63	-
Mileage Reimbursement	-	-	672	-
Education	-	-	1,161	-
<b>Total</b>	<b>48,068</b>	<b>48,968</b>	<b>49,593</b>	<b>(625)</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2016

Schedule 1  
Page 2

<u>Expenditures (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government:</b>				
<b>Executive Activities:</b>				
Salaries and Wages	-	-	28,236	-
Office Supplies	-	-	3,686	-
Contract Services	-	-	7,041	-
Telephone	-	-	1,835	-
Dues and Memberships	-	-	35	-
Other	-	-	37	-
<b>Total</b>	<b>5,045</b>	<b>42,045</b>	<b>41,304</b>	<b>741</b>
<b>Elections:</b>				
Salaries and Wages	-	-	16,953	-
Office Supplies	-	-	1,236	-
Contract Services	-	-	246	-
Telephone	-	-	295	-
Mileage Reimbursement	-	-	250	-
Publishing	-	-	74	-
Education and Training	-	-	1,625	-
<b>Total</b>	<b>28,045</b>	<b>22,074</b>	<b>20,679</b>	<b>1,395</b>
<b>Assessor:</b>				
Salaries and Wages	-	-	57,716	-
Office Supplies	-	-	861	-
Legal Fees	-	-	2,171	-
Computer Services	-	-	96	-
Assessing Services	-	-	1,663	-
Telephone	-	-	704	-
Mileage Reimbursement	-	-	1,082	-
Printing and Publishing	-	-	102	-
Dues and Memberships	-	-	250	-
Education and Training	-	-	824	-
Other	-	-	502	-
Software Support	-	-	1,412	-
<b>Total</b>	<b>75,308</b>	<b>68,308</b>	<b>67,383</b>	<b>925</b>
<b>Clerk:</b>				
Salaries and Wages	-	-	68,936	-
Office Supplies	-	-	769	-
Software Support	-	-	63	-
Contract Services	-	-	2,245	-
Telephone	-	-	295	-
Dues and Subscriptions	-	-	635	-
Mileage	-	-	598	-
Education	-	-	1,673	-
<b>Total</b>	<b>75,336</b>	<b>75,336</b>	<b>75,214</b>	<b>122</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2016

Schedule I  
Page 3

<u>Expenditures (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government (Continued):</b>				
Board of Review:				
Salaries and Wages	-	-	1,275	-
Office Supplies	-	-	1,924	-
Publishing	-	-	83	-
Total	<u>4,715</u>	<u>4,715</u>	<u>3,282</u>	<u>1,433</u>
Treasurer:				
Salaries and Wages	-	-	71,057	-
Office Supplies	-	-	3,730	-
Contract Services	-	-	2,485	-
Telephone	-	-	502	-
Mileage Reimbursement	-	-	2,685	-
Printing and Publishing	-	-	139	-
Dues and Subscriptions	-	-	50	-
Other	-	-	795	-
Total	<u>80,862</u>	<u>82,167</u>	<u>81,423</u>	<u>639</u>
Township Hall and Grounds:				
Operating Supplies	-	-	699	-
Contract Services	-	-	28,562	-
Cemetery Sexton	-	-	5,400	-
Electricity	-	-	4,780	-
Heat	-	-	2,421	-
Maintenance and Repairs	-	-	21,773	-
Total	<u>64,700</u>	<u>66,200</u>	<u>63,635</u>	<u>2,565</u>
<b>Total General Government</b>	<u>413,108</u>	<u>409,708</u>	<u>402,513</u>	<u>7,195</u>
Public Safety:				
Zoning Administrator/Planner:				
Salaries and Wages	-	-	56,802	-
Supplies	-	-	685	-
Legal Fees	-	-	333	-
Contract Services	-	-	9,901	-
Telephone	-	-	578	-
Mileage	-	-	679	-
Education	-	-	771	-
Total	<u>64,852</u>	<u>70,452</u>	<u>69,749</u>	<u>703</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended March 31, 2016

Schedule 1  
Page 4

<u>Expenditures (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Planning Commission:				
Salaries and Wages	-	-	4,330	-
Office Supplies	-	-	33	-
Legal Fees	-	-	9,068	-
Contract Services	-	-	9,125	-
Dues and Subscriptions	-	-	573	-
Printing and Publishing	-	-	1,560	-
Education	-	-	660	-
Total	<u>16,000</u>	<u>29,450</u>	<u>25,349</u>	<u>4,101</u>
Zoning Board of Appeals:				
Salaries and Wages	-	-	32,377	-
Office Supplies	-	-	291	-
Legal Fees	-	-	18,096	-
Contract Services	-	-	946	-
Telephone	-	-	475	-
Mileage	-	-	214	-
Dues and Subscriptions	-	-	465	-
Printing and Publishing	-	-	2,899	-
Education	-	-	292	-
Total	<u>6,350</u>	<u>61,238</u>	<u>56,055</u>	<u>5,203</u>
Total Public Safety	<u>148,660</u>	<u>161,160</u>	<u>151,153</u>	<u>10,007</u>
Other:				
Employee Health Insurance	90,500	90,500	86,530	3,970
Pension	45,800	47,200	47,106	94
Social Security/Medicare	40,000	28,500	29,170	(670)
Insurance	20,000	20,000	19,717	283
Total	<u>196,000</u>	<u>186,200</u>	<u>182,523</u>	<u>3,677</u>
Capital Outlay	<u>9,500</u>	<u>9,500</u>	<u>12,609</u>	<u>(3,109)</u>
Total Expenditures	<u>814,105</u>	<u>818,105</u>	<u>798,858</u>	<u>19,247</u>
<u>Excess Revenues (Expenditures)</u>	<u>53,155</u>	<u>49,155</u>	<u>142,182</u>	<u>93,027</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	30,000	30,000	48,078	18,078
Operating Transfers (Out)	(36,200)	(36,200)	(35,000)	1,200
Total	<u>(6,200)</u>	<u>(6,200)</u>	<u>13,078</u>	<u>19,278</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 46,955</u>	<u>\$ 42,955</u>	<u>155,260</u>	<u>\$ 112,305</u>
Fund Balance – Beginning of Year			725,954	
Prior Period Adjustment			<u>26,418</u>	
Fund Balance – End of Year			<u>\$ 907,632</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire Fund  
For the Year Ended March 31, 2016

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes:				
Property Taxes	\$ 689,900	\$ 689,900	\$ 681,845	\$ (8,055)
Charges for Services:				
Ambulance and Fire Service	40,000	40,000	30,809	(9,191)
Interest and Rents:				
Interest	-	-	977	977
Other:				
Contributions	-	-	8,870	8,870
Sale of Fixed Assets	-	-	40,145	40,145
Refunds and Reimbursements	250	250	182	(68)
<b>Total</b>	<b><u>730,150</u></b>	<b><u>730,150</u></b>	<b><u>762,828</u></b>	<b><u>32,678</u></b>
<b><u>Expenditures</u></b>				
Salaries and Wages	-	-	367,588	-
Workers Compensation	-	-	45,848	-
Social Security and Medicare	-	-	27,890	-
Benefits	-	-	34,148	-
Pension	-	-	17,075	-
Supplies	-	-	14,040	-
Public Utilities	-	-	12,521	-
Gas and Oil	-	-	10,878	-
Contract Services	-	-	32,824	-
Telephone	-	-	6,281	-
Maintenance and Repairs	-	-	62,069	-
Other	-	-	1,412	-
Printing and Publishing	-	-	1,151	-
Uniforms	-	-	7,956	-
Fire Equipment	-	-	5,789	-
Dues and Subscriptions	-	-	2,754	-
Mileage Reimbursement	-	-	101	-
Education and Training	-	-	5,687	-
Capital Expenditures	-	-	361,735	-
<b>Total</b>	<b><u>869,346</u></b>	<b><u>869,346</u></b>	<b><u>1,017,747</u></b>	<b><u>(148,401)</u></b>
<b><u>Excess Revenues (Expenditures)</u></b>	<b><u>\$ (139,196)</u></b>	<b><u>\$ (139,196)</u></b>	<b><u>(254,919)</u></b>	<b><u>\$ (115,723)</u></b>
Fund Balance – Beginning of Year			<u>640,703</u>	
Fund Balance – End of Year			<u>\$ 385,784</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Purchase of Development Rights Fund  
For the Year Ended March 31, 2016

Schedule 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes:				
Property Taxes	\$ 1,132,860	\$ 1,132,860	\$ 1,128,152	\$ 5,292
Interest and Rents:				
Interest	<u>2,500</u>	<u>2,500</u>	<u>2,319</u>	<u>319</u>
Total	<u>1,135,360</u>	<u>1,135,360</u>	<u>1,140,971</u>	<u>5,611</u>
<b><u>Expenditures</u></b>				
Operating Expenditures	-	-	7,446	-
Debt Service	<u>-</u>	<u>-</u>	<u>906,584</u>	<u>-</u>
Total	<u>1,519,750</u>	<u>1,519,750</u>	<u>914,030</u>	<u>605,720</u>
<b><u>Excess Revenues (Expenditures)</u></b>	<u>\$ (384,390)</u>	<u>\$ (384,390)</u>	<u>226,941</u>	<u>\$ 611,331</u>
Fund Balance – Beginning of Year			<u>1,490,846</u>	
Fund Balance – End of Year			<u>\$ 1,717,787</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 March 31, 2016

Schedule 4

Assets	Special Revenue											Total Nonmajor Governmental Funds
	Police Fund	Parks & Recreation Fund	Hessler Log Home Fund	Senior Center Fund	Pelizzari Natural Area Fund	Dougherty Home Fund	Summer Tax Fund	Road Fund	Building Fund	Cable Council Fund	Debt Service Fund	
Cash in Bank	\$ 125,553	\$ 107,591	\$ 12,559	\$ 23,213	\$ 242,772	\$ 8,687	\$ 827	\$ 3,477	\$ 2,590	\$ 414,244	\$ 1,683	\$ 943,196
Taxes Receivable	3,427	-	-	-	9,295	-	-	-	-	-	-	12,722
Accounts Receivable	-	-	-	-	-	-	32	-	-	21,670	-	21,670
Prepays	-	555	-	823	-	-	-	-	-	-	-	587
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	1,385
<b>Total Assets</b>	<b>\$ 128,980</b>	<b>\$ 108,146</b>	<b>\$ 12,559</b>	<b>\$ 24,036</b>	<b>\$ 252,623</b>	<b>\$ 8,687</b>	<b>\$ 859</b>	<b>\$ 3,477</b>	<b>\$ 2,590</b>	<b>\$ 435,914</b>	<b>\$ 1,683</b>	<b>\$ 979,560</b>
<b>Liabilities and Fund Equity</b>												
<b>Liabilities:</b>												
Accounts Payable	\$ 7	\$ 3,788	\$ -	\$ -	\$ 132	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,939
<b>Total</b>	<b>7</b>	<b>3,788</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,939</b>
<b>Fund Equity:</b>												
Fund Balance - Restricted	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance - Committed	128,973	104,358	12,559	24,036	232,427	8,675	859	3,477	2,590	435,914	1,683	975,621
<b>Total</b>	<b>128,973</b>	<b>104,358</b>	<b>12,559</b>	<b>24,036</b>	<b>232,427</b>	<b>8,675</b>	<b>859</b>	<b>3,477</b>	<b>2,590</b>	<b>435,914</b>	<b>1,683</b>	<b>975,621</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 128,980</b>	<b>\$ 108,146</b>	<b>\$ 12,559</b>	<b>\$ 24,036</b>	<b>\$ 252,623</b>	<b>\$ 8,687</b>	<b>\$ 859</b>	<b>\$ 3,477</b>	<b>\$ 2,590</b>	<b>\$ 435,914</b>	<b>\$ 1,683</b>	<b>\$ 979,560</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds  
 March 31, 2016  
 Schedule 5

	Special Revenue																																																																																																																																																																																																																																																																																																																																																																										
Revenues	Police Fund	Parks & Recreation Fund	Hessler Log Home Fund	Senior Center Fund	Pelizzari Natural Area Fund	Dougherty House Fund	Summit Tax Fund	Road Fund	Building Fund	Cable Council Fund	Debt Service Fund	Total Nonmajor Governmental Funds																																																																																																																																																																																																																																																																																																																																																															
Taxes:													Cash in Bank	\$ 81,724	\$ -	\$ -	\$ -	\$ 298,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,245	Charges for Services:													Fees							14,963			114,049		129,012	Interest and Rents:													Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621
Cash in Bank	\$ 81,724	\$ -	\$ -	\$ -	\$ 298,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,245	Charges for Services:													Fees							14,963			114,049		129,012	Interest and Rents:													Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621													
Charges for Services:													Fees							14,963			114,049		129,012	Interest and Rents:													Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																										
Fees							14,963			114,049		129,012	Interest and Rents:													Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																							
Interest and Rents:													Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																				
Rents	237	1,380	12	54	594	22	2	3	0	5,800	8	7,180	Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																	
Interest		993								2,166		4,100	Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																														
Other:													Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																											
Contributions	9,501	1	813									813	Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																								
Miscellaneous												9,502	Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																					
Total	91,462	2,374	825	54	299,115	22	14,963	3	9	122,015	8	530,852	<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																		
<u>Expenditures</u>													General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																															
General Government													Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																																												
Public Safety	97,166									93		14,996	Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																																																									
Public Works								7,745				97,166	Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																																																																						
Recreation and Culture		91,553	266		1,416							7,745	Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																																																																																			
Debt Service - Principal					495,000							93,235	Debt Service - Interest					47,944							495,000	Total	97,166	91,553	266		544,360		14,903	7,745		93		756,086	Excess Revenues (Expenditures)	(5,704)	(89,179)	559	54	(245,245)	22	62	(7,742)	9	121,922	8	(225,234)	Other Financing Sources (Uses)													Operating Transfers In		\$ 1,000								2,693		37,693	Operating Transfers (Out)		(79,902)								(30,000)		(109,902)	Total		(44,902)								(27,307)		(72,209)	Excess Revenues (Expenditures) and													Other Financing Sources (Uses)	(5,704)	(134,081)	559	54	(245,245)	22	62	(7,742)	9	94,615	8	(297,443)	Fund Balance - Beginning of Year	134,677	238,439	10,000	2,982	497,742	8,653	797	11,219	2,581	341,299	1,675	1,273,064	Fund Balance - End of Year	128,973	104,358	10,559	24,036	252,497	8,675	839	3,477	2,590	435,914	1,683	975,621																																																																																																																																																																																																																
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The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
 Combining Statement of Net Position  
 Non Major Enterprise Funds  
 March 31, 2016

Schedule 6

	<u>Special Revenue</u>					<u>Total Enterprise Funds</u>
	<u>Tower Fund</u>	<u>Lighthouse Fund</u>	<u>Lighthouse Giftshop Fund</u>	<u>Harbor Beach Road Fund</u>	<u>Cell Tower Station Fund</u>	
<b><u>Assets</u></b>						
<b>Current Assets:</b>						
Cash in Bank	\$ 474,616	\$ 19,983	\$ 107,353	\$ 23,486	\$ 26,156	\$ 651,594
Prepays	-	-	-	-	124	124
<b>Total Current Assets</b>	<b><u>474,616</u></b>	<b><u>19,983</u></b>	<b><u>107,353</u></b>	<b><u>23,486</u></b>	<b><u>26,280</u></b>	<b><u>651,718</u></b>
<b>Non-Current Assets:</b>						
Depreciable Capital Assets (Net)	187,961	60,679	-	-	7,194	255,834
<b>Total Assets</b>	<b><u>\$ 662,577</u></b>	<b><u>\$ 80,662</u></b>	<b><u>\$ 107,353</u></b>	<b><u>\$ 23,486</u></b>	<b><u>\$ 33,474</u></b>	<b><u>\$ 907,552</u></b>
<b><u>Current Liabilities</u></b>						
Accounts Payable	\$ -	\$ 507	-	-	-	\$ 507
Due to Other Funds	-	-	3,073	-	-	3,073
<b>Total Current Liabilities</b>	<b><u>-</u></b>	<b><u>507</u></b>	<b><u>3,073</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,580</u></b>
<b><u>Net Position</u></b>						
Net Investment in Capital Assets	187,961	-	-	-	7,194	195,155
Unrestricted	474,616	80,155	104,280	23,486	26,280	708,817
<b>Total Net Position</b>	<b><u>662,577</u></b>	<b><u>80,155</u></b>	<b><u>104,280</u></b>	<b><u>23,486</u></b>	<b><u>33,474</u></b>	<b><u>903,972</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 662,577</u></b>	<b><u>\$ 80,662</u></b>	<b><u>\$ 107,353</u></b>	<b><u>\$ 23,486</u></b>	<b><u>\$ 33,474</u></b>	<b><u>\$ 907,552</u></b>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

Peninsula Township  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non Major Enterprise Funds  
 For the Year Ended March 31, 2016

Schedule 7

	<u>Special Revenue</u>					Total Enterprise Funds
	<u>Tower Fund</u>	<u>Lighthouse Fund</u>	<u>Lighthouse Giftshop Fund</u>	<u>Harbor Beach Road Fund</u>	<u>Contractor Station Fund</u>	
<b><u>Revenues</u></b>						
<b>Operating Revenues</b>						
Rental Income	\$ 123,015	\$ -	\$ 2,345	-	\$ -	\$ 125,360
Program Revenues	-	60,823	43,277	-	-	104,100
<b>Total Operating Revenues</b>	<b>123,015</b>	<b>60,823</b>	<b>45,622</b>	<b>-</b>	<b>-</b>	<b>229,460</b>
<b><u>Expenditures</u></b>						
Contract Services	239	29,937	24,357	-	29	54,562
Depreciation	9,969	771	-	-	950	11,690
<b>Total</b>	<b>10,208</b>	<b>30,708</b>	<b>24,357</b>	<b>-</b>	<b>979</b>	<b>66,252</b>
<b>Operating Income (Loss)</b>	<b>112,807</b>	<b>30,115</b>	<b>21,265</b>	<b>-</b>	<b>(979)</b>	<b>163,208</b>
<b><u>Non Operating Revenues</u></b>						
Interest Income	3,423	80	131	118	75	3,827
Transfers In	5,385	-	79,902	-	-	85,287
<b>Net Non Operating Revenues (Expenses)</b>	<b>8,808</b>	<b>80</b>	<b>80,033</b>	<b>118</b>	<b>75</b>	<b>89,114</b>
<b>Change in Net Position</b>	<b>121,615</b>	<b>30,195</b>	<b>101,298</b>	<b>118</b>	<b>(904)</b>	<b>252,322</b>
<b>Net Position - Beginning of Period</b>	<b>540,962</b>	<b>49,960</b>	<b>2,982</b>	<b>23,368</b>	<b>34,378</b>	<b>651,650</b>
<b>Net Position - End of Period</b>	<b>\$ 662,577</b>	<b>\$ 80,155</b>	<b>\$ 104,280</b>	<b>\$ 23,486</b>	<b>\$ 33,474</b>	<b>\$ 903,972</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
Combining Statement of Cash Flows  
Non Major Enterprise Funds  
For the Year Ended March 31, 2016

Schedule 8

	Special Revenue					Total Enterprise Funds
	Tower Fund	Lighthouse Fund	Lighthouse Giftshop Fund	Harbor Beach Road Fund	Carpenter Station Fund	
<b><u>Operating Activities</u></b>						
Collections of Charges for Services	\$ -	\$ 60,823	\$ 43,277	\$ -	\$ -	\$ 104,100
Collections of Rental Income	123,015	-	2,345	-	-	125,360
Collections of Interest	3,423	80	131	118	85	3,827
Deduct Expenses Using Cash and Cash Equivalents	<u>(239)</u>	<u>(29,994)</u>	<u>(21,284)</u>	<u>-</u>	<u>(90)</u>	<u>(51,547)</u>
Net Cash Flow from Operating Activities	<u>126,199</u>	<u>30,909</u>	<u>24,469</u>	<u>118</u>	<u>45</u>	<u>181,740</u>
<b><u>Capital Financing Activities</u></b>						
Acquisition of Capital Assets	<u>(108,901)</u>	<u>(61,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,351)</u>
<b><u>Non Capital Financing Activities</u></b>						
Transfers In (Out)	<u>5,385</u>	<u>-</u>	<u>79,902</u>	<u>-</u>	<u>-</u>	<u>85,287</u>
Net Cash Flow Provided by (used) by Financing Activities	<u>5,385</u>	<u>-</u>	<u>79,902</u>	<u>-</u>	<u>-</u>	<u>85,287</u>
<b><u>Net Increase (Decrease) in Cash</u></b>	<b>22,683</b>	<b>(30,541)</b>	<b>104,371</b>	<b>118</b>	<b>45</b>	<b>96,676</b>
<b><u>Balance of Cash – Beginning of Year</u></b>	<b>451,933</b>	<b>50,524</b>	<b>2,082</b>	<b>23,368</b>	<b>26,111</b>	<b>554,918</b>
<b><u>Balance of Cash – End of Year</u></b>	<b>\$ 474,616</b>	<b>\$ 19,983</b>	<b>\$ 106,453</b>	<b>\$ 23,486</b>	<b>\$ 26,156</b>	<b>\$ 651,594</b>
<b><u>Net Income (Loss)</u></b>	<b>\$ 116,230</b>	<b>\$ 30,195</b>	<b>\$ 21,396</b>	<b>\$ 118</b>	<b>\$ (904)</b>	<b>\$ 167,035</b>
Add Depreciation and Amortization	9,969	771	-	-	950	11,690
Decrease (Increase) in Prepaids	-	-	-	-	(1)	(1)
Increase (Decrease) in Payables	-	(57)	3,073	-	-	3,016
Net Cash Flow from Operating Activities	<u>\$ 126,199</u>	<u>\$ 30,909</u>	<u>\$ 24,469</u>	<u>\$ 118</u>	<u>\$ 45</u>	<u>\$ 181,740</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
 Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 March 31, 2016

Schedule 9

	<u>Agency</u>					Total Fiduciary Funds
	Trust and Agency Fund	Tax Collection Fund	Library Trust and Agency Fund	EE Medical Benefit Fund	Payroll Fund	
Cash in Bank	\$ 44,918	\$ 65,487	\$ 516,199	\$ 531	\$ 22,060	\$ 649,195
<b>Total Assets</b>	<b>\$ 44,918</b>	<b>\$ 65,487</b>	<b>\$ 516,199</b>	<b>\$ 531</b>	<b>\$ 22,060</b>	<b>\$ 649,195</b>
<b><u>Liabilities</u></b>						
Due to Other Governments	\$ 21,049	\$ -	\$ 516,199	\$ 531	\$ 22,060	\$ 559,839
Due to Other Funds	23,869	-	-	-	-	23,869
Undistributed Taxes and Interest	-	65,487	-	-	-	65,487
<b>Total Liabilities</b>	<b>\$ 44,918</b>	<b>\$ 65,487</b>	<b>\$ 516,199</b>	<b>\$ 531</b>	<b>\$ 22,660</b>	<b>\$ 649,195</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Peninsula Township  
 2015 Property Tax Levy and Collections  
 For the Year Ended March 31, 2016

Schedule 10

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	4.9838	\$ 3,793,704	\$ 3,709,757	\$ 83,944
Commission on the Aging	0.6000	380,000	367,048	13,332
BATA	0.3454	210,978	214,693	4,277
State Education	6.0000	3,792,036	3,726,529	65,507
School District:				
Traverse City	21.1000	5,304,737	5,125,465	179,272
Intermediate School District	2.9313	1,858,417	1,822,115	36,302
Community College	1.4551	1,794,204	1,745,200	48,964
District Library	2.7050	697,636	673,180	24,452
Township:				
General	0.6000	400,573	404,867	14,706
Fire Protection	1.1000	681,311	662,802	22,429
Police	0.1750	82,402	79,514	2,888
Center Road Park	0.4746	300,885	290,339	10,546
Purchase of Development Rights	1.8068	1,145,526	1,105,375	40,151
Special Assessments		17,397	17,579	1,818
Property Tax Administration Fees		298	208	-
<b>Total</b>		<u>\$ 20,493,303</u>	<u>\$ 19,944,715</u>	<u>\$ 548,588</u>
Percent of Levy Collected		97.32%		

The Notes to the Basic Financial Statements are an integral part of this statement.

# PENINSULA TOWNSHIP

13235 Center Road, Traverse City MI 49686

Ph: 231.223.7322 Fax: 231.223.7117

[www.peninsulatownship.com](http://www.peninsulatownship.com)

## Contract for PDR—Purchase of Development Rights Monitoring—2016

This contract is with Gilbert Uithol III and Peninsula Township to monitor PDR contracts for the year ending 12/31/16.

There are 112 parcels with PDR conservation easements. Monitoring shall start by October 1, 2016 and all PDR parcels must be monitored and paper work completed prior to 12/31/2016. There are 15 easements where *Farm and Ranch Lands Protection Program* dollars were used for the PDR. These parcels must be completed and associated paper work submitted to the appropriate government office prior to 11/1/2016.

The township will pay \$43 per parcel for each of the 112 parcels. This includes all field and in-office work. Mr. Uithol will have the use of a township office, copy machine, paper, phones, stamps, and computer while completing the task. He will follow a payment schedule of 50% down and 50% upon completion of the required materials for the task.

The total amount of this contract is \$4816.00 upon completion and submission of the monitoring reports.

Progress reports will be provided by November 4, 2016 for the Township Board's November 11, 2016 meeting. Final report is due December 6, 2016, for the Township Board's December 13, 2016 meeting.

\_\_\_\_\_  
Gilbert Uithol III

\_\_\_\_\_  
Rob Manigold, Township Supervisor

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

# PENINSULA TOWNSHIP

13235 Center Road, Traverse City MI 49686

Ph: 231.223.7322 Fax: 231.223.7117

[www.peninsulatownship.com](http://www.peninsulatownship.com)

## Contract for PDR – Purchase of Development Rights Monitoring – 2015

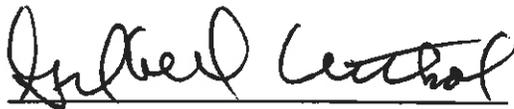
This contract is with Gilbert Uithol III and Peninsula Township to monitor PDR contracts for the year ending 12/31/15.

There are 112 parcels with PDR conservation easements. Monitoring shall start by September 1, 2015 and all PDR parcels must be monitored and paper work completed prior to 10/31/15. There are 15 easements where *Farm and Ranch Lands Protection Program* dollars were used for the PDR. These parcels must be completed and associated paper work submitted to the appropriate government office prior to the 11/2/15 due date.

The Township will pay \$40 per parcel for each of the 112 parcels. This includes all field and in-office work. Mr. Uithol will have the use of a township office, copy machine, paper, phones and computer while completing the task.

The total amount of this contract is \$4480 upon completion of the monitoring reports.

Progress reports will be provided by October 5, 2015 for the Township Board's October 13, 2015 meeting. Final report is due November 2, 2015 for the Township Board's November 10, 2015 meeting.



Gilbert Uithol III



Pete Correia, Township Supervisor

7-21-15

Dated

7/21/15

Dated

# Peninsula Township Invoice Approval Report

VENDOR	DESCRIPTION/DISTRIBUTION	AMOUNT
YOUNG, GRAHAM, ELSENHEIMER	AUGUST 2016	\$30.00
	<i>591-000-801.000</i>	<i>30.00</i>
YOUNG, GRAHAM, ELSENHEIMER	AUGUST 2016 SEWER	\$30.00
	<i>590-000-801.000</i>	<i>30.00</i>
YOUNG, GRAHAM, ELSENHEIMER	AUGUST 2016	\$10,393.50
	<i>101-101-967.BMR</i>	<i>744.00</i>
	<i>101-101-801.KAH</i>	<i>31.00</i>
	<i>101-101-801.000</i>	<i>1,643.00</i>
	<i>101-209-801.000</i>	<i>62.00</i>
	<i>101-101-801.000</i>	<i>201.50</i>
	<i>206-000-801.000</i>	<i>62.00</i>
	<i>101-101-801.000</i>	<i>62.00</i>
	<i>101-209-801.000</i>	<i>46.50</i>
	<i>101-101-801.KAH</i>	<i>46.50</i>
	<i>101-209-801.000</i>	<i>31.00</i>
	<i>101-101-801.KAH</i>	<i>31.00</i>
	<i>101-410-801.000</i>	<i>589.00</i>
	<i>101-101-801.000</i>	<i>1,209.00</i>
	<i>297-000-801.000</i>	<i>10.00</i>
	<i>101-101-801.000</i>	<i>20.00</i>
	<i>101-400-801.000</i>	<i>20.00</i>
	<i>101-420-801.000</i>	<i>40.00</i>
	<i>206-000-801.000</i>	<i>20.00</i>
	<i>208-751-801.000</i>	<i>30.00</i>
	<i>101-410-801.000</i>	<i>3,983.50</i>
	<i>101-101-801.000</i>	<i>465.00</i>
	<i>101-410-801.000</i>	<i>124.00</i>
	<i>101-420-801.000</i>	<i>914.50</i>
	<i>101-101-801.000</i>	<i>8.00</i>
<b>Total:</b>		<b>\$10,453.50</b>

YOUNG, GRAHAM, ELSENHEIMER & WENDLING, P.C.  
Attorneys at Law  
P.O. Box 398  
Bellaire, MI 49615  
(231) 533-8635

Invoice submitted to:  
Peninsula Township  
Monica A. Hoffman, Clerk  
13235 Center Road  
Traverse City, MI 49686

September 09, 2016

Invoice # 19618

RECEIVED  
CLERK

Professional Services

	<u>Amount</u>
<u>Braemar Estates SAD</u>	
8/1/2016 reviewed emails from Sally regarding Buchan signing easement and Old Mission Estates easement	31.00
8/3/2016 draft memo regarding reasons for tabling public hearing and continuing it at a later date; draft language for public hearing on agenda; email to Sally and Monica regarding memo and language for agenda	139.50
telephone call from Mrs. Soutear regarding memo to table and continue public hearing	46.50
telephone call from attorney Quandt regarding special assessment district	31.00
reviewed email with attachment from Sally to Joe Quandt regarding Olivia Lagina Trust	15.50
8/4/2016 reviewed email from Sally regarding Ben Buchan voicemail	31.00
reviewed email from Joe Quandt and email from Jim Cook regarding remaining issues	46.50
8/5/2016 reviewed email from Joe Quandt regarding public hearing; reviewed email from Jim Cook regarding calculations for proposed infrastructure in county road right-of-way	31.00
8/11/2016 call with Scott Conaway regarding authorized signatories and address of Association	31.00
email Sally Old Mission Estates grant of easement	31.00
8/18/2016 reviewed email and attachment from Brian Boals with revised project cost information	31.00
reviewed series of emails from Joe Quandt and Jim Cook regarding special assessment district and request for update on costs related to culverts on road commission right-of-way	46.50

	<u>Amount</u>
8/22/2016 reviewed series of emails from Scott Conaway, Joe Quandt and Jim Cook regarding special assessment district	31.00
8/26/2016 revised legal notice	62.00
letter to Sally regarding road commission's percentage of assessment	108.50
8/30/2016 reviewed road commission letter regarding changes to the special assessment district engineering plans and a possible amendment to the agreement between the road commission and township	31.00

SUBTOTAL:

101101967. 744.00  
BMR

Kahn lawsuit

8/30/2016 received and reviewed copy of email from attorney Millar regarding Kahn lawsuit	31.00
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SUBTOTAL:

101101801. 31.00  
KAH

Komendera lawsuit

8/3/2016 e-file appearance in the Michigan Supreme Court	31.00
8/4/2016 brief review of appellant's appeal to Michigan Supreme Court, copy to client	77.50
8/17/2016 received and reviewed appearance of attorney Settles	31.00
8/23/2016 begin review of documents and drafting of response brief to appellants request for leave to appeal to the state supreme court	465.00
8/24/2016 complete draft of response brief to appellants brief requesting leave to appeal to the state supreme court	465.00
8/25/2016 complete editing of brief, go through and make sure exhibits are correct and up to date and prepare to file brief in response to appellants request for leave to appeal to the state supreme court	542.50
8/26/2016 e-file response brief and exhibits	31.00

SUBTOTAL:

101101801 1,643.00

Miscellaneous/General

8/3/2016 telephone call from attorney Hullman concerning Hovey property matter; telephone call to township assessor regarding matter; telephone call to attorney Hullman, left message	62.00
8/7/2016 email from attorney Settles with copy of letter sent to township which alleges ethics policy violation; reviewed ethics policy; interoffice conference regarding legal research to be done	201.50

101101801

	<u>Amount</u>
8/10/2016 email from city attorney regarding status of agreement for city fire helping township fire with fire protection review and report; reply to city attorney	206000801 62.00
8/12/2016 legal research regarding code of ethics and trustee being fair and impartial; email to JGY regarding memos written to township regarding this and Judge Roger's analysis of code of ethics	101101801 62.00
8/22/2016 received and reviewed email from attorney Gersch regarding Hovey property; telephone call to township assessor regarding matter	101209801 46.50
return telephone call to attorney Millar regarding land division lawsuits	101101801 46.50
received and reviewed copy of email from township assessor regarding Hovey property;	
received and reviewed email from attorney Gersch regarding matter	101209801 31.00
8/30/2016 received and reviewed copy of email from trustee Rosi to attorney Millar regarding Kahn lawsuit	101101801 31.00
 SUBTOTAL:	 [ 542.50]
 <u>Planning Commission</u>	
8/15/2016 review of draft ordinance language from McKenna, detailed memo regarding same	232.50
8/22/2016 prepare for and attend planning commission meeting	356.50
 SUBTOTAL:	 101410801 589.00
 <u>Prosecuting Attoreny lawsuit</u>	
8/17/2016 received and reviewed email from attorney Millar regarding Kahn motion to consolidate cases; telephone call to attorney Millar regarding matter, left message	46.50
8/24/2016 received and reviewed email from attorney Millar regarding prosecuting attorney lawsuit; telephone call to attorney Millar regarding matter, left message; telephone call from attorney Millar regarding matter; telephone call to township clerk regarding matter	62.00
8/25/2016 telephone call to township clerk regarding prosecuting attorney lawsuit; email to township clerk and attorney Millar regarding answer to lawsuit	46.50
received and reviewed email from attorney Millar concerning prosecuting attorney lawsuit	31.00
received and reviewed email from attorney Millar with correspondence from prosecuting attorney regarding extension to file answer; telephone call to attorney Millar regarding filing the responsive pleadings	46.50
8/26/2016 return telephone call to insurance attorney regarding coverage concerning prosecuting attorney lawsuit; prepare answer with affirmative defenses; prepare response to motion to consolidate; telephone call to township assessor regarding matter; file and serve pleadings	542.50

	<u>Amount</u>
8/26/2016 received and reviewed email from attorney Millar deeds and briefs concerning case	93.00
8/29/2016 appearance in court for motion to consolidate; meeting with prosecuting attorney and attorney Millar concerning settlement	310.00
8/30/2016 received and reviewed email from attorney Millar regarding prosecuting attorney lawsuit; telephone call to attorney Millar regarding matter, left message	31.00
SUBTOTAL:	[ 1,209.00]
<u>Telephone Retainer</u>	
8/31/2016 September 1 - 30, 2016	200.00
SUBTOTAL:	[ 200.00]
<u>The 81 Condominium</u>	
8/2/2016 email from Settles with fire protection report from Taylor; forward this report to Randy and Michelle; email from Boals regarding his engineering report, the fire access road and private road standards and our fire protection report; reply to Boals; email from Michelle with notice of hearing; review notice; email from Settles regarding new standard and letter to editor from Trustee; reply to Settles; email to Michelle regarding new standard, fire access road and private road standards and ethics issue; email from Settles with letter to editor; telephone call from Settles regarding letter to editor, new standard and hearings	325.50
8/3/2016 telephone call from attorney Settles regarding application for leave to Supreme Court and applicable court rules	62.00
reviewed township subdivision control ordinance; reviewed state statute; reviewed checklist for plat approval; reviewed staff report and notice of hearing; prepare for planning commission hearing on preliminary plat	496.00
8/9/2016 reviewed emails and requests for materials from Jim regarding The 81 and attorney Settles letter regarding ethics policy; telephone call to Jim regarding same	31.00
8/10/2016 email from planner with township's fire protection report; reviewed report; telephone call from Settles regarding their expert revising their report	155.00
8/11/2016 reviewed email from Settles to planner with email from GTCRC regarding fire access road	31.00
8/14/2016 reviewed planning commission agenda packet for planning commission meeting including materials related to O'Grady subdivision and preliminary plat; meeting with planner regarding incomplete information for preliminary plat review; reviewed township subdivision control ordinance and Land Division Act regarding pre-preliminary hearing; attend public hearing with planning commission regarding subdivision	589.00
reviewed report from township engineer regarding fire access road	62.00

101101801

297000801 10

101101801-20 590000801

161400801-20 891000801

101420801-40

266000801-20

208751801-30

	<u>Amount</u>
8/16/2016 reviewed email from attorney Settles to planner with revised independent fire protection report; reviewed report; telephone call from planner regarding new report, supplemental report from fire chief and her draft of revised findings of fact	155.00
8/19/2016 telephone call from attorney Settles regarding proposed findings of fact - he will send comments via email; email from planner with supplement drawings for fire access road; reply to planner; reviewed email from Settles; reviewed agenda packet and draft findings of fact	341.00
8/20/2016 reviewed notes from review of findings of fact; email to Settles and planner regarding proposed findings of fact and whether more clarity is needed	124.00
8/22/2016 email from attorney Settles regarding changes to findings of fact and replying to my email; email from planner with SESC permit just filed and with question; reply to planner answering her question; reviewed email from planner to board members with the new document; telephone call to planner regarding changing findings of fact to make clear that only the issues remanded by the judge are being considered; telephone call from attorney Settles regarding presence of township engineer; reviewed email from board member with a question about cul-de-sac and fire code; reviewed both reports of fire chief	294.50
8/23/2016 meeting with planner; reviewed proposed findings of fact made by planner; reviewed letters from public; reviewed proposed findings of fact made by Howard and report from Groebel; meeting with fire chief regarding width of road to water and IFC; recechecked report from applicant's fire expert to see if road width addressed; multiple telephone calls with Settles regarding procedural issues in light of road width and failure of anyone to address justification for smaller road width; attend public hearing	1,085.00
8/24/2016 telephone call to attorney Settles regarding special meeting for remand issues once applicant submits new information regarding road width; email from Settles with planner's email to him regarding new zoning provisions and applicability of new provision to project in context of judge's decision and applicable law; telephone conference with Settles regarding need to review court decision	170.50
8/25/2016 email from Settles regarding zoning ordinance amendment not being an issue in the planned unit development; reply to Settles	62.00
 SUBTOTAL:	 <u>3,983.50</u>
<u>Township Board</u>	
8/9/2016 prepare for and attend township board meeting	356.50
8/11/2016 memo to township board regarding master plan and zoning ordinance	108.50
 SUBTOTAL:	 <u>465.00</u>
<u>Vineyard Ridge</u>	
8/22/2016 letter to Michelle answering questions regarding special use permit 127	124.00

1014108501

1011018501

[ 3,983.50]

[ ✓ 465.00]

Amount

SUBTOTAL:

101410601

[ 124.00]

Zoning Matters

8/1/2016	two emails from attorney Steve Fox regarding Bonobo winery submission of request for guest activity permit; telephone call to Fox regarding issues pertaining to same	46.50
8/2/2016	email from attorney Greg Luyt with attachments regarding Bowerman Lockhart matter, respond	31.00
8/3/2016	review email from township planner regarding Windsor Court dock usage	31.00
8/4/2016	email from attorney Fox regarding follow up on Oosterhouse request for guest activity uses, respond	31.00
8/11/2016	prepare for and attend the zoning board of appeals meeting, meet early with Michelle regarding same	372.00
8/13/2016	review zoning ordinance amendment concerning signs; detailed memo to township planner regarding results of review	263.50
	review email from attorney Gersch concerning former Hovey property; review zoning ordinance; email to attorney Gersch concerning matter, with copy to township assessor and township planner	46.50
8/15/2016	received and reviewed copy of email from township planner with comments concerning review of sign zoning ordinance amendment	31.00
	email from attorney Fox regarding information for enforcement of Bonobo, respond	31.00
8/25/2016	received and reviewed email from township planner regarding proposed Windsor Court letter; review letter; email to township planner regarding results of review	31.00

SUBTOTAL:

101420801

914.50]

For professional services rendered

\$10,445.50

Additional Charges :

Prosecuting Attoreny lawsuit

8/26/2016	13th Circuit Court TrueFiling fee - appearance, answer to complaint and response to motion	8.00
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101101801

SUBTOTAL:

[ 8.00]

Total additional charges

\$8.00

	<u>Amount</u>
Total amount of this bill	<u>\$10,453.50</u>
Previous balance	\$6,863.00
Accounts receivable transactions	
8/9/2016 Payment - thank you. Check No. 33970	(\$6,803.00)
8/9/2016 Payment - thank you. Check No. 1432	(\$30.00)
8/9/2016 Payment - thank you. Check No. 2361	(\$30.00)
Total payments and adjustments	<u>(\$6,863.00)</u>
Balance due	<u><u>\$10,453.50</u></u>

The above billing is for services through August 31, 2016.

10393,50

**Proposal to...**  
**Peninsula Township, Grand Traverse County MI**  
**September 15, 2016**  
**Project Contact: Sheri Trotter**

**Training**

General Ledger .NET, Accounts Payable .NET, Cash Receipting .NET, Payroll .NET and Bank Reconciliation Process **\$3,400**  
*Four days at \$850/day*  
*New Clerk and Treasurer training*

**Travel Expenses**

**\$1,180**

**TOTAL, TRAINING AND TRAVEL \$4,580**

**Signature constitutes an order for products and services as quoted.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**Please complete the following for our records:**

Project Contact Name \_\_\_\_\_ Title \_\_\_\_\_

Phone/Fax \_\_\_\_\_ Email \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

*BS&A Software*  
*14965 Abbey Lane Bath MI 48808*  
*(855) BSA-SOFT / fax (517) 641-8960*  
*bsasoftware.com*

*Questions? Please call Sheri Trotter*  
*at the number shown, or email*  
*[inquiry@bsasoftware.com](mailto:inquiry@bsasoftware.com)*

**Prices good for a period of 90 days from date on quote.**

*Peninsula Township, Grand Traverse County MI. September 15, 2016.*