

Peninsula Township
Grand Traverse County, Michigan
Audit Report
For the Year Ended March 31, 2020

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INTRODUCTORY SECTION

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, 2020 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, disbursements 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 decreased by \$53,724 from the prior year and totaled \$445,212 at March 31, 2020.

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 \$1,452,463, charges for services of \$119,191, and earned interest of \$21,143. Expenditures were \$1,345,463. The fund balance at March 31, 2020 was \$1,990,458.

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 \$1,291,695, and earned interest of \$28,566. Expenses consisted principally of the purchase of development rights and debt service. The fund balance at March 31, 2020 was \$2,131,833.

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, 2020.

Property Tax Collections

The collection and distribution of the 2019 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 2019 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 this audit.

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

FINANCIAL SECTION

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, 2020, 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, 2020, 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 46 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
September 24, 2020

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, 2020.

Financial Highlights

The assets of Peninsula Township exceeded its liabilities at the close of the most recent fiscal year by \$28,123,885. Of this amount, \$8,265,418 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 \$6,432,506, an increase of \$677,522 in comparison with the prior year. Approximately 7% of the total amount, \$445,212 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 \$445,212 or 38% of the total general fund expenditures.

The Township's total long-term debt decreased by \$530,994 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 gift shop, 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 32 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 \$28,123,885 at the close of the most recent fiscal year.

A significant portion of the Township's net position, seventy percent, reflects 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 repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Township's Net Position					
	2020 Governmental Activities	2020 Business-Type Activities	Total	2019 Governmental Activities	2019 Business-Type Activities	Total
Current and Other Assets	\$ 6,786,635	\$ 1,910,775	\$ 8,697,410	\$ 6,169,758	\$ 1,942,139	\$ 8,111,897
Capital Assets	<u>21,498,373</u>	<u>5,349,483</u>	<u>26,847,856</u>	<u>21,496,151</u>	<u>5,460,109</u>	<u>26,956,260</u>
Total Assets	<u>28,285,008</u>	<u>7,260,258</u>	<u>35,545,266</u>	<u>27,665,909</u>	<u>7,402,248</u>	<u>35,068,157</u>
Long-term Liabilities	5,019,898	1,945,353	6,965,251	5,281,243	2,215,002	7,496,245
Other Liabilities	<u>354,129</u>	<u>102,001</u>	<u>456,130</u>	<u>374,085</u>	<u>28,304</u>	<u>402,389</u>
Total Liabilities	<u>5,374,027</u>	<u>2,047,354</u>	<u>7,421,381</u>	<u>5,655,328</u>	<u>2,243,306</u>	<u>7,898,634</u>
Net Position:						
Invested in Capital Assets	16,478,475	3,379,992	19,858,467	16,214,908	3,325,454	19,540,362
Restricted	5,987,294	-	5,987,294	5,296,737	-	5,296,737
Unrestricted	<u>445,212</u>	<u>1,832,912</u>	<u>2,278,124</u>	<u>498,936</u>	<u>1,833,488</u>	<u>2,332,424</u>
Total Net Position	<u>\$ 22,910,981</u>	<u>\$ 5,212,904</u>	<u>\$ 28,123,885</u>	<u>\$ 22,010,581</u>	<u>\$ 5,158,942</u>	<u>\$ 27,169,523</u>

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 (\$2,278,124) 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 \$941,089, accounting for all of the total growth in the net position of the Township.

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues						
Charges for Services	\$ 323,243	\$ 846,890	\$ 1,170,133	\$ 285,124	\$ 933,257	\$ 1,218,381
Operating Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	3,532,923	-	3,532,923	3,736,113	-	3,736,113
State Shared Revenues	561,575	-	561,575	426,913	-	426,913
Unrestricted Investments						
Earnings	85,189	36,527	121,716	52,407	19,259	71,666
Miscellaneous	<u>172,481</u>	<u>-</u>	<u>172,481</u>	<u>166,145</u>	<u>-</u>	<u>166,145</u>
Total Revenues	<u>4,675,411</u>	<u>883,417</u>	<u>5,558,828</u>	<u>4,666,702</u>	<u>952,516</u>	<u>5,619,218</u>
Program Expenses						
Legislative	98,090	-	98,090	218,333	-	218,333
General Government	922,430	-	922,430	867,764	-	867,764
Public Safety	1,628,954	-	1,628,954	1,256,542	-	1,256,542
Public Works	105,346	829,455	934,801	90,206	723,444	813,650
Recreation and Cultural	92,333	-	92,333	105,723	-	105,723
Interest on Long-term Debt	<u>887,169</u>	<u>-</u>	<u>887,169</u>	<u>164,619</u>	<u>-</u>	<u>164,619</u>
Total Expenses	<u>3,734,322</u>	<u>829,455</u>	<u>4,563,777</u>	<u>2,703,187</u>	<u>723,444</u>	<u>3,426,631</u>
Change in Net Position	941,089	53,962	995,051	1,963,515	229,072	2,192,587
Net Position – Beginning of Year	<u>21,969,892</u>	<u>5,158,942</u>	<u>27,128,834</u>	<u>20,047,066</u>	<u>4,929,870</u>	<u>24,976,936</u>
Net Position – End of Year	<u>\$ 22,910,981</u>	<u>\$ 5,212,904</u>	<u>\$ 28,123,885</u>	<u>\$ 22,010,581</u>	<u>\$ 5,158,942</u>	<u>\$ 27,169,523</u>

Business-type activities: Business-type activities increased the Township's net position by \$53,962.

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 a 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 \$6,432,506, an increase of \$677,522 in comparison with the prior year.

Approximately 7% of the total amount, \$445,212, 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 \$445,212 and the total fund balance was \$414,212. The fund balance of the Township's general fund decreased by \$53,724 during the current fiscal year.

Details of the Township's General Fund are contained in the Statement of Revenues, Expenditures and Changes 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 \$5,212,904. The total increase in net position was \$53,962. Other factors concerning the finances of the fund have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

The township adopts an annual appropriated budget for its general fund, special revenue funds, debt service funds, and capital projects funds. The Township receives financials at their monthly board meetings. Budget amendments are voted and approved at these monthly meetings, if necessary. General fund revenues were more than the budget by \$121,298. Expenditures were more than the budget by \$28,777.

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, 2020, amounts to \$26,847,856 (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 decreased by \$108,404.

Details of the Township's capital assets are contained in the notes to the financial statements on page 27 and 28.

Long-term debt: At the end of the current fiscal year, the Township had total bonded and installment debt outstanding of \$6,965,251. 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.

Pension Plan

The Township participates in a defined contribution pension plan through John Hancock Life Insurance. The Township makes contributions on a graduated schedule based on each employee's wage. This is an expensed item in the budget and totaled \$134,071 for the fiscal year.

Economic Factors and Next Year's Budgets

We anticipate the following changes for the 2020/2021 budget. A new fire station #3 has begun construction with a projected budget of \$1M - \$1.1M. Financing has been secured with a local lending institution (State Savings Bank) in the amount of \$880,000. We anticipate a decrease in state revenue share due to extended shut down of various state wide revenue generating functions as a result of Covid-19. As of this report it is too soon to project the anticipated revenue share decrease.

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, 2020

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$ 6,103,529	\$ 1,670,160	\$ 7,773,689
Accounts Receivable	288,646	43,480	332,126
Special Assessments Receivable	-	34,326	34,326
Inventories	-	12,934	12,934
Prepaid Items	12,529	243	12,772
Due from Other Funds	<u>381,931</u>	<u>59,603</u>	<u>441,534</u>
Total Current Assets	<u>6,786,635</u>	<u>1,820,746</u>	<u>8,607,381</u>
Non-Current Assets:			
Special Assessments Receivable (long-term)	-	90,029	90,029
Non Depreciable Capital Assets	19,001,864	-	19,001,864
Depreciable Capital Assets (net)	<u>2,496,509</u>	<u>5,349,483</u>	<u>7,845,992</u>
Total Assets	<u>28,285,008</u>	<u>7,260,258</u>	<u>35,545,266</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	10,820	41,950	52,770
Due to Other Funds	343,309	60,051	403,360
Long-term Liabilities, Net of Discounts:			
Due Within One Year	1,144,912	272,772	1,417,684
Due in More Than One Year	<u>3,874,986</u>	<u>1,672,581</u>	<u>5,547,567</u>
Total Liabilities	<u>5,374,027</u>	<u>2,047,354</u>	<u>7,421,381</u>
<u>Net Position</u>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	16,478,475	3,379,992	19,858,467
Restricted For:			
Public Safety	1,814,325	-	1,814,325
Public Works	3,516,059	-	3,516,059
Special Assessments	343,758	-	343,758
Recreation and Culture	313,152	-	313,152
Unrestricted	<u>445,212</u>	<u>1,832,912</u>	<u>2,278,124</u>
Total Net Position	<u>\$ 22,910,981</u>	<u>\$ 5,212,904</u>	<u>\$ 28,123,885</u>

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

Peninsula Township
Statement of Activities
March 31, 2020

Functions/Programs	<u>Expenses</u>	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		<u>Total</u>
		Fees and Charges For Services	Operating & Capital Grants & Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:						
Legislative	\$ 98,090	\$ -	\$ -	\$ (98,090)	\$ -	\$ (98,090)
General Government	922,430	204,052	-	(718,378)	-	(718,378)
Public Safety	1,628,954	119,191	-	(1,509,763)	-	(1,509,763)
Public Works	105,346	-	-	(105,346)	-	(105,346)
Recreation and Cultural	92,333	-	-	(92,333)	-	(92,333)
Interest on Long-term Debt	<u>887,169</u>	<u>-</u>	<u>-</u>	<u>(887,169)</u>	<u>-</u>	<u>(887,169)</u>
Total Governmental Activities	<u>3,734,322</u>	<u>323,243</u>	<u>-</u>	<u>(3,411,079)</u>	<u>-</u>	<u>(3,411,079)</u>
Business-type Activities:						
Water Fund	335,398	351,176	-	-	15,778	15,778
Sewer Fund	229,584	147,821	-	-	(81,763)	(81,763)
Other Enterprise Funds	<u>264,473</u>	<u>347,893</u>	<u>-</u>	<u>-</u>	<u>83,420</u>	<u>83,420</u>
Total Business-type Activities	<u>829,455</u>	<u>846,890</u>	<u>-</u>	<u>-</u>	<u>17,435</u>	<u>17,435</u>
Total	<u>\$ 4,563,777</u>	<u>\$ 1,170,133</u>	<u>\$ -</u>	<u>(3,411,079)</u>	<u>17,435</u>	<u>(3,393,644)</u>
General Revenues:						
Taxes				3,532,923	-	3,532,923
State Shared Revenues				561,575	-	561,575
Investment Earnings				85,189	36,527	121,716
Miscellaneous				<u>172,481</u>	<u>-</u>	<u>172,481</u>
Total General Revenues				<u>4,352,168</u>	<u>36,527</u>	<u>4,388,695</u>
Change in Net Position				941,089	53,962	995,051
Net Position – Beginning				22,010,581	5,158,942	27,169,523
Prior Period Adjustment				<u>(40,689)</u>	<u>-</u>	<u>(40,689)</u>
Net Position – Ending				<u>\$ 22,910,981</u>	<u>\$ 5,212,904</u>	<u>\$ 28,123,885</u>

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

Peninsula Township
Balance Sheet
Governmental Funds
March 31, 2020

<u>Assets</u>	<u>General</u>	<u>Fire</u>	<u>Purchase of Development Rights Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 200,37	\$ 1,917,156	\$ 2,094,675	\$ 1,818,842	\$ 6,103,529
Taxes Receivable	15,627	48,639	42,675	7,239	114,180
Accounts Receivable	143,903	-	142	30,421	174,466
Prepaid Items	5,735	6,686	-	108	12,529
Due from Other Funds	<u>26,047</u>	<u>23,642</u>	<u>-</u>	<u>332,242</u>	<u>381,931</u>
Total	<u>\$ 464,168</u>	<u>\$ 1,996,123</u>	<u>\$ 2,137,492</u>	<u>\$ 2,188,852</u>	<u>6,786,635</u>

Liabilities and Fund Equity

Liabilities:

Accounts Payable and Other Accruals	\$ 5,074	\$ 5,665	\$ -	\$ 81	10,820
Due to Other Funds	<u>13,882</u>	<u>-</u>	<u>5,659</u>	<u>323,768</u>	<u>343,309</u>
Total	<u>18,956</u>	<u>5,665</u>	<u>5,659</u>	<u>323,849</u>	<u>354,129</u>

Fund Equity:

Fund Balance – Restricted	-	1,990,458	2,131,833	591,497	4,713,788
Fund Balance – Committed	-	-	-	1,273,506	1,273,506
Fund Balance – Unassigned	<u>445,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,212</u>
Total	<u>445,212</u>	<u>1,990,458</u>	<u>2,131,833</u>	<u>1,865,003</u>	<u>6,432,506</u>

Total Liabilities and Fund Equity	<u>\$ 464,168</u>	<u>\$ 1,996,123</u>	<u>\$ 2,137,492</u>	<u>\$ 2,188,852</u>	
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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.	21,498,373
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Long-term liabilities do not use current financial resources and therefore are not reported in the funds.	<u>(5,019,898)</u>
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Net position of governmental activities.	<u>\$ 22,910,981</u>
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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, 2020

	General	Fire	Purchase of Development Rights Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 486,734	\$ 1,452,463	\$ 1,291,695	\$ 302,031	\$ 3,532,923
Licenses and Permits	67,405	-	-	-	67,405
State Grants	561,575	-	-	-	561,575
Charges for Services	131	119,191	-	134,962	254,284
Interest and Rents	6,711	21,143	28,566	29,879	86,299
Other	10,842	133,366	-	28,717	172,925
Total	1,133,398	1,726,163	1,320,261	495,589	4,675,411
<u>Expenditures</u>					
Legislative	98,090	-	-	-	98,090
General Government	740,612	-	65,210	202	806,024
Public Safety	263,750	1,160,640	-	95,388	1,519,778
Public Works	-	-	-	39,019	39,019
Recreation and Culture	-	-	-	86,033	86,033
Other	30,246	-	-	-	30,246
Capital Outlay	54,424	184,823	1,981	123,129	364,357
Debt Service	-	-	1,032,170	116,344	1,148,514
Total	1,187,122	1,345,463	1,099,361	460,115	4,092,061
<u>Excess Revenues (Expenditures)</u>	(53,724)	380,700	220,900	35,474	583,350
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	43,172	-	51,000	94,172
Operating Transfers (Out)	-	-	-	-	-
Total	-	43,172	-	51,000	94,172
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(53,724)	423,872	220,900	86,474	677,522
Fund Balance – Beginning of Year	498,936	1,566,586	1,910,933	1,778,529	
Fund Balance – End of Year	\$ 445,212	\$ 1,990,458	\$ 2,131,833	\$ 1,865,003	

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add – assets acquired	254,157
Deduct – provision for depreciation	(251,935)

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 during the period.	261,345
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Change in net position of governmental activities.	\$ 941,089
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See Independent Auditor’s Report and Accompanying Notes to Basic Financial Statements

Peninsula Township
Statement of Net Position
Proprietary Funds
March 31, 2020

<u>Assets</u>	<u>Business-type Activities – Enterprise Funds</u>			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Current Assets:				
Cash and Cash Equivalents	\$ 200,374	\$ 390,056	\$ 1,079,730	\$ 1,670,160
Accounts Receivable	27,770	11,901	3,809	43,480
Special Assessments Receivable	17,056	17,270	-	34,326
Inventories	-	-	12,934	12,934
Prepaid Items	-	-	243	243
Due from Other Funds	-	57,547	2,056	59,603
Total Current Assets	<u>245,200</u>	<u>476,774</u>	<u>1,098,772</u>	<u>1,820,746</u>
Non-Current Assets:				
Special Assessments Receivable (long-term)	45,997	44,032	-	90,029
Depreciable Capital Assets (net)	<u>3,227,702</u>	<u>1,853,839</u>	<u>267,942</u>	<u>5,349,483</u>
Total Assets	<u>3,518,899</u>	<u>2,374,645</u>	<u>1,366,714</u>	<u>7,260,258</u>
Liabilities				
Accounts Payable and Accrued Expenses	13,471	21,038	7,441	41,950
Due to Other Funds	56,993	-	3,058	60,051
Long-term Liabilities, Net of Discounts:				
Due Within One Year	212,716	60,056	-	272,772
Due in More Than One Year	<u>1,419,160</u>	<u>253,421</u>	<u>-</u>	<u>1,672,581</u>
Total Liabilities	<u>1,702,340</u>	<u>334,515</u>	<u>10,499</u>	<u>2,047,354</u>
Net Position				
Invested in Capital Assets and Intangible Assets, Net of Related Debt	1,641,823	1,584,394	153,775	3,379,992
Unrestricted	<u>174,736</u>	<u>455,736</u>	<u>1,202,440</u>	<u>1,832,912</u>
Total Net Position	<u>\$ 1,816,559</u>	<u>\$ 2,040,130</u>	<u>\$ 1,356,215</u>	<u>\$ 5,212,904</u>

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, 2020

	<u>Business-type Activities – Enterprise Funds</u>			
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<u>Operating Revenues</u>				
Charges for Services	\$ 347,342	\$ 144,084	\$ 224,851	\$ 716,277
Special Assessments	3,834	3,737	-	7,571
Rental Income	-	-	<u>123,042</u>	<u>123,042</u>
Total Operating Revenues	<u>351,176</u>	<u>147,821</u>	<u>347,893</u>	<u>846,890</u>
<u>Operating Expenses</u>				
Contracted Services	191,094	140,749	155,780	487,623
Depreciation and Amortization	<u>93,186</u>	<u>71,104</u>	<u>14,522</u>	<u>178,812</u>
Total Operating Expenses	<u>284,280</u>	<u>211,853</u>	<u>170,302</u>	<u>666,435</u>
Operating Income (Loss)	<u>66,896</u>	<u>(64,032)</u>	<u>177,591</u>	<u>180,455</u>
<u>Non Operating Revenue (Expenses)</u>				
Interest Income	5,759	10,925	19,843	36,527
Interest Expense	<u>(51,118)</u>	<u>(17,731)</u>	<u>-</u>	<u>(68,849)</u>
Net Non Operating Revenues (Expenses)	<u>(45,359)</u>	<u>(6,806)</u>	<u>19,843</u>	<u>(32,322)</u>
Income Before Contributions and Transfers	21,537	(70,838)	197,434	148,133
Transfers In	-	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>(94,171)</u>	<u>(94,171)</u>
Change in Net Position	21,537	(70,838)	103,263	53,962
<u>Net Position at Beginning of Year</u>	<u>1,795,022</u>	<u>2,110,968</u>	<u>1,252,952</u>	<u>5,158,942</u>
<u>Net Position at End of Year</u>	<u>\$ 1,816,559</u>	<u>\$ 2,040,130</u>	<u>\$ 1,356,215</u>	<u>\$ 5,212,904</u>

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, 2020

	Business-type Activities – Enterprise Funds			
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
<u>Operating Activities</u>				
Collections of Charges for Services	\$ 347,342	\$ 144,084	\$ 224,851	\$ 716,277
Collections of Special Assessments	3,834	3,737	-	7,571
Collections of Rental Income	-	-	123,042	123,042
Collections of Interest	5,759	10,925	19,843	36,527
Deduct Expenses Using Cash and Cash Equivalents	<u>(178,212)</u>	<u>(174,950)</u>	<u>(153,374)</u>	<u>(506,536)</u>
Net Cash Flow from Operating Activities	<u>178,723</u>	<u>(16,204)</u>	<u>214,362</u>	<u>376,881</u>
<u>Capital Financing Activities</u>				
Acquisition of Capital Assets	-	-	(68,185)	(68,185)
Principal Payments	<u>(209,649)</u>	<u>(60,000)</u>	<u>-</u>	<u>(269,649)</u>
<u>Non Capital Financing Activities</u>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(94,171)</u>	<u>(94,171)</u>
Net Cash Flow Provided by (Used) by Financing Activities	<u>(209,649)</u>	<u>(60,000)</u>	<u>(162,356)</u>	<u>(432,005)</u>
<u>Net Increase (Decrease) in Cash</u>	(30,926)	(76,204)	52,006	(55,124)
<u>Balance of Cash – Beginning of Year</u>	<u>231,300</u>	<u>466,260</u>	<u>1,027,724</u>	<u>1,725,284</u>
<u>Balance of Cash – End of Year</u>	<u>\$ 200,374</u>	<u>\$ 390,056</u>	<u>\$ 1,079,730</u>	<u>\$ 1,670,160</u>
 <u>Net Income (Loss)</u>				
Add Depreciation and Amortization	93,186	71,104	14,522	178,812
Decrease (Increase) in Receivables	5,195	31,435	(3,155)	33,475
Decrease (Increase) in Prepaids	-	-	(243)	(243)
Increase (Decrease) in Payables	<u>3,439</u>	<u>7,461</u>	<u>5,804</u>	<u>16,704</u>
Net Cash Flow from Operating Activities	<u>\$ 178,723</u>	<u>\$ (16,204)</u>	<u>\$ 214,362</u>	<u>\$ 376,881</u>

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

Peninsula Township
Statement of Fiduciary Net Position
March 31, 2020

<u>Assets</u>	<u>Agency Funds</u>
Cash and Investments	\$ 582,342
Due from other Funds	<u>23,971</u>
Total Assets	<u>606,313</u>
<u>Liabilities</u>	
Due to Other Governments	454,888
Due to Other Funds	58,573
Undistributed Taxes and Interest	<u>92,852</u>
Total Liabilities	<u>606,313</u>
Net Position	<u><u>\$ -</u></u>

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

Peninsula Township
Notes to Financial Statements
March 31, 2020

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 \$734,906,373.

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, "*The 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, 1987 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 nonfiduciary 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, 2020

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 fund:

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

The Water Fund accounts for the operation of the Township's water mains 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, 2020

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, repurchase 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".

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, 2020

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, if applicable.

Unearned Revenue

Unearned revenue arises when resources are received by the Township before it has legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the government has a legal claim to the resources, revenue is recognized. The Township does not have unearned revenue.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Peninsula Township
Notes to Financial Statements
March 31, 2020

Fund Equity

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable 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, 2020, fund balances are composed of the following:

	General Fund	Fire Fund	Purchase of Development Rights Fund	Other Governmental Funds	Total Governmental Funds
Restricted	\$ -	\$ 1,990,458	\$ 2,131,833	\$ 591,497	\$ 4,713,788
Committed	-	-	-	1,273,506	1,273,506
Unassigned	<u>445,212</u>	-	-	-	<u>445,212</u>
 Total Fund Balances	 <u>\$ 445,212</u>	 <u>\$ 1,990,458</u>	 <u>\$ 2,131,833</u>	 <u>\$ 1,865,003</u>	 <u>\$ 6,432,506</u>

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.

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.

Peninsula Township
Notes to Financial Statements
March 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The Township had \$8,479,145 deposited with local financial institutions at March 31, 2020 with a carrying value of \$8,356,031. The Township has \$7,830,005 invested in the Insured Cash Sweep accounts which are 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 no uninsured deposits at March 31, 2020.

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	\$ 7,773,689
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	582,342
Total	\$ 8,356,031
Deposits	\$ 8,354,636
Cash on hand	1,395
Total	\$ 8,356,031

Fair Market Value Disclosure. The township is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices from similar activities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are limited to, repurchase agreements, U.S. government agency securities, corporate securities, and commercial paper.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There are two types of valuation techniques most commonly used and vary depending on the level of investment. These two techniques are the market approach and income approach. The market approach uses prices and other relevant information generated by the market transactions involving identical or similar assets and liabilities. The income approach discounts future amounts to a single current amount and the discount rate used in the process should reflect current market expectations about risks associated with those future cash flows.

The Township does not have any investments that are subject to fair value disclosure.

Peninsula Township
Notes to Financial Statements
March 31, 2020

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In 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 local units of government in Michigan.

Receivables

Receivables in the primary government are as follows:

	<u>Government Activities</u>	<u>Business Activities</u>		
Accounts Receivable	\$ 174,466	\$ 43,480		
Taxes Receivable	114,180	-		
Special Assessments:				
Due within one year	-	34,326		
	<u>\$ 288,646</u>	<u>\$ 77,806</u>		
<u>Capital Assets</u>				
		<u>3/31/19</u>	<u>Additions</u>	<u>Deletions</u>
				<u>3/31/20</u>
Governmental Activities:				
Capital assets not being depreciated - Land	\$ 19,001,864	\$ -	\$ -	\$ 19,001,864
Capital assets being depreciated:				
Buildings and Improvements	536,621	32,529	-	569,150
Vehicles and Equipment	<u>2,766,932</u>	<u>221,628</u>	<u>-</u>	<u>2,988,560</u>
Total capital assets being depreciated	3,303,553	254,157	-	3,557,710
Less Accumulated Depreciation:				
Buildings and improvements	(192,814)	(19,623)	-	(212,437)
Vehicles and Equipment	<u>(1,922,933)</u>	<u>(165,985)</u>	<u>-</u>	<u>(2,088,918)</u>
Total accumulated depreciation	<u>(2,115,747)</u>	<u>(185,608)</u>	<u>-</u>	<u>(2,301,355)</u>
Total capital assets being depreciated, net	<u>1,187,806</u>	<u>68,549</u>	<u>-</u>	<u>1,256,355</u>
Intangible Assets	1,455,678	-	-	1,455,678
Less Accumulated Depreciation	<u>(149,197)</u>	<u>(66,327)</u>	<u>-</u>	<u>(215,524)</u>
Total intangible assets	<u>1,306,481</u>	<u>(66,327)</u>	<u>-</u>	<u>1,240,154</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 21,496,151</u>	<u>\$ 2,222</u>	<u>\$ -</u>	<u>\$ 21,498,373</u>

Peninsula Township
Notes to Financial Statements
March 31, 2020

	<u>3/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/20</u>
Business-type Activities:				
Capital assets not being depreciated - Land	\$ 114,590	\$ -	\$ -	\$ 114,590
Capital assets being depreciated:				
Buildings and Improvements	61,450	68,185	-	129,635
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	<u>8,568,824</u>	<u>68,185</u>	<u>-</u>	<u>8,637,009</u>
Less Accumulated Depreciation				
Buildings and Improvements	(10,914)	(4,553)	-	(15,467)
Sewer and Water Systems	(2,948,243)	(164,289)	-	(3,112,532)
Tower	(220,098)	(9,969)	-	(230,067)
Equipment	<u>(44,050)</u>	<u>-</u>	<u>-</u>	<u>(44,050)</u>
Total accumulated depreciation	<u>(3,223,305)</u>	<u>(178,811)</u>	<u>-</u>	<u>(3,402,116)</u>
Total business-type assets being depreciated, net	<u>5,345,519</u>	<u>(110,626)</u>	<u>-</u>	<u>5,234,893</u>
Business-type Activities Capital Assets, Net	<u>\$ 5,460,109</u>	<u>\$ (110,626)</u>	<u>\$ -</u>	<u>\$ 5,349,483</u>

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

Governmental Activities:	
General Government	\$ 70,132
Public Safety	109,176
Recreation & Culture	6,300
Public Works	<u>66,327</u>
Total depreciation expense – governmental activities	<u>\$ 251,935</u>

Peninsula Township
Notes to Financial Statements
March 31, 2020

Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables as of March 31, 2020 is as follows:

Due From		Due To	
General	\$ 17,453	General	\$ 26,047
Fire	1	Fire	23,643
Parks and Recreation	-	Parks and Recreation	900
PDR	5,659	PDR	-
Landing	320,839	Landing	-
Braemer Drainage	-	Braemer Drainage	34,095
Braemer Road	-	Braemer Road	22,703
Logan Hills	-	Logan Hills	18,369
Logan Maple Terrace	-	Logan Maple Terrace	52,595
Maple Terrace Road	443	Maple Terrace Road	40,119
Maple Terrace Water	-	Maple Terrace Water	63,237
Old Mission Estate Road	-	Old Mission Estate Road	57,026
West Winds Road	-	West Winds Road	43,196
Lighthouse	553	Lighthouse	1,503
Lighthouse Gift Shop	2,505	Lighthouse Gift Shop	553
Sewer Fund	56,993	Sewer Fund	554
Water Fund	-	Water Fund	56,993
Trust and Agency	23,711	Trust and Agency	-
Payroll Imprest	24,250	Payroll Imprest	23,972
Cemetery	2,486	Cemetery	-
Tax	<u>11,055</u>	Tax	<u>443</u>
	<u>\$ 465,948</u>		<u>\$ 465,948</u>

Transfers In/Out consisted of:

Transfers Out		Transfers In	
Tower Fund	<u>\$ 94,171</u>	Fire	\$ 43,172
	<u>\$ 94,171</u>	Parks	50,000
		Dougherty House	<u>1,000</u>
			<u>\$ 94,172</u>

Peninsula Township
Notes to Financial Statements
March 31, 2020

Long-term Debt

A summary of bond and contract transactions for the year ended March 31, 2020, as follows:

Governmental Activities

	Balance <u>3/31/19</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>3/31/20</u>	Due Within <u>One Year</u>
2019 Fire Truck	\$ -	\$ 479,656	\$ 44,441	\$ 435,215	\$ 40,234
2019 Tanker Truck	-	346,030	36,029	310,001	29,678
PDR Bond Series 2005	2,170,000	-	490,000	1,680,000	525,000
General Obligation Limited Tax Refunding 2013	1,965,000	-	460,000	1,505,000	480,000
Special Assessment Bonds Series 2017A	875,000	-	55,000	820,000	55,000
Special Assessment Bonds Series 2017B	345,000	-	20,000	325,000	15,000
Unamortized Interest on 2013 Advance Refunding	<u>(73,757)</u>	<u>-</u>	<u>(18,439)</u>	<u>(55,318)</u>	<u>-</u>
Total Governmental Activities	<u>\$ 5,281,243</u>	<u>\$ 825,686</u>	<u>\$ 1,087,031</u>	<u>\$ 5,019,898</u>	<u>\$ 1,144,912</u>

Business Type Activities

County Wastewater 2011 Bond	\$ 84,441	\$ -	\$ 16,886	\$ 67,555	\$ 17,519
Sewer and Water 2004 Bond	393,000	-	60,000	333,000	60,000
Drinking Water 2008 Bond	1,400,000	-	125,000	1,275,000	130,000
Sewer and Water 2012 Bond	<u>337,561</u>	<u>-</u>	<u>67,763</u>	<u>269,798</u>	<u>65,253</u>
	<u>\$ 2,215,002</u>	<u>\$ -</u>	<u>\$ 269,649</u>	<u>\$ 1,945,353</u>	<u>\$ 272,772</u>

Future debt service maturity payments at March 31, 2020 were as follows:

March 31,	<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>
2021	\$ 1,144,912	\$ 101,574	\$ 1,246,486	\$ 390,328	\$ 89,937	\$ 480,265
2022	1,207,829	82,227	1,290,056	257,763	19,086	276,849
2023	1,265,868	58,654	1,324,522	296,549	9,670	306,219
2024	144,035	33,435	177,470	260,713	4,247	264,960
2025	142,337	31,113	173,450	140,000	18,500	158,500
2026 – 2037	<u>1,170,235</u>	<u>453,179</u>	<u>1,623,414</u>	<u>600,000</u>	<u>37,878</u>	<u>637,878</u>
Total	<u>\$ 5,075,216</u>	<u>\$ 760,182</u>	<u>\$ 5,835,398</u>	<u>\$ 1,945,353</u>	<u>\$ 179,318</u>	<u>\$ 2,124,671</u>

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.

Peninsula Township
Notes to Financial Statements
March 31, 2020

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 \$134,071. Covered payroll for the year was \$1,031,314 with total payroll for all employees of \$1,365,155. The plan was funded at the required contribution amount.

Joint Venture

The Township entered into a master sewer agreement effective July 1, 1987 through June 30, 2014 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 Townships. 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 operations 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	2.73
Acme Township	8.17
Peninsula Township	<u>.86</u>
	<u>100%</u>

Peninsula Township
Notes to Financial Statements
March 31, 2020

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>
2021	\$ 17,519	\$ 1,828
2022	18,152	1,114
2023	<u>18,786</u>	<u>376</u>
Total	<u>\$ 54,457</u>	<u>\$ 3,318</u>

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.

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, 2020 and prior to September 25, 2020, the date these financial statements were available to be issued. No such significant events or transactions were identified.

Prior Period Adjustment

During the current year, it was determined that certain prior year estimated revenues were incorrect in the Special Assessment accounts. To correct this understatement the beginning fund balance of the Special Assessments of \$457,330, as originally reported, was decreased to \$416,641.

Also during the current year it was determined that loans were not allocated correctly between the Sewer and Water Funds. To correct this the Water Fund balance was decreased by \$21,150 and Long-term Debt increased by \$21,150. The Sewer Fund balance was increased by \$21,150 and Long-term Debt decreased by \$21,150.

SUPPLEMENTAL DATA SECTION

Peninsula Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2020

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>		
Taxes:				
Property Taxes	\$ 486,000	\$ 486,000	\$ 473,003	\$ (12,997)
Penalties and Interest on Taxes	2,000	2,000	3,256	1,256
Licenses and Permits:				
Permits and Fees	31,500	31,500	68,959	37,459
State Grants:				
State Shared Revenues	467,000	467,000	561,575	94,575
Charges for Services:				
Summer Tax Collection	10,500	10,500	10,475	(25)
Fees	500	500	131	(369)
Interest and Rents:				
Interest	6,000	6,000	6,711	711
Other:				
Refunds and Reimbursements	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Miscellaneous	8,600	8,600	9,288	688
Total Revenues	1,012,100	1,012,100	1,133,398	121,298
 <u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	22,044	-
Pension	-	-	1,142	-
Social Security/Medicare	-	-	1,977	-
Office Supplies	-	-	762	-
Audit and Accounting	-	-	3,281	-
Legal Fees	-	-	49,634	-
Contract Services	-	-	5,503	-
Dues and Memberships	-	-	1,222	-
Publishing	-	-	12,480	-
Other	-	-	45	-
Total	57,750	57,750	98,090	(40,340)
Total Legislative	57,750	57,750	98,090	(40,340)
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	54,321	-
Pension	-	-	9,254	-
Social Security/Medicare	-	-	5,445	-
Employee Health Insurance	-	-	17,752	-
Office Supplies	-	-	18	-
Office Equipment	-	-	365	-
Mileage Reimbursement	-	-	541	-
Dues and Memberships	-	-	254	-
Education	-	-	116	-
Total	85,735	92,800	88,066	4,734

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, 2020

Schedule 1
Page 2

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
<u>Expenditures (Continued)</u>	Original	Final		
General Government:				
Executive Activities:				
Salaries and Wages	-	-	44,891	-
Pension	-	-	5,836	-
Social Security/Medicare	-	-	3,338	-
Employee Health Insurance	-	-	7,368	-
Employee Benefits	-	-	1,300	-
Office Supplies	-	-	8,397	-
Contract Services	-	-	475	-
Telephone	-	-	5,925	-
Dues and Memberships	-	-	642	-
Other	-	-	57	-
	80,125	80,125	78,229	1,896
Elections:				
Salaries and Wages	-	-	18,985	-
Social Security/Medicare	-	-	855	-
Office Supplies	-	-	11,264	-
Contract Services	-	-	781	-
Mileage Reimbursement	-	-	177	-
Publishing	-	-	82	-
Education and Training	-	-	824	-
	10,090	10,090	32,968	(22,878)
Assessor:				
Salaries and Wages	-	-	77,002	-
Pension	-	-	9,812	-
Social Security/Medicare	-	-	5,731	-
Employee Health Insurance	-	-	11,304	-
Employee Benefits	-	-	1,300	-
Office Supplies	-	-	2,377	-
Legal Fees	-	-	93	-
Computer Services	-	-	3,666	-
Assessing Services	-	-	944	-
Telephone	-	-	730	-
Mileage Reimbursement	-	-	854	-
Printing and Publishing	-	-	-	-
Dues and Memberships	-	-	849	-
Education and Training	-	-	184	-
Office Equipment	-	-	-	-
Other	-	-	-	-
	122,800	122,800	114,846	7,954

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, 2020

Schedule 1
Page 3

<u>Expenditures (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
General Government (Continued):				
Clerk:				
Salaries and Wages	-	-	120,485	-
Pension	-	-	13,030	-
Social Security/Medicare	-	-	8,693	-
Employee Health Insurance	-	-	17,170	-
Employee Benefits	-	-	3,900	-
Office Supplies	-	-	2,857	-
Legal Fees	-	-	1,416	-
Software Support	-	-	3,115	-
Contract Services	-	-	20,007	-
Telephone	-	-	1,275	-
Dues and Subscriptions	-	-	784	-
Mileage	-	-	730	-
Education	-	-	5,416	-
Other	-	-	274	-
Total	<u>187,835</u>	<u>194,900</u>	<u>199,152</u>	<u>(4,252)</u>
Board of Review:				
Salaries and Wages	-	-	1,575	-
Social Security/Medicare	-	-	120	-
Dues and Subscriptions	-	-	1,017	-
Publishing	-	-	449	-
Total	<u>4,700</u>	<u>4,700</u>	<u>3,161</u>	<u>1,539</u>
Treasurer:				
Salaries and Wages	-	-	119,531	-
Pension	-	-	15,358	-
Social Security/Medicare	-	-	9,995	-
Employee Health Insurance	-	-	27,971	-
Employee Benefits	-	-	1,300	-
Office Supplies	-	-	5,946	-
Contract Services	-	-	6,544	-
Software Support	-	-	4,411	-
Telephone	-	-	914	-
Mileage Reimbursement	-	-	232	-
Dues and Subscriptions	-	-	672	-
Education and Training	-	-	994	-
Total	<u>194,135</u>	<u>201,200</u>	<u>193,868</u>	<u>7,332</u>
Township Hall and Grounds:				
Operating Supplies	-	-	2,815	-
Contract Services	-	-	17,441	-
Cemetery Sexton	-	-	-	-
Electricity	-	-	6,888	-
Heat	-	-	3,173	-
Maintenance and Repairs	-	-	17,757	-
Total	<u>31,800</u>	<u>31,800</u>	<u>48,074</u>	<u>(16,274)</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, 2020

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>		
Total General Government	<u>717,220</u>	<u>738,415</u>	<u>758,364</u>	<u>(19,949)</u>
Public Safety:				
Planning Administrator:				
Salaries and Wages	-	-	87,708	-
Pension	-	-	10,518	-
Social Security/Medicare	-	-	6,972	-
Employee Health Insurance	-	-	13,894	-
Employee Benefits	-	-	1,300	-
Supplies	-	-	1,166	-
Legal Fees	-	-	1,468	-
Contract Services	-	-	31,009	-
Telephone	-	-	365	-
Dues and Subscriptions	-	-	822	-
Mileage	-	-	232	-
Printing and Publishing	-	-	95	-
Education	-	-	<u>1,039</u>	-
Total	<u>154,250</u>	<u>154,250</u>	<u>156,588</u>	<u>(2,338)</u>
Planning Commission:				
Salaries and Wages	-	-	4,530	-
Pension	-	-	99	-
Social Security/Medicare	-	-	398	-
Employee Health Insurance	-	-	-	-
Office Supplies	-	-	24	-
Contract Services	-	-	690	-
Dues and Subscriptions	-	-	659	-
Printing and Publishing	-	-	110	-
Education	-	-	<u>-</u>	<u>-</u>
Total	<u>16,400</u>	<u>16,400</u>	<u>6,510</u>	<u>9,890</u>
Zoning Administrator:				
Salaries and Wages	-	-	63,695	-
Pension	-	-	7,230	-
Social Security/Medicare	-	-	4,837	-
Employee Health Insurance	-	-	6,931	-
Employee Benefits	-	-	1,300	-
Supplies	-	-	715	-
Legal Fees	-	-	231	-
Contractual Services	-	-	822	-
Telephone	-	-	365	-
Dues and Subscriptions	-	-	509	-
Mileage	-	-	3,379	-
Printing and Publishing	-	-	201	-
Education	-	-	<u>2,307</u>	<u>-</u>
Total	<u>103,150</u>	<u>103,150</u>	<u>92,522</u>	<u>10,628</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, 2020

Schedule 1
Page 5

<u>Expenditures (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Zoning Board of Appeals:				
Salaries and Wages	-	-	5,005	-
Pension	-	-	94	-
Social Security/Medicare	-	-	440	-
Office Supplies	-	-	-	-
Legal Fees	-	-	1,332	-
Contract Services	-	-	750	-
Dues and Subscriptions	-	-	509	-
Printing and Publishing	-	-	-	-
	-	-	-	-
Total	<u>21,500</u>	<u>21,500</u>	<u>8,130</u>	<u>13,370</u>
Total Public Safety	<u>295,300</u>	<u>295,300</u>	<u>263,750</u>	<u>31,550</u>
Other:				
Insurance	18,180	18,180	12,494	5,686
Contingency	-	-	-	-
Total	<u>18,180</u>	<u>18,180</u>	<u>12,494</u>	<u>5,686</u>
Capital Outlay	<u>48,700</u>	<u>48,700</u>	<u>54,424</u>	<u>(5,724)</u>
Total Expenditures	<u>1,137,150</u>	<u>1,158,345</u>	<u>1,187,122</u>	<u>(28,777)</u>
<u>Excess Revenues (Expenditures)</u>	<u>(125,050)</u>	<u>(146,245)</u>	<u>(53,724)</u>	<u>92,521</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(1)	<u>\$ (125,050)</u>	<u>\$ (146,245)</u>	<u>(53,724)</u>
Fund Balance – Beginning of Year			498,936	
Prior Period Adjustments			-	
Fund Balance – End of Year			<u>\$ 445,212</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, 2020

Schedule 2

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 1,430,000	\$ 1,430,000	\$ 1,452,463	\$ 22,463
Charges for Services:				
Ambulance and Fire Service	102,500	102,500	119,191	16,691
Interest and Rents:				
Interest	6,500	6,500	21,143	14,643
Other:				
Contributions	5,000	5,000	5,675	675
Sale of Fixed Assets	60,000	60,000	101,655	41,655
Refunds and Reimbursements	-	-	<u>26,036</u>	<u>26,036</u>
Total	<u>1,604,000</u>	<u>1,604,000</u>	<u>1,726,163</u>	<u>122,163</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	657,018	-
Workers Compensation	-	-	16,594	-
Social Security and Medicare	-	-	48,752	-
Insurance	-	-	26,204	-
Employee Health Insurance	-	-	78,520	-
Employee Benefits	-	-	16,250	-
Pension	-	-	55,233	-
Supplies	-	-	18,719	-
Public Utilities	-	-	12,525	-
Gas and Oil	-	-	17,993	-
Contract Services	-	-	32,924	-
Telephone	-	-	6,976	-
Maintenance and Repairs	-	-	44,360	-
Other	-	-	7,490	-
Printing and Publishing	-	-	1,061	-
Uniforms	-	-	8,058	-
Dues and Subscriptions	-	-	320	-
Education and Training	-	-	10,589	-
Capital Expenditures	-	-	184,823	-
Debt Service:				
Principal	-	-	80,471	-
Interest	-	-	<u>20,583</u>	<u>-</u>
Total	<u>1,316,261</u>	<u>1,383,242</u>	<u>1,345,463</u>	<u>37,779</u>
<u>Excess Revenues (Expenditures)</u>	<u>287,739</u>	<u>220,758</u>	<u>380,700</u>	<u>159,942</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	43,172	43,172
Operating Transfers (Out)	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>43,172</u>	<u>43,172</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 287,739</u>	<u>\$ 220,758</u>	423,872	<u>\$ 203,114</u>
Fund Balance – Beginning of Year			<u>1,566,586</u>	
Fund Balance – End of Year			<u>\$ 1,990,458</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, 2020

Schedule 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 1,328,000	\$ 1,328,000	\$ 1,291,695	\$ (36,305)
Interest and Rents:				
Interest	<u>15,000</u>	<u>15,000</u>	<u>28,566</u>	<u>13,566</u>
Total	<u>1,343,000</u>	<u>1,343,000</u>	<u>1,320,261</u>	<u>(22,739)</u>
<u>Expenditures</u>				
Operating Expenditures	-	-	65,210	-
Capital Outlay	-	-	1,981	-
Debt Service	<u>-</u>	<u>-</u>	<u>1,032,170</u>	<u>-</u>
Total	<u>1,073,500</u>	<u>1,073,500</u>	<u>1,099,361</u>	<u>(25,861)</u>
<u>Excess Revenues (Expenditures)</u>	<u>269,500</u>	<u>\$ 269,500</u>	220,900	<u>\$ (48,600)</u>
Fund Balance – Beginning of Year			<u>1,910,933</u>	
Fund Balance – End of Year			<u>\$ 2,131,833</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, 2020

Schedule 4
Page 1

	Special Revenue										
<u>Assets</u>	<u>Police Fund</u>	<u>Parks & Recreation Fund</u>	<u>Cemetery Fund</u>	<u>Hessler Log Home Fund</u>	<u>Pelizzari Natural Area Fund</u>	<u>Dougherty House Fund</u>	<u>Road Fund</u>	<u>Building Fund</u>	<u>Cable Council Fund</u>	<u>Landing Account Fund</u>	<u>Braemer Drainage Fund</u>
Cash in Bank	\$ 242,812	\$ 12,222	\$ (2,567)	\$ 1,907	\$ 299,551	\$ (1,347)	\$ 23,313	\$ 2,680	\$ 908,993	\$ 327,278	\$ 500
Taxes Receivable	4,819	-	-	-	-	-	-	-	-	-	179
Accounts Receivable	-	-	-	-	-	-	-	-	30,421	-	-
Prepays	108	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	900	-	-	-	-	-	-	-	-	34,096
Total Assets	<u>\$ 247,739</u>	<u>\$ 13,122</u>	<u>\$ (2,567)</u>	<u>\$ 1,907</u>	<u>\$ 299,551</u>	<u>\$ (1,347)</u>	<u>\$ 23,313</u>	<u>\$ 2,680</u>	<u>\$ 939,414</u>	<u>\$ 327,278</u>	<u>\$ 34,775</u>
 <u>Liabilities and Fund Equity</u>											
Liabilities:											
Accounts Payable	\$ -	\$ 81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	2,486	-	-	-	-	-	-	320,839	-
Total	-	81	2,486	-	-	\$ -	\$ -	\$ -	\$ -	320,839	-
Fund Equity:											
Fund Balance – Restricted	247,739	-	-	-	-	-	-	-	-	6,439	34,775
Fund Balance – Committed	-	13,041	(5,053)	1,907	299,551	(1,347)	23,313	2,680	939,414	-	-
Total	<u>247,739</u>	<u>13,041</u>	<u>(5,053)</u>	<u>1,907</u>	<u>299,551</u>	<u>(1,347)</u>	<u>23,313</u>	<u>2,680</u>	<u>939,414</u>	<u>6,439</u>	<u>34,775</u>
Total Liabilities and Fund Equity	<u>\$ 247,739</u>	<u>\$ 13,122</u>	<u>\$ (2,567)</u>	<u>\$ 1,907</u>	<u>\$ 299,551</u>	<u>\$ (1,347)</u>	<u>\$ 23,313</u>	<u>\$ 2,680</u>	<u>\$ 939,414</u>	<u>\$ 327,278</u>	<u>\$ 34,775</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, 2020

Schedule 4
Page 2

	Special Revenue							Total Nonmajor Governmental Funds
	Braemer Road Fund	Logan Hills Road Fund	Logan/Maple Drainage Fund	Maple Terrace Road Imp Fund	Maple Terrace Water Fund	Old Mission Road Fund	West Wind Road Imp Fund	
<u>Assets</u>								
Cash in Bank	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$1,818,842
Taxes Receivable	282	426	250	480	803	-	-	7,239
Accounts Receivable	-	-	-	-	-	-	-	30,421
Prepays	-	-	-	-	-	-	-	108
Due from Other Funds	<u>22,704</u>	<u>18,369</u>	<u>52,595</u>	<u>40,119</u>	<u>63,237</u>	<u>57,026</u>	<u>43,196</u>	<u>332,242</u>
Total Assets	<u>\$ 23,486</u>	<u>\$ 19,295</u>	<u>\$ 53,345</u>	<u>\$ 41,099</u>	<u>\$ 64,540</u>	<u>\$ 57,526</u>	<u>\$ 43,696</u>	<u>\$2,188,852</u>
<u>Liabilities and Fund Equity</u>								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81
Due to Other Funds	-	-	-	443	-	-	-	323,768
Total	-	-	-	443	-	\$ -	\$ -	\$ 323,849
Fund Equity:								
Fund Balance – Restricted	23,486	19,295	53,345	40,656	64,540	57,526	43,696	591,497
Fund Balance – Committed	-	-	-	-	-	-	-	1,273,506
Total	<u>23,486</u>	<u>19,295</u>	<u>53,345</u>	<u>40,656</u>	<u>64,540</u>	<u>57,526</u>	<u>43,696</u>	<u>1,865,003</u>
Total Liabilities and Fund Equity	<u>\$ 23,486</u>	<u>\$ 19,295</u>	<u>\$ 53,345</u>	<u>\$ 41,099</u>	<u>\$ 64,540</u>	<u>\$ 57,526</u>	<u>\$ 43,696</u>	<u>\$2,188,852</u>

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, 2020

Schedule 5
Page 1

	Special Revenue										
	Police Fund	Parks & Recreation Fund	Cemetery Fund	Hessler Log Home Fund	Pelizzari Natural Area Fund	Dougherty House Fund	Road Fund	Building Fund	Cable Council Fund	Landing Account Fund	Braemer Drainage Fund
Revenues											
Taxes:											
Property Taxes	\$ 145,864	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-	-	-	-	-	-	18,718
Charges for Services:											
Fees	-	6,200	-	-	-	-	-	-	128,762	-	-
Interest and Rents:											
Rents	-	1,110	-	-	-	-	-	-	-	-	-
Interest	2,734	731	35	27	5,007	19	471	51	14,612	5,081	-
Other:											
Contributions	-	-	-	676	-	-	-	-	-	-	-
Miscellaneous	-	-	12,875	-	-	-	12,070	-	3,096	-	-
Total	<u>148,598</u>	<u>8,041</u>	<u>12,910</u>	<u>703</u>	<u>5,011</u>	<u>19</u>	<u>12,541</u>	<u>51</u>	<u>146,470</u>	<u>5,081</u>	<u>18,718</u>
Expenditures											
General Government	-	-	-	-	-	-	-	-	202	-	-
Public Safety	95,388	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	28,689	-	-	-	6,989	-	-	930	258
Recreation and Culture	-	78,608	-	857	2,887	3,681	-	-	-	-	-
Debt Service – Principal	-	-	-	-	-	-	-	-	-	-	10,000
Debt Service - Interest	-	-	-	-	-	-	-	-	-	-	3,275
Capital Outlay	-	8,686	-	-	-	-	-	-	-	-	4,200
Total	<u>95,388</u>	<u>87,294</u>	<u>28,689</u>	<u>857</u>	<u>2,887</u>	<u>3,681</u>	<u>6,989</u>	<u>-</u>	<u>202</u>	<u>930</u>	<u>17,733</u>
Excess Revenues (Expenditures)	<u>53,210</u>	<u>(79,253)</u>	<u>(15,779)</u>	<u>(154)</u>	<u>2,124</u>	<u>(3,662)</u>	<u>5,552</u>	<u>51</u>	<u>146,268</u>	<u>4,151</u>	<u>985</u>
Other Financing Sources (Uses)											
Operating Transfers In	-	50,000	-	-	-	1,000	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>53,210</u>	<u>(29,253)</u>	<u>(15,779)</u>	<u>(154)</u>	<u>2,124</u>	<u>(2,662)</u>	<u>5,552</u>	<u>51</u>	<u>146,268</u>	<u>4,151</u>	<u>985</u>
Fund Balance – Beginning of Year	194,529	42,294	10,726	2,061	297,427	1,315	17,761	2,629	793,146	2,288	40,474
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	(6,684)
Fund Balance – End of Year	<u>\$ 247,739</u>	<u>\$ 13,041</u>	<u>\$ (5,053)</u>	<u>\$ 1,907</u>	<u>\$ 299,551</u>	<u>\$ (1,347)</u>	<u>\$ 23,313</u>	<u>\$ 2,680</u>	<u>\$ 939,414</u>	<u>\$ 6,439</u>	<u>\$ 34,775</u>

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, 2020

Schedule 5
Page 2

	Special Revenue							
	Braemer Road Fund	Logan Hills Road Fund	Logan/Maple Drainage Fund	Maple Terrace Road Imp Fund	Maple Terrace Water Fund	Old Mission Road Fund	West Wind Road Imp Fund	Total Nonmajor Governmental Funds
Revenues								
Taxes:								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,868
Special Assessments	9,541	18,154	44,457	17,750	19,900	14,936	12,707	156,163
Charges for Services:								
Fees	-	-	-	-	-	-	-	134,962
Interest and Rents:								
Rents	-	-	-	-	-	-	-	1,110
Interest	-	-	-	-	1	-	-	28,769
Other:								
Contributions	-	-	-	-	-	-	-	676
Miscellaneous	-	-	-	-	-	-	-	28,041
Total	<u>9,541</u>	<u>18,154</u>	<u>44,457</u>	<u>17,750</u>	<u>19,901</u>	<u>14,936</u>	<u>12,707</u>	<u>495,589</u>
Expenditures								
General Government	-	-	-	-	-	-	-	202
Public Safety	-	-	-	-	-	-	-	95,388
Public Works	258	341	272	424	258	258	342	39,019
Recreation and Culture	-	-	-	-	-	-	-	86,033
Debt Service – Principal	-	10,000	20,000	10,000	10,000	10,000	5,000	75,000
Debt Service – Interest	1,700	6,711	9,175	5,100	6,150	5,275	3,958	41,344
Capital Outlay	-	110,243	-	-	-	-	-	123,129
Total	<u>1,958</u>	<u>127,295</u>	<u>29,447</u>	<u>15,524</u>	<u>16,408</u>	<u>15,533</u>	<u>9,300</u>	<u>460,115</u>
Excess Revenues (Expenditures)	<u>7,583</u>	<u>(109,141)</u>	<u>15,010</u>	<u>2,226</u>	<u>3,493</u>	<u>(597)</u>	<u>3,407</u>	<u>35,474</u>
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	51,000
Operating Transfers (Out)	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,000</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>7,583</u>	<u>(109,141)</u>	<u>15,010</u>	<u>2,226</u>	<u>3,493</u>	<u>(597)</u>	<u>3,407</u>	<u>86,474</u>
Fund Balance – Beginning of Year	19,799	128,426	46,524	44,911	61,047	73,562	40,289	1,819,218
Prior Period Adjustment	(3,896)	-	(8,189)	(6,481)	-	(15,439)	-	(40,689)
Fund Balance – End of Year	<u>\$ 23,486</u>	<u>\$ 19,295</u>	<u>\$ 53,345</u>	<u>\$ 40,656</u>	<u>\$ 64,540</u>	<u>\$ 57,526</u>	<u>\$ 43,696</u>	<u>\$1,865,003</u>

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, 2020

Schedule 6

	Special Revenue				Total Enterprise Funds
	Tower Fund	Lighthouse Fund	Lighthouse Giftshop Fund	Compactor Station Fund	
<u>Assets</u>					
Current Assets:					
Cash in Bank	\$ 870,701	\$ 18,245	\$ 171,160	\$ 19,624	\$ 1,079,730
Accounts Receivable	3,809	-	-	-	3,809
Prepays	-	-	12,934	-	12,934
Inventory	-	-	243	-	243
Due from Other Units	-	1,503	553	-	2,056
Total Current Assets	<u>874,510</u>	<u>19,748</u>	<u>184,890</u>	<u>19,624</u>	<u>1,098,772</u>
Non-Current Assets:					
Depreciable Capital Assets (Net)	<u>148,085</u>	<u>114,167</u>	-	<u>5,690</u>	<u>267,942</u>
Total Assets	<u>\$ 1,022,595</u>	<u>\$ 133,915</u>	<u>\$ 184,890</u>	<u>\$ 25,314</u>	<u>\$ 1,366,714</u>
<u>Current Liabilities</u>					
Accounts Payable	\$ -	\$ 3,312	\$ 4,129	\$ -	\$ 7,441
Due to Other Funds	-	553	2,505	-	3,058
Total Current Liabilities	-	<u>3,865</u>	<u>6,634</u>	-	<u>10,499</u>
<u>Net Position</u>					
Net Investment in Capital Assets	148,085	-	-	5,690	153,775
Unrestricted	<u>874,510</u>	<u>130,050</u>	<u>178,256</u>	<u>19,624</u>	<u>1,202,440</u>
Total Net Position	<u>1,022,595</u>	<u>130,050</u>	<u>178,256</u>	<u>25,314</u>	<u>1,356,215</u>
Total Liabilities and Net Position	<u>\$ 1,022,595</u>	<u>\$ 133,915</u>	<u>\$ 184,890</u>	<u>\$ 25,314</u>	<u>\$ 1,366,714</u>

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, 2020

Schedule 7

	Special Revenue				Total Enterprise Funds
	Tower Fund	Lighthouse Fund	Lighthouse Giftshop Fund	Compactor Station Fund	
<u>Revenues</u>					
<u>Operating Revenues</u>					
Rental Income	\$ 123,042	\$ -	\$ -	\$ -	\$ 123,042
Program Revenues	<u>6,193</u>	<u>113,570</u>	<u>105,088</u>	<u>-</u>	<u>224,851</u>
Total Operating Revenues	<u>129,235</u>	<u>113,570</u>	<u>105,088</u>	<u>-</u>	<u>347,893</u>
<u>Expenditures</u>					
Contract Services	1,377	63,366	86,983	4,054	155,780
Depreciation	<u>9,969</u>	<u>4,553</u>	<u>-</u>	<u>-</u>	<u>14,522</u>
Total	<u>11,346</u>	<u>67,919</u>	<u>86,983</u>	<u>4,054</u>	<u>170,302</u>
<u>Operating Income (Loss)</u>	<u>117,889</u>	<u>45,651</u>	<u>18,105</u>	<u>(4,054)</u>	<u>177,591</u>
<u>Non Operating Revenues</u>					
Interest Income	16,124	841	2,555	323	19,843
Transfers In	-	-	-	-	-
Transfers (Out)	<u>(94,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,171)</u>
Net Non Operating Revenues (Expenses)	<u>(78,047)</u>	<u>841</u>	<u>2,555</u>	<u>323</u>	<u>(74,328)</u>
<u>Change in Net Position</u>	39,842	46,492	20,660	(3,731)	103,263
<u>Net Position – Beginning of Period</u>	<u>982,753</u>	<u>83,558</u>	<u>157,596</u>	<u>29,045</u>	<u>1,252,952</u>
<u>Net Position – End of Period</u>	<u>\$ 1,022,595</u>	<u>\$ 130,050</u>	<u>\$ 178,256</u>	<u>\$ 25,314</u>	<u>\$ 1,356,215</u>

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, 2020

Schedule 8

	Special Revenue				Total Enterprise Funds
	Tower Fund	Lighthouse Fund	Lighthouse Giftshop Fund	Compactor Station Fund	
<u>Operating Activities</u>					
Collections of Charges for Services	\$ 6,193	\$ 113,570	\$ 105,088	\$ -	\$ 224,851
Collections of Rental Income	123,042	-	-	-	123,042
Collections of Interest	16,124	841	2,555	323	19,843
Deduct Expenses Using Cash and Cash Equivalents	<u>(5,187)</u>	<u>(65,659)</u>	<u>(78,741)</u>	<u>(3,787)</u>	<u>(153,374)</u>
Net Cash Flow from Operating Activities	<u>140,172</u>	<u>48,752</u>	<u>28,902</u>	<u>(3,464)</u>	<u>214,362</u>
<u>Capital Financing Activities</u>					
Acquisition of Capital Assets	-	(68,185)	-	-	(68,185)
<u>Non Capital Financing Activities</u>					
Transfers In (Out)	<u>(94,171)</u>	-	-	-	<u>(94,171)</u>
Net Cash Flow Provided by (used) by Financing Activities	<u>(94,171)</u>	-	-	-	<u>(94,171)</u>
<u>Net Increase (Decrease) in Cash</u>	46,001	(19,433)	28,902	(3,464)	52,006
<u>Balance of Cash – Beginning of Year</u>	<u>824,700</u>	<u>37,678</u>	<u>142,258</u>	<u>23,088</u>	<u>1,027,724</u>
<u>Balance of Cash – End of Year</u>	<u>\$ 870,701</u>	<u>\$ 18,245</u>	<u>\$ 171,160</u>	<u>\$ 19,624</u>	<u>\$ 1,079,730</u>
<u>Net Income (Loss)</u>	\$ 134,013	\$ 46,492	\$ 20,660	\$ (3,731)	\$ 197,434
Add Depreciation and Amortization	9,969	4,553	-	-	14,522
Decrease (Increase) in Receivables	(3,810)	(1,463)	1,851	267	(3,155)
Decrease (Increase) in Prepays	-	-	(243)	-	(243)
Increase (Decrease) in Payables	-	(830)	6,634	-	5,804
Net Cash Flow from Operating Activities	<u>\$ 140,172</u>	<u>\$ 48,752</u>	<u>\$ 28,902</u>	<u>\$ (3,464)</u>	<u>\$ 214,362</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, 2020

Schedule 9

	Agency					Total Fiduciary Funds
	Trust and Agency Fund	Tax Collection Fund	Library Trust and Agency Fund	EE Medical Benefit Fund	Payroll Fund	
Cash in Bank	\$ 54,625	\$ 103,464	\$ 376,647	\$ -	\$ 47,606	\$ 582,342
Due from Other Funds	-	-	-	-	23,971	23,971
Total Assets	<u>\$ 54,625</u>	<u>\$ 103,464</u>	<u>\$ 376,647</u>	<u>\$ -</u>	<u>\$ 71,577</u>	<u>\$ 606,313</u>
<u>Liabilities</u>						
Due to Other Governments	\$ 30,914	\$ -	\$ 376,647	\$ -	\$ 47,327	\$ 454,888
Due to Other Funds	23,711	10,612	-	-	24,250	58,573
Undistributed Taxes and Interest	-	92,852	-	-	-	92,852
Total Liabilities	<u>\$ 54,625</u>	<u>\$ 103,464</u>	<u>\$ 376,647</u>	<u>\$ -</u>	<u>\$ 71,577</u>	<u>\$ 606,313</u>

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

Peninsula Township
 2019 Property Tax Levy and Collections
 For the Year Ended March 31, 2020

Schedule 10

	Millage Rate	Adjusted Levy	Collected	Returned Delinquent
County	4.9019	\$ 4,503,460	\$ 4,416,846	\$ 86,614
Commission on the Aging	0.5898	433,696	419,312	14,384
BATA	0.4952	364,148	358,566	5,582
State Education	6.0000	4,399,787	4,332,300	67,487
School District:				
Traverse City	21.1000	5,798,655	5,684,685	113,970
Intermediate School District	2.9161	2,144,474	2,111,598	32,876
Community College	1.3420	1,973,668	1,925,795	47,873
District Library	0.9382	689,930	667,046	22,884
Township:				
General	0.6433	473,061	457,370	15,691
Fire Protection	2.0000	1,452,480	1,403,825	48,655
Police	0.1984	145,882	141,044	4,838
Center Road Park	0.4536	20,451	18,834	1,617
Purchase of Development Rights	1.7567	1,291,853	1,249,004	42,849
Special Assessments		11,070	6,974	4,096
Property Tax Administration Fees		-	-	-
 Total		<u>\$ 23,702,615</u>	<u>\$23,193,199</u>	<u>\$ 509,416</u>
 Percent of Levy Collected	 97.85%			

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