

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2016**

**WITH  
INDEPENDENT AUDITOR'S REPORT**

BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN

INDEPENDENT AUDITORS' REPORT

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**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED MARCH 31, 2016**

As management of Blissfield Township, Lenawee County, Michigan, we offer readers of Blissfield Township, Lenawee County, Michigan's financial statements this narrative overview and analysis of the financial activities of Blissfield Township, Lenawee County, Michigan for the fiscal year ended March 31, 2016. We encourage readers to consider the information presented here.

**Financial Highlights**

- ◆ The assets of Blissfield Township, Lenawee County, Michigan exceeded its liabilities at the close of the most recent fiscal year \$2,669,502 (*net position*). Of this amount, \$247,634 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net position increased \$68,795.
- ◆ As of the close of the current year, Blissfield Township, Lenawee County, Michigan's governmental funds reported combined ending fund balances of \$1,274,011 an increase of \$156,343 in comparison with the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$243,752 or 116 percent of total general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Blissfield Township, Lenawee County, Michigan's basic financial statements. Blissfield Township, Lenawee County, Michigan'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 Blissfield Township, Lenawee County, Michigan's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government'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 (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of Blissfield Township, Lenawee County, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Blissfield Township, Lenawee County, Michigan include general government, public safety, streets and highways, sanitation, and cemetery operating. The business-type activity of Blissfield Township, Lenawee County, Michigan is the sewer system.

The government-wide financial statements can be found on pages 3 – 4 of this report.

**Fund financial statements.** 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. Blissfield Township, Lenawee County, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Blissfield Township, Lenawee County, Michigan can be divided into three categories: governmental, proprietary, 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*.

Blissfield Township, Lenawee County, Michigan maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Cemetery Operating, Debt Service, and Cemetery Perpetual Care, which are considered to be major funds.

Blissfield Township, Lenawee County, Michigan adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all major governmental funds to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 5 – 12 of this report.

*Fiduciary Fund.* The Fiduciary Fund (Tax Account) is used to account for resources held under tax collection activity. The Fiduciary fund is *not* reflected in the government-wide financial statement. The accounting used for the Fiduciary Fund is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on pages 13 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 14 - 22 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 Blissfield Township, Lenawee County, Michigan, assets exceeded liabilities by \$2,669,502 at the close of the most recent fiscal year.

A large portion of Blissfield Township, Lenawee County, Michigan's net position (53 percent) reflects its investment in capital assets (e.g., land, buildings, equipment). Blissfield Township, Lenawee County, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

## Blissfield Township, Lenawee County, Michigan's Net Position

	<b>Governmental Activities</b>
Current and other assets	\$ 1,289,638
Capital assets	1,395,491
Total Assets	\$ 2,685,129
Current Liabilities	15,627
Total liabilities	15,627
<b>Net position:</b>	
Invested in capital assets, net of related debt	1,395,491
Restricted	1,026,377
Unrestricted	247,634
Total net position	\$ 2,669,502

A portion of Blissfield Township, Lenawee County, Michigan's net position (39 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$247,634) may be used to meet the government's ongoing obligations to citizens and creditors.

### A summary of Blissfield Township's change in net position

	<b>Governmental Activities</b>
<b>Program revenues:</b>	
Licenses and permits	3,890
Lot sales and rentals	27,001
Ambulance services	\$ 126,191
Total program revenues	157,082
<b>General revenues:</b>	
Property taxes	\$ 509,141
State revenues	48,165
Interest income	1,336
Donations	625
Miscellaneous	19,305
Total general revenues	578,572
Total revenues	735,654
<b>Program expenses:</b>	
Governmental activities	
General government	\$ 210,121
Public safety	272,425
Streets and bridges	181,907
Community development	2,406
Total expenses	666,859
Change in net position	68,795
Net Position - beginning of year	2,600,707
Net Position - end of year	\$ 2,669,502

At the end of the current fiscal year, Blissfield Township, Lenawee County, Michigan 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.

#### **Financial Analysis of the Government's Funds**

As noted earlier, Blissfield Township, Lenawee County, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Blissfield Township, Lenawee County, Michigan's governmental funds reported combined ending fund balances of \$1,274,011 an increase of \$156,343 in comparison with the prior year.

The general fund is the chief operating fund of Blissfield Township, Lenawee County, Michigan. At the end of the current fiscal year, unassigned fund balance of the general fund was \$243,752.

The fund balance of Blissfield Township, Lenawee County, Michigan's general fund increased by \$20,137 during the current fiscal year.

#### **General Fund Budgetary Highlights**

For fiscal year 2015-16 actual revenues were more than budgeted, with property taxes exceeding budget by \$3,195.

## Blissfield Township, Lenawee County, Michigan's Capital Assets

Land	\$	74,432
Land improvements		30,096
Buildings		596,498
Furniture and Equipment		1,887
Fire Vehicles and Equipment		<u>692,578</u>
Total	\$	<u>1,395,491</u>

Additional information on Blissfield Township's capital assets can be found in Note 3 C. on page 21.

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

The Township Board kept a conservative approach in developing the fiscal year 2016-17 budget. All elected officials' salaries are unchanged from prior year. Expenditures are projected to be in line with prior year.

### Requests for Information

This financial report is designed to provide a general overview of Blissfield Township, Lenawee County, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Blissfield Township Clerk or Treasurer at the Township Hall at PO Box 58, 120 South Lane Street, Blissfield, MI 49228.





## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Blissfield Township  
Lenawee County, Michigan

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 Blissfield Township, Lenawee County, Michigan, as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well 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.

Blissfield Township  
Lenawee County, Michigan

### **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 Blissfield Township, Lenawee County, Michigan, as of March 31, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i to vi 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 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 Blissfield Township, Lenawee County, Michigan basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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.

***Baker, Eaton & Owen***

September 20, 2016

**BLISSFIELD TOWNSHIP  
STATEMENT OF NET POSITION  
MARCH 31, 2016**

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Cash	\$ 1,227,741
Taxes receivable	26,876
Accounts receivable (net of allowance for uncollectibles)	31,399
Due from tax account	3,622
<b>Capital assets:</b>	
Land	74,432
Land improvements	30,096
Buildings	596,498
Furniture and equipment	1,887
Fire vehicles and equipment	692,578
Total assets	\$ 2,685,129
<b>LIABILITIES:</b>	
Accounts payable	\$ 1,886
Accrued liabilities	13,741
Total liabilities	15,627
<b>NET POSITION:</b>	
Invested in capital assets, net of related debt	1,395,491
<b>Restricted for:</b>	
Fire operations	222,633
Road maintenance	521,188
Fire equipment	282,556
Unrestricted	247,634
Total net position	\$ 2,669,502

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED MARCH 31, 2016**

<u>Functions/programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
General government	\$ 210,121	\$ 30,891	\$ -	\$ (179,230)
Public safety	272,425	126,191	625	(145,609)
Highways, streets and bridges	181,907	-	-	(181,907)
Community and economic development	2,406	-	-	(2,406)
Total governmental activities	<u>\$ 666,859</u>	<u>\$ 157,082</u>	<u>\$ 625</u>	<u>\$ (509,152)</u>
<b>General revenues:</b>				
Property taxes				\$ 509,141
Intergovernmental - state				48,165
Interest income				1,336
Miscellaneous				19,305
			Total general revenues	<u>577,947</u>
Total general revenues				
				\$ 68,795
				<u>2,600,707</u>
				<u>\$ 2,669,502</u>

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2016**

	<u>General Fund</u>	<u>Fire Operating</u>	<u>Special Fire</u>	<u>Road Improvement</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 205,601	\$ 239,001	\$ 278,480	\$ 504,659	\$ 1,227,741
<b>Receivables:</b>					
Accounts	-	31,399	-	-	31,399
Taxes	7,226	6,608	3,304	9,738	26,876
Due from other funds	54,810	3,519	772	6,810	65,911
Due from agency account	3,622	-	-	-	3,622
<b>Total assets</b>	<u>\$ 271,259</u>	<u>\$ 280,527</u>	<u>\$ 282,556</u>	<u>\$ 521,207</u>	<u>\$ 1,355,549</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 1,886	\$ -	\$ -	\$ 1,886
Accrued liabilities	12,543	1,198	-	-	13,741
Due to other funds	11,082	54,810	-	19	65,911
<b>Total liabilities</b>	<u>\$ 23,625</u>	<u>\$ 57,894</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 81,538</u>
<b>FUND BALANCES:</b>					
<b>Restricted:</b>					
Road maintenance	\$ -	\$ -	\$ -	\$ 521,188	\$ 521,188
Fire operations	-	222,633	-	-	222,633
Fire equipment	-	-	282,556	-	282,556
<b>Committed:</b>					
Cemetery	3,882	-	-	-	3,882
<b>Unassigned</b>	<u>243,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,752</u>
<b>Total fund balances</b>	<u>247,634</u>	<u>222,633</u>	<u>282,556</u>	<u>521,188</u>	<u>1,274,011</u>
<b>Total liabilities and fund balances</b>	<u>\$ 271,259</u>	<u>\$ 280,527</u>	<u>\$ 282,556</u>	<u>\$ 521,207</u>	<u>\$ 1,355,549</u>

Amount reported for governmental activities in the statement of net position assets are different because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

\$ 1,395,491

Total governmental fund balances

1,274,011

Net position of governmental activities

\$ 2,669,502

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR YEAR ENDED MARCH 31, 2016**

	<u>General Fund</u>	<u>Fire Operating</u>	<u>Special Fire</u>	<u>Road Improvement</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Property taxes - general	\$ 132,475	\$ -	\$ -	\$ 190,105	\$ 322,580
Property taxes - fire/ambulance	-	124,236	62,325	-	186,561
Licenses and permits	3,890	-	-	-	3,890
Public safety	-	126,191	-	-	126,191
Intergovernmental revenues	48,165	-	-	-	48,165
Miscellaneous revenues	18,958	328	-	19	19,305
Lot sales and fees	21,525	-	-	-	21,525
Rental	5,476	-	-	-	5,476
Interest	435	341	-	560	1,336
Donations	-	625	-	-	625
Total revenues	<u>230,924</u>	<u>251,721</u>	<u>62,325</u>	<u>190,684</u>	<u>735,654</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	205,661	-	-	-	205,661
Public safety	2,720	180,591	6,026	-	189,337
Highways, streets and bridges	-	-	-	181,907	181,907
Community and economic development	2,406	-	-	-	2,406
Total expenditures	<u>210,787</u>	<u>180,591</u>	<u>6,026</u>	<u>181,907</u>	<u>579,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,137</u>	<u>71,130</u>	<u>56,299</u>	<u>8,777</u>	<u>156,343</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	20,137	71,130	56,299	8,777	156,343
Fund balances - beginning of year	<u>227,497</u>	<u>151,503</u>	<u>226,257</u>	<u>512,411</u>	<u>1,117,668</u>
Fund balances - end of year	<u>\$ 247,634</u>	<u>\$ 222,633</u>	<u>\$ 282,556</u>	<u>\$ 521,188</u>	<u>\$ 1,274,011</u>

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR YEAR ENDED MARCH 31, 2016**

Net change in fund balances total governmental funds \$ 156,343

Amounts reported for governmental activities in the statement of activities are different because:

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.

This is the amount by which capital outlays exceeded depreciation in the current period. (Total capital outlay \$0 depreciation \$87,548).

(87,548)

Change in net position of governmental activities

\$ 68,795

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR YEAR ENDED MARCH 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
<b>Property Taxes:</b>				
General	\$ 117,800	\$ 129,280	\$ 132,475	\$ 3,195
Total property taxes	<u>117,800</u>	<u>129,280</u>	<u>132,475</u>	<u>3,195</u>
<b>Licenses and permits:</b>				
Dog licenses	340	340	870	530
Permits and fees	3,000	3,000	3,020	20
Total licenses and fees	<u>3,340</u>	<u>3,340</u>	<u>3,890</u>	<u>550</u>
<b>Intergovernmental revenues:</b>				
State shared revenues	51,400	48,165	48,165	-
<b>Miscellaneous revenues:</b>				
Zoning hearings/land division	285	285	-	(285)
Miscellaneous	100	4,555	18,958	14,403
Total miscellaneous revenues	<u>385</u>	<u>4,840</u>	<u>18,958</u>	<u>14,118</u>
Rental	3,900	4,953	5,476	523
Interest	600	600	435	(165)
Cemetery	22,500	21,100	21,525	425
Total revenues	<u>199,925</u>	<u>212,278</u>	<u>230,924</u>	<u>18,646</u>

The notes to the financial statements are an integral part of this statement.



**BLISSFIELD TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR YEAR ENDED MARCH 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES:</b>				
<b>General government:</b>				
Supervisor	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Clerk	27,000	27,000	31,409	(4,409)
Treasurer	23,000	23,000	23,000	-
Assessor	26,800	34,846	43,143	(8,297)
Township board	56,600	55,433	49,660	5,773
Board of review	1,800	1,800	1,500	300
Zoning	-	-	150	(150)
Election	2,500	2,500	7,675	(5,175)
Cemetery	32,167	31,097	39,124	(8,027)
Total general government	<u>179,867</u>	<u>185,676</u>	<u>205,661</u>	<u>(19,985)</u>
<b>Public safety:</b>				
Building and electrical inspections	<u>2,000</u>	<u>3,000</u>	<u>2,720</u>	<u>280</u>
Total public safety	<u>2,000</u>	<u>3,000</u>	<u>2,720</u>	<u>280</u>
<b>Community/Economic Development:</b>				
Downton Development Authority	<u>17,625</u>	<u>17,625</u>	<u>2,406</u>	<u>15,219</u>
Total Community/Economic Development	<u>17,625</u>	<u>17,625</u>	<u>2,406</u>	<u>15,219</u>
Total expenditures	<u>199,492</u>	<u>206,301</u>	<u>210,787</u>	<u>(4,486)</u>
Excess (deficiency) of revenues over (under) expenditures	433	5,977	20,137	14,160
Fund balances - beginning of year			<u>227,497</u>	
Fund balances - end of year			<u>\$ 247,634</u>	

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
FIRE OPERATING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR YEAR ENDED MARCH 31, 2016**

	Fire Operating Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES:</b>				
Property taxes	\$ 122,200	\$ 121,637	\$ 124,236	\$ 2,599
Charges for services	80,000	91,592	126,191	34,599
Interest	200	200	341	141
Donations	-	-	625	625
Other revenue	-	-	328	328
	202,400	213,429	251,721	38,292
<b>EXPENDITURES:</b>				
Public safety	172,216	182,634	171,108	11,526
Capital outlay	8,000	8,000	9,483	(1,483)
	180,216	190,634	180,591	10,043
Excess (deficiency) of revenues over (under) expenditures	22,184	22,795	71,130	48,335
Fund balances - beginning of year			151,503	
Fund balances - end of year			\$ 222,633	

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
SPECIAL FIRE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR YEAR ENDED MARCH 31, 2016**

<b>Special Fire Fund</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Property taxes	\$ 61,000	\$ 59,441	\$ 62,115	\$ 1,115
Interest	90	90	210	120
Total revenues	61,090	59,531	62,325	1,235
<b>EXPENDITURES:</b>				
Public safety	500	6,038	6,026	12
Total expenditures	500	6,038	6,026	12
Excess (deficiency) of revenues over (under) expenditures	60,590	53,493	56,299	2,806
Fund balances - beginning of year			226,257	
Fund balances - end of year			\$ 282,556	

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
ROAD IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR YEAR ENDED MARCH 31, 2016**

	<u>Road Improvement Fund</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Property taxes	\$ 181,500	\$ 175,169	\$ 190,109	\$ 14,940
Refunds	-	-	19	19
Interest	700	447	556	109
Total revenues	<u>182,200</u>	<u>175,616</u>	<u>190,684</u>	<u>15,068</u>
<b>EXPENDITURES:</b>				
Highways and streets	<u>163,000</u>	<u>170,985</u>	<u>181,907</u>	<u>(10,922)</u>
Total expenditures	<u>163,000</u>	<u>170,985</u>	<u>181,907</u>	<u>(10,922)</u>
Excess (deficiency) of revenues over (under) expenditures	19,200	4,631	8,777	4,146
Fund balances - beginning of year			<u>512,411</u>	
Fund balances - end of year			<u>\$ 521,188</u>	

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**MARCH 31, 2016**

	<u>Agency Fund</u>	
	<u>Tax Account</u>	
<b>ASSETS:</b>		
Cash	\$	<u>19,986</u>
Total assets		<u><u>19,986</u></u>
<b>LIABILITIES:</b>		
Due to General fund		3,622
Due to other governmental units		<u>16,364</u>
Total liabilities	\$	<u><u>19,986</u></u>

The notes to the financial statements are an integral part of this statement.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Blissfield Township, Lenawee County, Michigan (the "Township") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

**A. Reporting Entity**

The Township of Blissfield is a noncharter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Blissfield Township as a primary government. There are no component units to the Township.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of 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 are 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 fund, and fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major governmental funds and a major enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Amounts due from other governments and services provided 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. 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 general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Fire Operating Fund* is used to account for the revenues and expenditures related to fire protection.

The *Special Fire Fund* is used to account for the revenues and expenditures related to capital purchases for the fire department.

The *Road Improvement Fund* is used to account for the revenues and expenditures related to the roads within the limits of the Township.

**Additionally, the government reports the following fund types:**

The *Fiduciary Funds – Trust and Agency Type Funds* are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Agency Fund (*Tax Account*) is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Township's 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 function concerned.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Amounts reported as *program revenues* included 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.

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.

**D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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.

**E. Assets, liabilities, and net assets or equity.**

**1. Cash and investments**

Cash and cash equivalents includes amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates over three months of the date acquired by the government.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved Investment Pools.

Investments are stated at cost or amortized cost. The Township will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.



**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Receivables and payables**

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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Township had no advances between funds at March 31, 2016.

Properties are assessed as of December 31 and the tax levy is December 1 of the following year. The tax levy of December 1, 2015 is revenue in the Township's fiscal year ended March 31, 2016.

The Township had a general tax millage of 0.87650 for 2015. The Township's maximum allowable millage is 1.000 mill. Also, the Township has 1.0000 mills for fire operating, .5000 mills for special fire (equipment), and 1.47370 for roads.

**3. Capital Assets**

Capital assets, which include land, buildings, furniture and equipment, fire vehicles and equipment, and sewer system) 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 more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost 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 is included as part of the capitalized value of the assets constructed.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Capital Asset**

Buildings, equipment, and sewer system of the Township are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment and furniture	10 – 20
Fire vehicles	10 – 20
Fire equipment	10 – 20
Sewer system	40

**4. Fund Balance Classification Policies and Procedures**

Fund balance classification shown in the governmental fund financial statements are nonspendable, restricted, committed, assigned or unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Township Board.

Amounts in the assigned fund balance classification are constrained by the Township Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the Township itself or a delegated body (for example a budget or finance committee) or an official to which the Township Board has delegated the authority to assign accounts to be used for specific purposes.

Unassigned fund balance is the residual classification usually for the Township's General Fund and includes all spendable amounts not contained in the other classifications.

Under Township policy, when both restricted and unrestricted (committed, assigned, or unassigned) amounts are available for a purpose, the Township considers using the restricted funds first and then the unrestricted when an expenditure is incurred. Within the unrestricted fund balance amounts, the Township considers the committed first used, then unassigned for an applicable expenditure.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Fund Balance Classification Policies and Procedures**

For determination of classification the Township first determines the nonspendable then the restricted, committed, assigned and unassigned, in that order. If a deficit occurs for a certain purpose in a fund, assigned amounts for other purposes would be used to offset the deficit if possible.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

The accounting basis used by the Township for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Township follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Township have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

**B. Excess of expenditures over appropriations in budgetary funds**

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2016, the Township incurred expenditures in the General Fund which were in excess of the amounts appropriated, as follows:

	<u>Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>General fund:</b>			
<b>General government:</b>			
Clerk	\$ 27,000	\$ 31,409	\$ (4,409)
Assessor	34,846	43,143	(8,297)
Zoning	-	150	(150)
Election	2,500	7,675	(5,175)
Cemetery	31,097	39,124	(8,027)
<b>Fire Operating Fund:</b>			
Capital Outlay	\$ 8,000	\$ 9,483	\$ (1,483)
<b>Road Improvement Fund:</b>			
Highways and streets	\$ 170,985	\$ 181,907	\$ (10,922)

These additional expenditures were funded by the fund balance of the General Fund.

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

**Primary Government**

**Deposits.** At year end, the carrying value of the Township's deposits was \$1,247,726 and the bank balance was \$1,249,255. The total bank balance is classified in the following three categories of credit risk: (1) Insured or collateralized with securities held by the Township or by its agent in the Township's name. (2) Collateralized with securities held by a pledging financial institution's trust department or agent in the Township's name. (3) Uncollateralized. (This includes any bank balance that is collateralized with securities held by a pledging financial institution or by its trust department or agent but not in the Township's name.)

Due to higher cash flows during certain times of the year, especially when property taxes are being collected, deposits of the Township increase significantly. As a result, the amounts classified in category 3 at those times of year were substantially higher than at year end.

	CATEGORIES			
	1	2	3	Total
Checking	\$ 699,935	\$ -	\$ 549,320	\$ 1,249,255

Bank balances shown in Category 1 are insured by Federal Depository Insurance.

All deposits are with banks located in Michigan as required by statutes.

**B. Receivables**

Receivables as of yearend for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Operating	Special Fire	Road Improvement	Total
<b>Receivables:</b>					
Taxes	\$ 7,226	\$ 6,608	\$ 3,304	\$ 9,738	\$ 26,876
Accounts	-	31,399	-	-	31,399
Net total receivables	\$ 7,226	\$ 38,007	\$ 3,304	\$ 9,738	\$ 58,275

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital assets**

Capital asset activity for the year ended March 31, 2016 was as follows:

**Primary Government**

	Beginning Balance	Acquisitions	Dispositions	Ending Balance
<b>Governmental activities:</b>				
Assets not being depreciated - land	\$ 74,432	\$ -	\$ -	\$ 74,432
<b>Capital assets being depreciated:</b>				
Land improvements	55,470	-	-	55,470
Buildings and improvements	1,005,338	-	-	1,005,338
Machinery and equipment	12,060	-	-	12,060
Fire vehicles and equipment	1,549,918	-	-	1,549,918
Office and computer equipment	6,787	-	-	6,787
Furniture and fixtures	6,547	-	-	6,547
Total capital assets being depreciated	2,636,120	-	-	2,636,120
<b>Less accumulated depreciation for:</b>				
Land improvements	23,525	1,849	-	25,374
Buildings and improvements	388,013	20,827	-	408,840
Machinery and equipment	12,060	-	-	12,060
Fire vehicles and equipment	792,789	64,551	-	857,340
Office and computer equipment	6,787	-	-	6,787
Furniture and fixtures	4,339	321	-	4,660
Total accumulated depreciation	1,227,513	87,548	-	1,315,061
Total net capital assets being depreciated	1,408,607	(87,548)	-	1,321,059
Governmental activities net capital assets	\$ 1,483,039	\$ (87,548)	\$ -	\$ 1,395,491

Depreciation expense was not allocated to governmental functions. It appears on the statement as "unallocated".

**BLISSFIELD TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Interfund receivables, payables, and transfers**

Primary Government

Due to/from other funds:

Fund	Interfund Receivable	Fund	Interfund Payable
General	\$ 3,622	Tax account	\$ 3,622
General	54,810	Fire Operating	54,810
Fire Operating	3,500	General	3,500
Special Fire	772	General	772
Road Improvement	6,810	General	6,810
Fire Operating	19	Road Improvement	19
	<u>\$ 69,533</u>		<u>\$ 69,533</u>

**Interfund transfers:**

There were no interfund transfers during the current fiscal year ended March 31, 2016.

**NOTE 4. DEFINED CONTRIBUTION PLAN**

The Township provides retirement savings for elected and appointed officials and full time employees through the Blissfield Township Group Pension Plan. The plan is a qualified retirement 401 (a) plan. Eligibility is satisfied when participants attain the age of eighteen (18). Contributions to the plan are based on voluntary employee and employer profit sharing contributions. The Township's pension expense for the year ended March 31, 2016 was \$7,694 and participants contributed \$2,550.

**NOTE 5. SUBSEQUENT EVENTS**

The Township has had no significant subsequent events since March 31, 2016 to September 30, 2016, which would materially effect the financial condition of the Township.