

PLAINFIELD CHARTER TOWNSHIP

COUNTY OF KENT, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31,

2012

PLAINFIELD CHARTER TOWNSHIP
COUNTY OF KENT, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

*Prepared by: Accounting Department
Plainfield Charter Township
Belmont, Michigan*

Plainfield Charter Township

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INTRODUCTORY SECTION



"Rolling Plains and Beautiful Fields"

PLAINFIELD CHARTER TOWNSHIP

May 31, 2013

Members of the Board of Trustees and Citizens of Plainfield Charter Township:

With this letter we are submitting the Comprehensive Annual Financial Report (CAFR) of Plainfield Charter Township for fiscal year 2012, ending December 31, 2012. Plainfield Township is responsible for both the accuracy of the data contained in this report, as well as the complete and fair presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and the data are reported in a manner that is designed to fairly present the financial positions and results of the operations of the various funds and component units of Plainfield Township. We have included all disclosures that the reader needs to understand the Township's financial activities.

The CAFR includes all funds of Plainfield Township, as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The Comstock Park Downtown Development Authority and the Plainfield Avenue Corridor Improvement Authority are component units, whose financial reports are discretely presented in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and changes in financial position from those of Plainfield Township.

State law mandates that Plainfield Township provide certain governmental functions, such as assessing property, collecting and distributing taxes to various local government entities, and conducting elections. Other services provided are: planning and zoning, building permits and inspections, administration and maintenance of two cemeteries, parks and recreation, public water and sewer systems, fire protection and emergency medical services, and the operation and maintenance of several Township-owned buildings. Through its representative, Plainfield Township participates as a member of the North Kent Sewer Authority (NKSA) with four other municipalities. The Authority is a distinct and separate unit of government, having its own financial reporting requirements. The Township is responsible, through its Sewer Enterprise Fund, for paying its obligatory share of the Authority's debt service and operational costs. This share is based on the current metered flow of wastewater from the Township's collection system compared to the metered flow of all of the participating communities. Over the past several years, Plainfield Township worked with its NKSA partner communities to design, build, and operate a wastewater treatment facility to separate the NKSA flow from the City of Grand

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Rapids system. We refer to this facility as a “Clean Water Plant” (CWP) because the level of treatment does not degrade the waters of the Grand River. After years of negotiating and planning, the NKSA decided in 2005 to build the CWP rather than enter into a new contract with the City of Grand Rapids for wastewater treatment. Site preparation began near the end of 2005, and construction ended near the end of 2008. The CWP went on-line near the end of 2008. 2009 was the first full year of operations for the CWP.

In 2008, the NKSA communities contracted with the Kent County Department of Public Works (KCDPW) to continue the operations and maintenance of the joint and shared components of the sewer collection system, and the Townships of Alpine, Cannon, Courtland, and Plainfield also contracted with the KCDPW to continue Operation & Maintenance (O&M) on their local systems. In October of 2012, all of the five NKSA partner communities terminated their O&M contract with the KCDPW and contracted instead with the NKSA, which developed its own sewer collection system O&M capabilities. As of the end of 2012, the transfer appeared seamless and successful. This was a milestone in the evolution of the NKSA and the effective cooperation among its constituent communities. Their objective has always been the effective, efficient, and economical operation of their individual and collective municipal wastewater collection and treatment services to their customers.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management’s discussion & analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Government Structure, Local Economic Condition and Outlook

Plainfield Township was established in 1838 as a township, and in 1978 became a charter township by resolution of the Township Board. A Superintendent, serving at the pleasure of the seven-member Board of Trustees, provides the day-to-day management of Plainfield Charter Township. The Township Supervisor, Treasurer and Clerk also serve as part-time administrators, executing the statutory duties of their offices. Encompassing an area of 36 square miles, Plainfield Township has a 2010 Census population of 30,952. The Township’s Total Taxable Value for 2012 is \$1,129,152,098. 73% of this is residential, 20% is commercial, and 7% is other.

Building permits have averaged 346 annually for the past five years. The number of building permits issued in 2012 was 348. The value of the new construction represented by those permits has risen from \$21,237,268 in 2011 to \$24,129,348 in 2012.

The property tax base is very diversified, with the ten largest property tax payers comprising only 6.5% of the total. There is a wide variety of housing choices available for all income levels. Plainfield Township is the home of the West Michigan Whitecaps Baseball organization, whose stadium is located adjacent to US 131 in the Comstock Park area of the Township.

Plainfield Avenue has been a growing and developing commercial corridor for the past 45 years. Prior to the economic slowdown, a significant number of older buildings and vacant parcels were being torn down or developed as new commercial uses. We hope that this redevelopment of the Plainfield Avenue Corridor will resume as local and regional business enterprises recognize the profitability of serving the market area of Plainfield Township and adjacent communities. In 2006, the Plainfield Charter Township Board established the Plainfield Avenue Corridor Improvement Authority (PACIA) in conjunction with Grand Rapids Township for the purpose of enhancing redevelopment of the corridor and maintaining its viability. The PACIA received revenue for the first year in 2008. Revenues in 2008 through 2012 amounted to \$135,753. Revenues in 2013 are zero, due to the decrease in Taxable Value below its base value in 2006. The PACIA will go out of existence in 2016 unless it is renewed. Negotiations with the contributing taxing entities are necessary for that to occur.

In spite of almost five years of difficult economic circumstances, felt most strongly in the building sector, Plainfield Township remains a desirable place for businesses and residents. The water and sewer infrastructure in Plainfield Township have been expanded and improved over the past decade to provide for anticipated growth. The Township's low property tax rate and the quality of the schools in the area also make Plainfield Township attractive for new residents and new businesses. We are hopeful and reasonably optimistic that economic activity and growth will occur in 2013.

Financial Information

Management of Plainfield Township is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable (but not absolute) assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

- **Budgetary Controls**

The Township maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board. Activities of the General Fund, Special Revenue Funds, and Proprietary Funds, as well as the activities of the DDA and PACIA, are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) for fiscal year 2012 was the "functional level" within each fund; however, management requires tighter budgetary awareness and attention from department managers down to the line item level. Unexpended appropriations lapse at year-end, but funding

appropriated, but not spent, for committed capital projects is typically re-appropriated in the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, Plainfield Township continues to meet its responsibility for sound financial management.

- **Financial Policies**

During 2012, Plainfield Charter Township continued practicing sound financial decisions by exercising tighter spending controls and examining areas that will, or could, result in cost savings. Examples include:

- Financing water system projects with Drinking Water Revolving Funds (DWRF) at a very low interest rate and reduced through principal forgiveness.
- Financing sewer system projects with State Revolving Funds (SRF) at very low interest rates.
- Financing sewer system projects with contributions from state grants.
- Eliminated the majority of capital spending unless absolute need requires it.
- Board approval required for out-of-town travel.
- Pay increases were frozen for three years (2010, 2011, and 2012), and a modest 2% increase in employee compensation was granted effective 1/1/2013.
- Increased cost sharing for health insurance from no employee contribution in 2009 to progressive increased contributions to 20% in 2014.
- Implement new Retirement Health Savings (RHS) plan to replace an unfunded retirement health insurance plan for all employees.

Most of these changes resulted in immediate financial improvement and will carry cost savings forward to future years as well. The revised retirement benefits had a financial impact in 2011 and 2012, but the changes will significantly reduce future years' liabilities and costs.

- **Long-term Financial Planning**

Being in close proximity to the City of Grand Rapids is a benefit to the citizens of Plainfield Charter Township. Proximity to Grand Rapids' cultural, health care, higher education, and other institutions is only one of many reasons for the attraction of Plainfield Charter Township. Our community also benefits from three very prominent school systems, a wide range of homes and neighborhoods, rivers and streams, a popular minor league professional baseball stadium, several golf courses, nearby entertainment and shopping areas, many natural, pristine, and wooded areas, and miles of river valleys along the Grand and the Rogue rivers. Recent acquisition and beginning development of over 150 acres of new park land carries great promise for the recreation opportunities that will be available to residents of our community. We still have substantial growth potential that would allow our tax base to grow when the economy recovers. With our current tax rate at 3.29 mils, which is substantially lower than the allowable maximum of 4.1772 mils, there is some room to generate the revenue needed to sustain operations during the current pause in our economy's growth.

The largest portion of our General Fund expenditures is our fire department. The majority of these expenses increase each year by a percentage very close to the inflation rate. The fire department expense that typically has greater fluctuations is Capital Outlay for equipment replacement. Several years ago, our fire chief created a long-range equipment replacement plan that extends out 20 years, providing accurate data to plan for the best way to finance these equipment replacement needs. Management has recommended, and continues to recommend, that a dedicated source of funding be considered for these predictable and quantifiable recurring needs. A special committee to study public safety needs of the community has made a specific recommendation (among others) that the Township Board address this matter.

Several years ago, after borrowing \$5 million for a number of important capital improvements, Plainfield Charter Township implemented a water rate increase that was used to pay for this borrowing, the anticipated routine costs of operation and maintenance, and generate enough money to cover planned system expansion and improvement projects for about 5 years on a pay-as-you-go basis. Significant progress in upgrading our water system was made during those years, but a different approach to implementing the system's capital improvements plan is now being used. Due to the reduction in revenue from connection fees that have been used to help pay for capital improvements on a pay-as-you-go basis, we are now using low-interest loans through the State of Michigan's Drinking Water Revolving Fund, supplemented by federal stimulus money in order to continue with our planned capital projects, whose construction began in 2011. These improvements will help Plainfield Township to deal more effectively with long term capital improvement planning.

In 2008, with the completion of a new, state-of-the-art wastewater treatment plant by the North Kent Sewer Authority (NKSA), Plainfield Charter Township enacted a series of significant sewer rate increases to pay for significantly increased annual bond costs. Over the past 7 years, there have been significant improvements made to our sewer collection system, which were paid out of cash reserves. We have additional sewer capital improvement projects that commenced in 2012 and will be financed using Sewer Revolving Funds (SRF), similar to what we are doing for the Water Fund projects.

Major water capital improvement projects completed in 2011 and sewer capital improvement projects completed 2012, will stabilize both systems and address critical needs for many years. Until large projects are required in the future, we will attempt to fund smaller projects with cash reserves and will try to maximize any advantages of low interest loans and grant opportunities as they present themselves and fit our needs.

Over the last five years Plainfield Charter Township's unassigned fund balance in the General Fund has averaged 24 percent of total general fund expenditures. This gives us the flexibility to manage unplanned expenses, deal with changes in state shared revenue and property tax revenue, and manage cash flow needs.

The Township's consistently conservative approach to local government services and taxes has enabled us to manage in a severe economic downturn in Michigan. Plainfield Township will endeavor to maintain enough flexibility and reserves in its major funds to handle necessary capital improvement and replacement expenditures. Our bond rating from Standard & Poor's was upgraded four years ago from "A+" to "AAa."

- **Independent Audit Requirements**

State statutes (MCL 141.425) require financial records, accounts and procedures to be audited annually by a certified public accountant selected by the Township or by the state treasurer if the Township fails to do so. The accounting firm of Vredevelde Haefner LLC was selected by Plainfield Township to perform the audit for the fiscal year of 2012. The auditor's report on the basic financial statements and combining and individual funds statements and schedules are included in the financial section of this report.

- **Governmental Accounting Standards Board – Statement No. 34**

The Governmental Accounting Standards Board (GASB), Statement Number 34, has completely revised how state and local governments report their finances to the public. The Township's accounting staff has prepared financial statements that have been fully compliant since fiscal year 2002.

One of the main differences between our previous years' financial statements and the GASB 34 compliant financial statements is the emphasis on the economic cost of delivering services to our citizens. Measuring the cost-benefit relationships of government activities has been difficult in the past. These new statements provide our elected and appointed officials useful information to make efficient and effective use of taxpayer dollars and give the readers of our statements better ability to evaluate how we are doing.

- **Governmental Accounting Standards Board – Statement No. 45**

For our 2008 financial reports, Plainfield Township implemented Statement No. 45 of the Governmental Accounting Standards Board (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions). In connection with that accounting standard, the Net Other Post Employment Benefit Obligation (NOPEBO) included in the Township's liabilities represents the amount of contributions that the Township was required to make, but did not make. The NOPEBO at the end of 2012 was \$1,519,194. The Township made significant changes to the retiree health insurance benefit for all employees that went into effect in 2011 and 2012. These changes will greatly reduce our OPEB liabilities and obligations. The new plan establishes a defined contribution plan for all future service of current employees and authorized structured payments to a Retiree Health Savings Account (RHSA) for past

service. More details regarding Other Post Employment Benefits (OPEB) can be found in Note No. 7, under Notes to the Financial Statements.

- **Governmental Accounting Standards Board – Statement No. 54**

For our 2011 financial reports, Plainfield Township implemented Statement No. 54 of the Governmental Accounting Standards Board (Fund Balance Reporting and Governmental Fund Type Definitions). The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In connection with that accounting standard, our Fund Balances are now being reported as one of the following types:

1. Non-spendable – such as inventories or prepaid expenditures.
2. Restricted – can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
4. Assigned - are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned - the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

- **Awards**

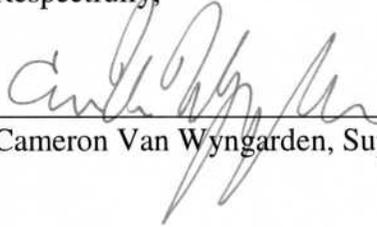
The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plainfield Charter Township for its comprehensive annual financial report for the fiscal year ended December 31, 2011. Plainfield Charter Township is one of only seven townships in Michigan that achieved this for fiscal year 2011. This was the eleventh consecutive year that Plainfield Township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

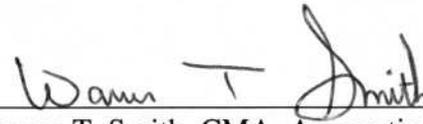
- **Acknowledgements**

The preparation of these statements could not have been accomplished without the efficient and dedicated services of the entire staff of Plainfield Township. We extend our recognition and appreciation especially to those employees and officials who directly assisted in the preparation of these statements. The Township Board supports the Accounting Department by encouraging continued diligence and by providing the resources needed to prepare accurate financial statements.

Respectfully,



Cameron Van Wyngarden, Superintendent



Warren T. Smith, CMA, Accounting Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Plainfield Charter Township
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrill

President

Jeffrey R. Emer

Executive Director



Plainfield Charter Township Board of Trustees

Supervisor

Jay D. Spencer

Clerk

K. Scott Harvey

Treasurer

William F. Brinkman Jr.

Trustees

David A. Grant

Dale A. Pomeroy

Victor M. Mathews

Jonathon M. Rathbun

Township Superintendent

Cameron Van Wyngarden

Boards, Committees, Commissions

Board of Review

Building Board of Appeals

Comstock Park Downtown Development Authority

Planning Commission

Zoning Board of Appeals

Library Advisory Committee

Parks and Recreation Committee

Historical Advisory Committee

Public Safety Advisory Committee

Senior Citizens Advisory Committee

Budget & Finance Committee

Infrastructure Committee
Personnel Committee

Department Heads

Accounting Department
Warren Smith

Assessing Department
Judy La Fave

Clerk's Department
Scott K. Harvey

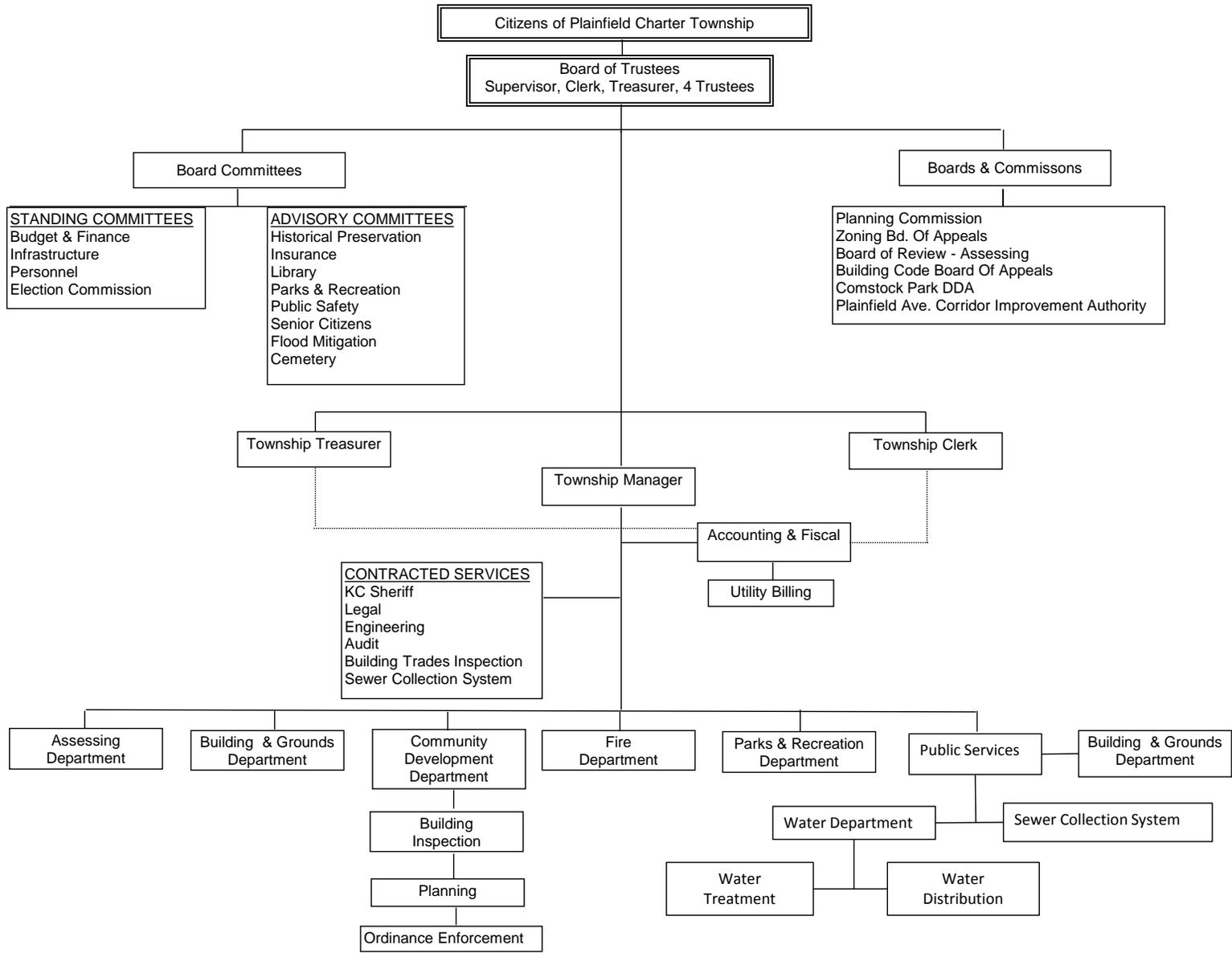
Manager's Department
Cameron Van Wyngarden

Community Development Department
William Fischer

Fire Department
David Peterson

Treasurer's Department
William Brinkman

Water Department
Rick Solle



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

May 14, 2013

Members of the Board of Trustees
Plainfield Charter Township
Kent County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township, Kent County Michigan, as of and for the year ended December 31, 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township, as of December 31, 2012, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the information on pages 43 and 44 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 Township's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*, and is also not a required part of the financial statements of the Township.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 fund financial statements and schedules and the schedule of expenditure of federal awards is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2013, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Uredaxeld Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

As management of *Plainfield Charter Township, Kent County, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$72,627,537 (net position). Of this amount, \$12,462,953 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,064,143.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,257,918, an increase of \$286,666 in comparison with the prior year. Approximately 65% of the ending fund balance, or \$2,114,448, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,114,448, or 29 percent of total General Fund expenditures.
- The Township's total indebtedness increased by \$2,964,827 to a total of \$19,380,867 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 financial position of the Township 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township 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 the Township include general government, public safety, public works, culture and recreation, building inspection, community development, and operation of the community center. The business-type activities of the Township include water and sewer operations.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

The government-wide financial statements include not only Plainfield Township itself (known as the primary government), but also two legally separate authorities for which the Township is financially accountable, a Downtown Development Authority and Plainfield Avenue Corridor Improvement Authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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. The 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the only major fund. Data from the other five 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. Budgetary comparison schedules have been provided as required supplementary information to demonstrate compliance with those budgets.

Proprietary funds. The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer and water system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
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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.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, which includes this management's discussion and analysis, general fund budget to actual comparison, and benefit plan information. This report also includes other supplementary information made up of combining and individual fund statements and schedules and statistical information.

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 Plainfield Charter Township, assets exceeded liabilities by \$72,627,537 at the close of the most recent fiscal year.

By far the largest portion of the Township's net position (83 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Township uses 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.

Plainfield Charter Township's Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 7,486,075	\$ 7,331,619	\$ 13,275,749	\$ 9,618,019	\$20,761,824	\$16,949,638
Capital assets	9,924,038	10,071,408	66,049,141	62,911,636	75,973,179	72,983,044
Total assets	<u>17,410,113</u>	<u>17,403,027</u>	<u>79,324,890</u>	<u>72,529,655</u>	<u>96,735,003</u>	<u>89,932,682</u>
Long-term liabilities outstanding	1,752,586	1,881,591	15,034,849	12,899,808	16,787,435	14,781,399
Other liabilities	4,833,078	4,867,006	2,486,953	1,720,883	7,320,031	6,587,889
Total liabilities	<u>6,585,664</u>	<u>6,748,597</u>	<u>17,521,802</u>	<u>14,620,691</u>	<u>24,107,466</u>	<u>21,369,288</u>
Net position:						
Invested in capital assets, net of related debt	9,431,250	8,762,915	50,492,660	49,922,253	59,923,910	58,685,168
Restricted	77,154	14,263	163,520	187,333	240,674	201,596
Unrestricted	1,316,045	1,877,252	11,146,908	7,799,378	12,462,953	9,676,630
Total net position	<u>\$10,824,449</u>	<u>\$10,654,430</u>	<u>\$61,803,088</u>	<u>\$57,908,964</u>	<u>\$72,627,537</u>	<u>\$68,563,394</u>

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
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An additional portion of the Township's net position (0.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (17 percent or \$12,462,953) may be used to meet the government'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 government's net position increased by \$4,064,143 during the current fiscal year.

Plainfield Charter Township's Changes in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue:						
Program revenue:						
Charges for services	\$1,600,817	\$1,469,268	\$9,943,295	\$9,316,815	\$11,544,112	\$10,786,083
Operating grants and contributions	135,105	121,953	11,089	-	146,194	121,953
Capital grants and contributions	326,680	691,220	2,662,876	303,270	2,989,556	994,490
General revenue:						
Property taxes	3,588,666	3,665,989	-	-	3,588,666	3,665,989
State sources	2,274,860	2,250,554	-	-	2,274,860	2,250,554
Other	70,162	32,568	121,968	107,740	192,130	140,308
Total revenue	<u>7,996,290</u>	<u>8,231,552</u>	<u>12,739,228</u>	<u>9,727,825</u>	<u>20,735,518</u>	<u>17,959,377</u>
Expenses:						
General government	3,439,335	3,610,149	-	-	3,439,335	3,610,149
Public safety	3,388,052	3,453,294	-	-	3,388,052	3,453,294
Public works	392,225	489,574	-	-	392,225	489,574
Parks and recreation	572,500	549,939	-	-	572,500	549,939
Interest on long-term debt	34,159	45,828	-	-	34,159	45,828
Sewer	-	-	3,846,393	4,318,730	3,846,393	4,318,730
Water	-	-	4,998,711	4,903,753	4,998,711	4,903,753
Total expenses	<u>7,826,271</u>	<u>8,148,784</u>	<u>8,845,104</u>	<u>9,222,483</u>	<u>16,671,375</u>	<u>17,371,267</u>
Change in net position	170,019	82,768	3,894,124	505,342	4,064,143	588,110
Net position - beginning of year	<u>10,654,430</u>	<u>10,571,662</u>	<u>57,908,964</u>	<u>57,403,622</u>	<u>68,563,394</u>	<u>67,975,284</u>
Net position - end of year	<u>\$10,824,449</u>	<u>\$10,654,430</u>	<u>\$61,803,088</u>	<u>\$57,908,964</u>	<u>\$72,627,537</u>	<u>\$68,563,394</u>

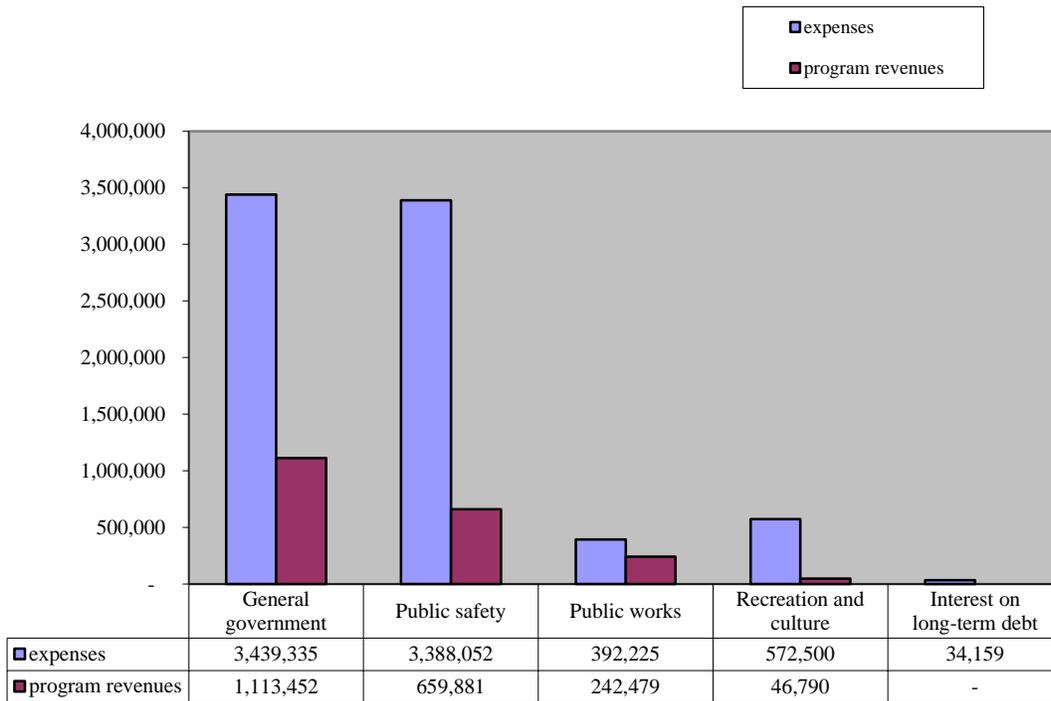
Governmental activities. Governmental activities increased the Township's net position by \$170,019. Key elements of this increase are as follows:

- Decrease in revenue from property taxes of \$61,000, due to lower taxable values.
- Decrease in revenue from grants of \$340,000. These were grants to acquire land for a new park and a FEMA grant to acquire houses in the flood plain.
- Increase in election costs of \$68,000, due to being an election year.

PLAINFIELD CHARTER TOWNSHIP
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- Decrease in other general government costs of \$234,000, due mostly to a one time reduction in payments to Water Fund for hydrant costs.
- Increase in public safety costs of \$186,000, mostly due to an increase in capital outlay spending.
- Decrease in parks department costs of \$526,000, due to the purchase of land for a new park in 2011.
- Decrease in retirement costs of \$112,000, due to lower payout for new retirement plan that will eliminate OPEB liability for all active employees.

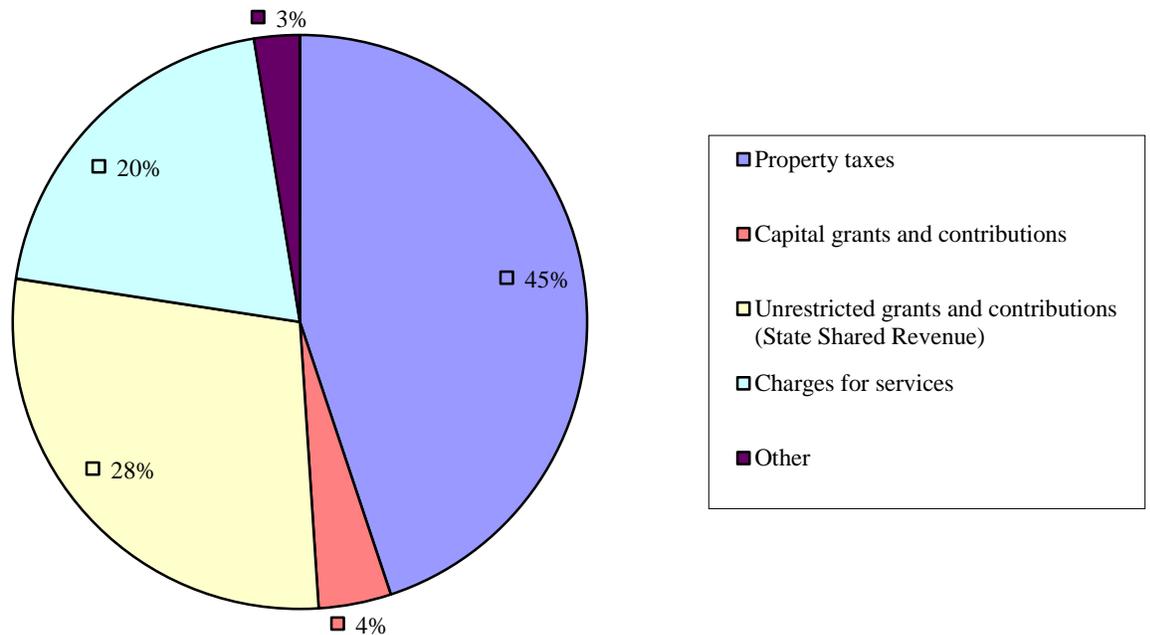
Expenses and Program Revenues - Governmental Activities



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Revenues by Source - Governmental Activities

Revenues by Source - Governmental Activities



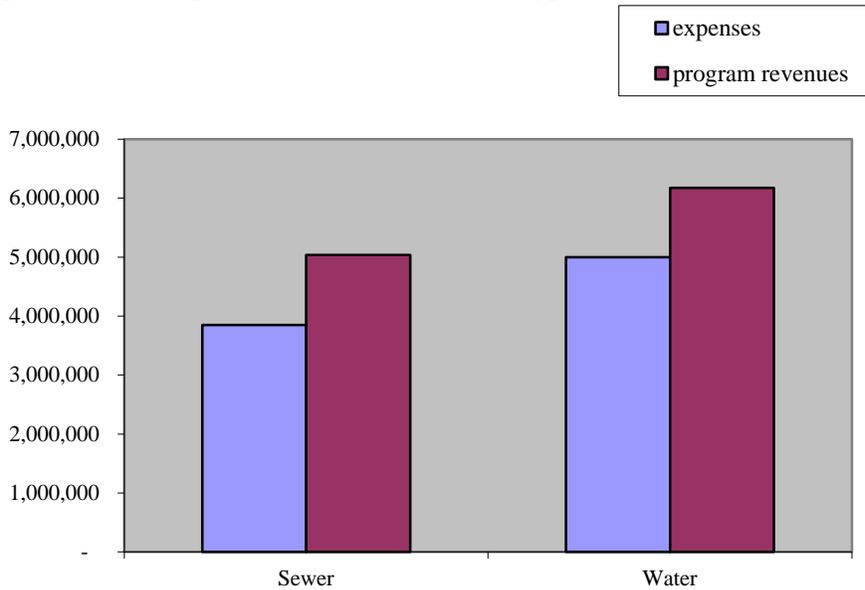
Business-type activities. Business-type activities increased the Township's net position by \$3,894,124. Operating revenues in the Sewer Fund increased by \$71,785 from 2011, and operating revenues in the Water Fund increased by \$548,927 from 2011. There was an increase of \$444,346 in connection charges and contributions in the Sewer Fund and an increase of \$508,543 in the Water Fund from 2011. We also recognized a one-time contribution in the Water Fund for principal forgiveness related to Drinking Water Revolving Funds (DWRP) that will not be required to be repaid, in the amount of \$1,407,000. Sewer Fund expenses were down \$457,828 from 2011 and Water Fund expenses were up \$65,915 from 2011. Key elements of these changes are as follows:

- Received Sewer S2 grants for \$273,000.
- Sewer connection revenues were up \$175,000 from 2011, due to increase in construction.
- Sewer base fee and commodity fee revenue up \$90,000, due to increased usage.
- Sewer system operation and maintenance expenses decreased by \$270,000 from 2011, due to change in provider for O&M.
- Water contributions up \$1,407,000, due to one-time principal forgiveness on DWRP projects.
- Water sales revenue up \$737,000, due to dry and hot summer in 2012.
- Water fire protection revenues down \$191,000, due to a one-time correction.
- Water contributed capital revenues up \$491,000, due to a neighboring township contributing to our water project in their township.

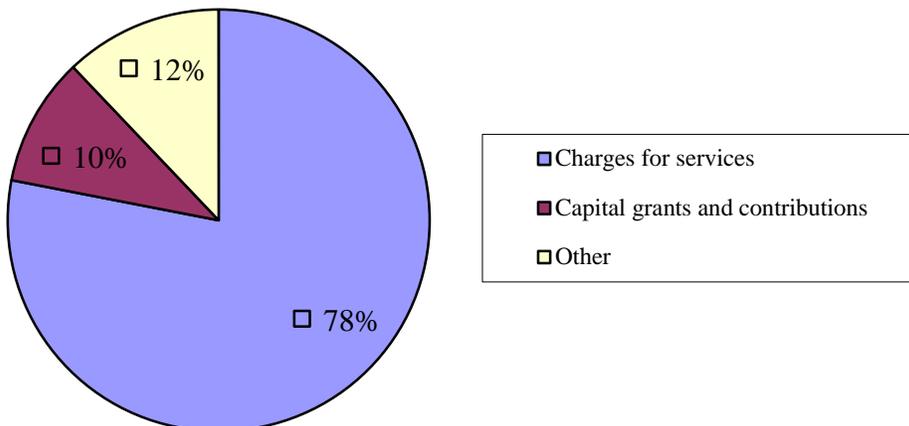
PLAINFIELD CHARTER TOWNSHIP
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- Water Fund legal fees up \$68,000 from 2011, due to dispute over lime softening residual.
- Water plant costs up \$76,000 from 2011, due to higher demand for water in 2012.
- Water Fund retirement costs decreased by \$110,000, due to reduction in liability for Other Post Employment Benefits (OPEB).
- Water Fund depreciation costs up \$89,000, due to many new construction projects being completed.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

Financial Analysis of the Government's Funds

As noted earlier, the Township uses 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 *spend able* 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 government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,257,918, an increase of \$286,666 in comparison with the prior year. Approximately 65% (\$2.11 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it has specific criteria which must be met before it can be expended.

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 \$2,114,448, while total fund balance was \$2,776,845. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 29 percent of total General Fund expenditures.

The fund balance of the Township's General Fund increased by \$265,319 in 2012 compared to an increase of \$17,770 in 2011. The budgeted decrease in fund balance of \$75,379 did not materialize due to: excess grant revenue received of \$105,000, excess state shared revenue received of \$27,000, excess reimbursement revenue received of \$34,000; unspent employee costs of \$66,000; unspent retirement health savings of \$51,000; unspent contracted services of \$39,000, and unspent capital outlay of \$30,000.

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

Unrestricted net position of the Sewer and Water Funds at the end of the year amounted to \$6,766,572 and \$4,380,336, respectively. The Sewer Fund had an increase in net position for the year of \$1,295,967, and the Water Fund had an increase of \$2,598,157. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

During the year, General fund budget to actual comparisons were generally favorable.

The significant budget modifications during the year were as follows:

1. Increase Employee RHS Funding by \$343,000 due to settlement of contracts with two unions.
2. Increase FEMA Hazard Mitigation Grant revenue by \$248,250 due to continuation of program into 2012.
3. Increase Hazard Mitigation Grant expense by \$225,000 due to continuation of program into 2012.
4. Increase Fire Department Capital Outlay expense by \$166,000 due to refurbishing a fire truck.
5. Increase State Shared Revenue by \$125,000 due to distributions from State being higher with improved economy.
6. Decrease Fire Protection expense by \$163,000 due to one-time correction in payment to Water Fund.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of December 31, 2012, amounted to \$75,973,179, (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, systems, improvements, machinery and equipment, and park facilities.

Major capital asset events during the current fiscal year included the following:

- Northland Dr. and Belmont Ave. lift station improvement projects for \$1,116,000.
- Coit Ave. sewer extension project for \$894,000.
- Coit Ave. pond purchase for \$890,000.
- Scott Creek sewer rehabilitation project for \$642,000.
- Spruce Hollow Dr. and Balsam Ave. lift station improvement projects for \$580,000.
- Land purchase for future Westgate water tank for \$268,000.
- Refurbish 1993 aerial fire truck for \$189,000.
- Complete water storage tank at water treatment plant for \$126,000.

Major capital asset events planned for fiscal year 2013 include the following:

- Complete Northland Dr. and Belmont Ave. sewer lift station rehabilitations for \$529,000.
- Repaint Buth water tank for \$240,000.
- Complete Coit Ave. sewer extension for \$227,000.
- Repaint Kroes water tank for \$110,000.

Plainfield Charter Township's Capital Assets
(net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,447,428	\$ 1,866,957	\$ 4,314,385
Construction in Progress	-	3,849,717	3,849,717
Buildings and Improvements	6,671,412	9,764,716	16,436,128
Machinery and Equipment	805,198	1,969,103	2,774,301
Utility Systems	-	48,598,648	48,598,648
Total	\$ 9,924,038	\$ 66,049,141	\$ 75,973,179

Additional information on the Township's capital assets can be found in Note 4 of this report.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

Long-term debt. At the end of the current fiscal year, the Township had total long-term debt outstanding of \$19,380,867. Of this amount, \$465,000 comprises debt backed by the full faith and credit of the government. The remainder (\$18,915,867) represents bonds secured by specified revenue sources (i.e., revenue bonds) in the amount of \$15,200,330, retirement health notes of \$1,287,072, post-employment benefits in the amount of \$1,519,194, installment loan agreements in the amount of \$643,788, and other accrued employee benefits in the amount of \$265,483.

Plainfield Charter Township's Outstanding Debt

	Governmental activities	Business-type activities	Total
General obligation bonds	\$465,000	\$ –	\$465,000
Revenue bonds	–	15,200,330	15,200,330
Installment purchase agreements	27,788	616,000	643,788
Retirement health notes	664,727	622,345	1,287,072
Post-employment benefits liability	1,063,436	455,758	1,519,194
Accumulated sick and vacation pay	178,960	86,523	265,483
Total	\$2,399,911	\$16,980,956	\$19,380,867

The Township's total debt increased by \$2,964,827 during the current fiscal year. This increase includes; an addition of \$3,178,073 for our share of new sewer bonds issued through State of Michigan SRF loans; an increase of \$616,000 for installment purchase agreement; and an increase of \$868,625 due to recognizing the future payout for the new retirement plan for bargaining unit employees.

The Township's water bonds has an "AA-" rating from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$117,177,490, which is approximately two hundred fifty-two times more than the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2013 fiscal year:

Governmental Activities:

- Grant revenue for miracle field development added \$424,100.
- Parks department capital outlay budgeted higher by \$419,100 for miracle field development.
- Fire department capital outlay budgeted higher by \$173,300 for vehicle improvements.
- State Shared revenue is budgeted to be higher by \$150,000, due to improving economy.
- Tax collections budgeted lower by \$206,000 due to reduced property values.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2012

Requests for Information

This financial report is designed to provide a general overview of the Township'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 Plainfield Charter Township, 6161 Belmont Ave. NE, Belmont, MI 49306.

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BASIC FINANCIAL STATEMENTS

PLAINFIELD CHARTER TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority	Corridor Improvement Authority
Assets					
Cash and pooled investments	\$ 2,974,176	\$ 9,419,233	\$ 12,393,409	\$ 509,026	\$ 113,733
Receivables					
Taxes	3,428,464	-	3,428,464	66,650	-
Accounts	12,760	2,295,618	2,308,378	-	-
Due from other governments	870,537	24,768	895,305	-	-
Inventory	-	197,999	197,999	-	-
Prepaid items	152,384	85,456	237,840	-	-
Total current assets	7,438,321	12,023,074	19,461,395	575,676	113,733
Noncurrent assets					
Restricted cash	-	215,000	215,000	-	-
Special assessment receivable	47,754	777,826	825,580	-	-
Unamortized bond issue costs	-	259,849	259,849	-	-
Capital assets:					
Non-depreciable	2,447,428	5,716,674	8,164,102	-	-
Depreciable capital assets, net	7,476,610	60,332,467	67,809,077	877,875	-
Total noncurrent assets	9,971,792	67,301,816	77,273,608	877,875	-
Total assets	17,410,113	79,324,890	96,735,003	1,453,551	113,733
Liabilities					
Accounts payable	277,070	481,520	758,590	3,341	39,915
Accrued payroll and benefits	230,699	-	230,699	-	-
Accrued interest payable	2,983	59,326	62,309	-	-
Unearned revenue	3,675,001	-	3,675,001	66,650	-
Current portion of bonds and notes	647,325	1,946,107	2,593,432	-	-
Total current liabilities	4,833,078	2,486,953	7,320,031	69,991	39,915
Long-term liabilities					
Post employment benefits	1,063,436	455,758	1,519,194	-	-
Compensated absences	178,960	86,523	265,483	-	-
Bonds and notes payable	1,157,515	16,438,675	17,596,190	-	-
Less current portion	(647,325)	(1,946,107)	(2,593,432)	-	-
Total long-term liabilities	1,752,586	15,034,849	16,787,435	-	-
Total liabilities	6,585,664	17,521,802	24,107,466	69,991	39,915
Net position					
Invested in capital assets, net of related debt	9,431,250	50,492,660	59,923,910	877,875	-
Restricted for					
Debt service	-	163,520	163,520	-	-
Building department	42,122	-	42,122	-	-
Lighting district	27,614	-	27,614	-	-
Lake improvement	7,418	-	7,418	-	-
Unrestricted	1,316,045	11,146,908	12,462,953	505,685	73,818
Total net position	\$ 10,824,449	\$ 61,803,088	\$ 72,627,537	\$ 1,383,560	\$ 73,818

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
General government	\$ 3,439,335	\$ 1,107,247	\$ 6,205	\$ -	\$ (2,325,883)
Public safety	3,388,052	213,751	128,900	317,230	(2,728,171)
Public works	392,225	233,029	-	9,450	(149,746)
Culture and recreation	572,500	46,790	-	-	(525,710)
Interest on long-term debt	34,159	-	-	-	(34,159)
Total governmental activities	<u>7,826,271</u>	<u>1,600,817</u>	<u>135,105</u>	<u>326,680</u>	<u>(5,763,669)</u>
Business-type activities					
Sewer	3,846,393	4,488,133	-	548,209	1,189,949
Water	4,998,711	5,455,162	11,089	2,114,667	2,582,207
Total business-type activities	<u>8,845,104</u>	<u>9,943,295</u>	<u>11,089</u>	<u>2,662,876</u>	<u>3,772,156</u>
Total primary government	<u>\$ 16,671,375</u>	<u>\$ 11,544,112</u>	<u>\$ 146,194</u>	<u>\$ 2,989,556</u>	<u>\$ (1,991,513)</u>
Component units					
Downtown Development Authority	\$ 99,227	\$ -	\$ -	\$ -	\$ (99,227)
Corridor Improvement Authority	42,915	-	-	-	(42,915)
Total component units	<u>\$ 142,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (142,142)</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Primary Government			Component Units	
	Governmental	Business-type	Total	Downtown	Corridor
	<u>Activities</u>	<u>Activities</u>		<u>Development</u>	<u>Improvement</u>
Changes in net assets					
Net (expense) revenue	\$ (5,763,669)	\$ 3,772,156	\$ (1,991,513)	\$ (99,227)	\$ (42,915)
General revenues					
Property taxes	3,588,666	-	3,588,666	210,097	21,476
State shared revenues	2,274,860	-	2,274,860	-	-
Unrestricted investment earnings	21,540	120,168	141,708	1,424	327
Gain on sale of capital assets	48,622	1,800	50,422	-	-
Total general revenues	<u>5,933,688</u>	<u>121,968</u>	<u>6,055,656</u>	<u>211,521</u>	<u>21,803</u>
Change in net position	170,019	3,894,124	4,064,143	112,294	(21,112)
Net position, beginning of year	<u>10,654,430</u>	<u>57,908,964</u>	<u>68,563,394</u>	<u>1,271,266</u>	<u>94,930</u>
Net position, end of year	<u>\$ 10,824,449</u>	<u>\$ 61,803,088</u>	<u>\$ 72,627,537</u>	<u>\$ 1,383,560</u>	<u>\$ 73,818</u>

(Concluded)

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
BALANCE SHEET**

DECEMBER 31, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 2,464,887	\$ 509,289	\$ 2,974,176
Receivables			
Taxes	3,226,567	201,897	3,428,464
Accounts	12,760	-	12,760
Special assessments	33,126	14,628	47,754
Due from other governments	870,537	-	870,537
Prepaid items	<u>145,719</u>	<u>6,665</u>	<u>152,384</u>
Total assets	<u>\$ 6,753,596</u>	<u>\$ 732,479</u>	<u>\$ 7,486,075</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 258,873	\$ 18,197	\$ 277,070
Accrued payroll and benefits	230,699	-	230,699
Deferred revenue	<u>3,487,179</u>	<u>233,209</u>	<u>3,720,388</u>
Total liabilities	<u>3,976,751</u>	<u>251,406</u>	<u>4,228,157</u>
Fund balances			
Non-spendable			
Prepaid items	145,719	6,665	152,384
Restricted			
Building department	-	42,122	42,122
Lighting district	-	27,614	27,614
Lake improvement	-	7,418	7,418
Committed			
Special assessment projects	449,442	-	449,442
Fire department	769	-	769
Assigned			
Capital projects	-	220,489	220,489
Stormwater management	-	176,765	176,765
Future years expenditures	66,467	-	66,467
Unassigned	<u>2,114,448</u>	<u>-</u>	<u>2,114,448</u>
Total fund balances	<u>2,776,845</u>	<u>481,073</u>	<u>3,257,918</u>
Total liabilities and fund balances	<u>\$ 6,753,596</u>	<u>\$ 732,479</u>	<u>\$ 7,486,075</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION**

DECEMBER 31, 2012

Fund balances - total governmental funds	\$ 3,257,918
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	2,447,428
Add - capital assets (net of accumulated depreciation)	7,476,610
Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.	
Add - special assessments deferred receivable	45,387
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - post employment benefits	(1,063,436)
Deduct - compensated absences payable	(178,960)
Deduct - bonds and notes payable	(1,157,515)
Deduct - accrued interest payable	<u>(2,983)</u>
Net position of governmental activities	<u>\$ 10,824,449</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues			
Taxes	\$ 3,588,234	\$ -	\$ 3,588,234
Licenses and permits	474,008	-	474,008
Federal	425,152	-	425,152
State	2,295,838	-	2,295,838
Charges for services	242,927	213,751	456,678
Fines	929	-	929
Investment earnings	20,018	3,987	24,005
Miscellaneous	<u>507,944</u>	<u>233,029</u>	<u>740,973</u>
Total revenues	<u>7,555,050</u>	<u>450,767</u>	<u>8,005,817</u>
Expenditures			
Current			
General government	2,704,395	-	2,704,395
Public safety	3,066,492	181,711	3,248,203
Public works	181,961	246,179	428,140
Culture and recreation	484,543	-	484,543
Debt service			
Principal	843,843	-	843,843
Interest	<u>37,815</u>	<u>-</u>	<u>37,815</u>
Total expenditures	<u>7,319,049</u>	<u>427,890</u>	<u>7,746,939</u>
Revenues over (under) expenditures	<u>236,001</u>	<u>22,877</u>	<u>258,878</u>
Other financing sources (uses)			
Note proceeds	16,588	11,200	27,788
Transfers in	42,730	30,000	72,730
Transfers out	<u>(30,000)</u>	<u>(42,730)</u>	<u>(72,730)</u>
Total other financing sources (uses)	<u>29,318</u>	<u>(1,530)</u>	<u>27,788</u>
Net changes in fund balances	265,319	21,347	286,666
Fund balances, beginning of year	<u>2,511,526</u>	<u>459,726</u>	<u>2,971,252</u>
Fund balances, end of year	<u>\$ 2,776,845</u>	<u>\$ 481,073</u>	<u>\$ 3,257,918</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2012

Net changes in fund balances - total governmental funds	\$ 286,666
Amounts reported for <i>governmental activities</i> 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 are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	431,989
Deduct - net book value of disposed of assets	(24,907)
Deduct - depreciation expense	(554,452)
Special assessments receivable are long-term in nature and are collectable over several years. However the current receipts are reflected as revenues on the fund statements.	
Deduct - special assessment receipts	(9,527)
Bonds or notes issued provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Deduct - long-term note issued	(692,865)
Add - principal payments on debt	843,843
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Deduct - increase in post employment benefits payable	(97,749)
Deduct - increase in compensated absences payable	(16,635)
Add - decrease in accrued interest	<u>3,656</u>
Change in net position of governmental activities	<u>\$ 170,019</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

DECEMBER 31, 2012

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Assets			
Current assets			
Cash and pooled investments	\$ 5,285,181	\$ 4,134,052	\$ 9,419,233
Accounts receivable	1,037,287	1,258,331	2,295,618
Due from other governments	11,462	13,306	24,768
Inventory	-	197,999	197,999
Prepaid and other assets	15,125	70,331	85,456
	<u>6,349,055</u>	<u>5,674,019</u>	<u>12,023,074</u>
Total current assets			
Noncurrent assets			
Restricted cash	-	215,000	215,000
Special assessments receivable	753,857	23,969	777,826
Unamortized bond costs	-	259,849	259,849
Property, plant and equipment-net of accumulated depreciation	21,045,277	45,003,864	66,049,141
	<u>21,799,134</u>	<u>45,502,682</u>	<u>67,301,816</u>
Total noncurrent assets			
Total assets	<u>28,148,189</u>	<u>51,176,701</u>	<u>79,324,890</u>
Liabilities			
Current liabilities			
Accounts payable	328,494	153,026	481,520
Accrued interest payable	7,846	51,480	59,326
Current portion of bonds and notes	360,764	1,585,343	1,946,107
	<u>697,104</u>	<u>1,789,849</u>	<u>2,486,953</u>
Total current liabilities			
Long-term liabilities			
Post employment benefits	-	455,758	455,758
Compensated absences	-	86,523	86,523
Bonds and notes payable	4,691,406	11,747,269	16,438,675
Less current portion of bonds and notes	(360,764)	(1,585,343)	(1,946,107)
	<u>4,330,642</u>	<u>10,704,207</u>	<u>15,034,849</u>
Total long-term liabilities			
Total liabilities	<u>5,027,746</u>	<u>12,494,056</u>	<u>17,521,802</u>
Net position			
Investment in capital assets, net of related debt	16,353,871	34,138,789	50,492,660
Restricted for debt service	-	163,520	163,520
Unrestricted	6,766,572	4,380,336	11,146,908
	<u>23,120,443</u>	<u>38,682,645</u>	<u>61,803,088</u>
Total net position	<u>\$ 23,120,443</u>	<u>\$ 38,682,645</u>	<u>\$ 61,803,088</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds		
	Sewer	Water	Total
Operating revenue			
Charges for services			
Water sales	\$ -	\$ 4,958,027	\$ 4,958,027
Sewage disposal services	4,419,491	-	4,419,491
Debt services charges	-	5,399	5,399
Penalties	68,592	71,989	140,581
	4,488,083	5,035,415	9,523,498
Total charges for services			
Hydrant maintenance charges	-	319,800	319,800
Other revenue	50	51,982	52,032
	4,488,133	5,407,197	9,895,330
Total operating revenue			
Operating expense			
Administration	-	1,096,037	1,096,037
Plant operations and maintenance	-	1,405,482	1,405,482
Distribution operations and maintenance	3,387,387	746,603	4,133,990
Depreciation	412,322	1,389,468	1,801,790
	3,799,709	4,637,590	8,437,299
Total operating expense			
Operating income (loss)	688,424	769,607	1,458,031
Non-operating revenue (expense)			
Investment earnings	106,018	14,150	120,168
Gain on sale of capital assets	-	1,800	1,800
Other non-operating revenue	-	59,054	59,054
Amortization of bond costs	-	(102,939)	(102,939)
Interest expense	(46,684)	(258,182)	(304,866)
	59,334	(286,117)	(226,783)
Total non-operating revenue (expense)			
Income (loss) before transfers and capital contributions	747,758	483,490	1,231,248
Principal forgiveness	-	1,406,717	1,406,717
Connection charges and contributions	548,209	707,950	1,256,159
	1,295,967	2,598,157	3,894,124
Changes in net position			
Net position, beginning of year	21,824,476	36,084,488	57,908,964
Net position, end of year	\$ 23,120,443	\$ 38,682,645	\$ 61,803,088

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Funds		
	Sewer	Water	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 4,587,171	\$ 5,534,756	\$ 10,121,927
Other revenue	-	59,054	59,054
Payments to employees	-	(1,720,606)	(1,720,606)
Payments to suppliers	(3,288,852)	(1,899,963)	(5,188,815)
Net cash provided by (used in) operating activities	<u>1,298,319</u>	<u>1,973,241</u>	<u>3,271,560</u>
Cash flows from capital and related financing activities			
Connection charges and contributions	548,209	217,089	765,298
Special assessments collected	(2,911)	17,049	14,138
Bond proceeds	3,232,476	4,433,477	7,665,953
Principal paid on bonds	(193,493)	(4,348,974)	(4,542,467)
Principal forgiveness	-	1,406,717	1,406,717
Interest paid on bonds	(43,905)	(234,370)	(278,275)
Bond costs	-	(36,982)	(36,982)
Proceeds from sale of capital assets	-	1,800	1,800
Acquisition of capital assets	(3,303,781)	(1,635,511)	(4,939,292)
Net cash provided by (used in) capital and related financing activities	<u>236,595</u>	<u>(179,705)</u>	<u>56,890</u>
Cash flows from investing activities			
Interest income	106,018	14,150	120,168
Net increase (decrease) in cash and pooled investments	1,640,932	1,807,686	3,448,618
Cash and pooled investments, beginning of year	<u>3,644,249</u>	<u>2,541,366</u>	<u>6,185,615</u>
Cash and pooled investments, end of year	<u>\$ 5,285,181</u>	<u>\$ 4,349,052</u>	<u>\$ 9,634,233</u>
Cash flows from operating activities			
Operating income (loss)	\$ 688,424	\$ 769,607	\$ 1,458,031
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	412,322	1,389,468	1,801,790
Other non-operating revenue	-	59,054	59,054
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	99,038	127,559	226,597
Inventory	-	3,982	3,982
Prepaid and other assets	(8,770)	(20,155)	(28,925)
Accounts payable	107,305	(234,209)	(126,904)
Post employment benefits payable	-	(119,208)	(119,208)
Compensated absences payable	-	(2,857)	(2,857)
Net cash provided by (used in) operating activities	<u>\$ 1,298,319</u>	<u>\$ 1,973,241</u>	<u>\$ 3,271,560</u>

The accompanying notes are an integral part of these financial statements.

PLAINFIELD CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2012

	Agency Funds
Assets	
Cash and pooled investments	\$ <u>4,043,346</u>
Liabilities	
Accounts payable	\$ 6,195
Due to other governmental units	4,001,072
Escrow deposits	<u>36,079</u>
Total liabilities	<u>\$ 4,043,346</u>

The accompanying notes are an integral part of these financial statements.

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PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Plainfield Charter Township (the "Township") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations, so data from these units are combined with data of the primary government. The Township has no blended component units. Discretely presented component units are reported in separate columns in the financial statements to emphasize they are legally separate from the Township.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the Downtown Development Authority (DDA) and the Plainfield Avenue Corridor Improvement Authority (PACIA). These component units provide services to the businesses located within the districts. They are reported in separate columns to emphasize they are legally separate from the Township.

The DDA was created to correct and prevent deterioration in the downtown area and promote economic growth within downtown. The DDA governing body consists of individuals that are appointed by the Township's Board. The Township's Board approves the DDA's budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

The PACIA was established in 2007 under P.A. 280 by Plainfield and Grand Rapids Townships to correct and prevent deterioration and promote economic growth in the Plainfield Avenue corridor area. The PACIA governing body consists of individuals that are appointed by the Township Supervisor. The Township's Board approves the PACIA Board appointments and the PACIA's budget and has the ability to significantly influence operations of the PACIA. Financial statements are not separately issued for the PACIA.

Joint Venture

The Township is a participant in the North Kent Sewer Authority (Authority) (a joint venture as defined by GASB Statement No. 14). The purpose of the Authority is to develop and maintain sanitary sewer infrastructure. The Township utilizes the Authority for its sewage transportation and disposal. The Township pays for these services based on connection fees and on its share of sewage flow through the system to cover debt service, maintenance, operations and administration of the Authority. The Authority has outstanding insured municipal bonds of \$59,691,056 as of December 31, 2012. The Township has pledged its limited faith and credit for the bonds based on Township sewage flow through the system. During their most recent fiscal year the Authority reported an increase in net position of \$804,875. Financial statements of the Authority can be obtained by contacting the North Kent Sewer Authority, PO Box 561, Rockford, MI 49341.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are changes between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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 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.

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 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 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.

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, except for state shared revenue, reimbursement-based grants, land contracts, and interest which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and other post-employment benefit expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. State revenue, reimbursement based grants, land contracts, 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. All other revenue items are considered to be measurable and available only when cash is received by the Township.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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 enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental fund:

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 Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* is used to account for the Township's wastewater operation that provides sewer services on a user charge basis.

The *Water Enterprise Fund* is used to account for the Township's water operation that provides water services on a user charge basis.

Additionally, the Township reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The Capital Projects Fund is used to account for the accumulation and disbursement of resources for the construction of various capital items.

The *Agency Funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget is adopted by function.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year end.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

6. Adoption and amendments of all budgets used by the Township are governed by Michigan state law. The appropriations resolution is based on the projected expenditures budgets of the department heads of the Township. Any amendment to the original budget must meet the requirements of Michigan law. Any revisions that alter the total expenditures of any function must be approved by the Board of Trustees. Thus the legal level of budgetary control is at the functional level. Supplemental appropriations were necessary during the year.

Cash and Pooled Investments

For the purpose of the statement of cash flows, the Township considers cash and pooled investments to be cash and cash equivalents because the pooling of these balances allows for withdrawal at any time similar to a demand deposit account.

Investments

Investments are stated at fair value at the balance sheet date.

Township investment policy allows for all investment authorized by State statutes. State statutes authorize the Township to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

Special Assessments Receivable

Special assessments receivable consist of long-term receivables from customers and benefited parties for various water and sewer and other improvement projects.

Inventory and Prepaid Items

All inventories are valued at original cost using the first-in/first-out (FIFO) method. Inventory in governmental funds is immaterial. Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Restricted Cash and Pooled Investments

Restricted balances represent required reserves for the payment of principal and interest on outstanding bonds as well as other reserves required by bond agreements.

Capital Assets

Capital assets, which include land, construction in progress, buildings and equipment, and infrastructure assets (e.g., water and sewer systems, and similar items), are reported in the governmental and 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 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Interest expense of approximately \$45,000 was capitalized on capital assets reported in proprietary funds.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Sanitary sewer system	20-66
Furniture and equipment	5-10
Building and structures	10-40
Water mains and hydrants	30-66
Wells and pumps	25
Filtration and treatment equipment	7-10
Trucks and vehicles	5
Machinery and equipment	7-20

Deferred Revenue

Funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* reported in the funds were as follows:

Governmental funds	
General fund	
Property taxes	\$3,458,132
Special assessments receivable	29,047
Other governmental funds	
Property taxes	216,869
Special assessments	<u>16,340</u>
Total governmental funds	<u>\$3,720,388</u>

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, the 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. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated Absences

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the contracts. Accumulated compensated absences of governmental funds are recorded on the statement of net position and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. Amounts accumulated for proprietary funds are reported on the statements of net position of the individual enterprise funds. For governmental activities, compensated absences are generally liquidated by the general fund.

Fund Equity

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal action of the entity's governing board.
4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

The Board has not delegated the authority to assign fund balance. Only the Board can assign or commit fund balance.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Net Position and Fund Balance Flow Assumptions

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/fund balance and unrestricted – net position/fund balance, 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 use restricted resources first, then unrestricted resource as they are needed.

Property Taxes

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the county for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. The December 1 levy is recorded as a receivable and deferred revenue at the end of the year and is intended to fund expenditures of the following year.

Interfund Transactions

During the course of normal operations, the Township has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Charges between enterprise funds and other functions of the Township are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move allocated cost of general operations to applicable funds.

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 year ended December 31, 2012, the Township carried commercial insurance to cover risks of losses. The Township has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan law provides that a local 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 budgeted funds have been shown on a functional basis. The approved budgets of the Township for these budgeted funds were adopted at the functional level.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

During the year ended December 31, 2012, the Township incurred the following expenditures which were in excess of the amounts appropriated:

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
General Fund			
Public works	\$163,500	\$181,961	\$(18,461)

The budget overages in general government are due to the recognition of the proceeds and related expense of the health retirement notes issued during the year.

3. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$12,393,409	\$622,759	\$4,043,346	\$17,059,514
Restricted cash and pooled investment	215,000	-	-	215,000
	<u>\$12,608,409</u>	<u>\$622,759</u>	<u>\$4,043,346</u>	<u>\$17,274,514</u>

The cash and investments making up the above balances are as follows:

Deposits	\$ 9,402,383
Investments	7,870,306
Petty cash	<u>1,825</u>
Total	<u>\$17,274,514</u>

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$7,117,419 of the Township's bank balance of \$9,439,437 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Investments

The Township chooses to disclose its investments by specifically identifying each. As of year-end, the Township had the following investments:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Money market mutual funds	N/A	\$1,049,096	Unrated	
FNMA Note	9/16/15	194,050	Unrated	
Investment Pool Accounts:				
Kent County Investment Pool	N/A	5,454,575	Unrated	
MBIA Class	N/A	<u>1,172,585</u>	AAAm	S&P
Total		<u>\$7,870,306</u>		

Investment and deposit risk

Interest Rate Risk. State law and Township policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end. There is no stated maturity date for the Township's investment in the Kent County Public Funds Investment Pool identified above. At December 31, 2012 the balance of the Kent County Public Funds Investment Pool consisted of the following:

<u>Investment</u>	<u>Percentage of pool total</u>	<u>Maturity in years</u>
Government agency securities	19%	0-4
Certificates of deposits	50%	0-2
Money market accounts	31%	Not applicable

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Township does not have, a policy for investment custodial credit risk. Of the above investments in pools and mutual funds, the Township's custodial credit risk exposure cannot be determined because the mutual funds and the investment pools do not consist of specifically identifiable securities. The FNMA note is uninsured and unregistered and held by the government's brokerage firm which is also the counter party for this security.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 2,329,238	\$ 118,450	\$ 260	\$ 2,447,428
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	2,329,238	118,450	260	2,447,428
Capital assets, being depreciated				
Buildings and improvements	12,263,366	35,915	19,747	12,279,534
Machinery and equipment	4,355,685	277,624	55,704	4,577,605
Total capital assets, being depreciated	16,619,051	313,539	75,451	16,857,139
Less accumulated depreciation for				
Buildings and improvements	5,300,162	307,960	-	5,608,122
Machinery and equipment	3,576,719	246,492	50,804	3,772,407
Total accumulated depreciation	8,876,881	554,452	50,804	9,380,529
Net capital assets, being depreciated	7,742,170	(240,913)	24,647	7,476,610
Governmental Activities capital assets, net	\$10,071,408	\$(122,463)	\$24,907	\$9,924,038
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 708,300	\$1,158,657	\$ -	\$1,866,957
Construction in Progress	6,926,722	3,586,535	6,663,540	3,849,717
Total capital assets, not being depreciated	7,635,022	4,745,192	6,663,540	5,716,674
Capital assets being depreciated				
Buildings and improvements	17,084,621	-	-	17,084,621
Utility systems	56,715,701	6,810,713	-	63,526,414
Machinery and equipment	4,100,797	46,927	32,500	4,115,224
Total capital assets, being depreciated	77,901,119	6,857,640	32,500	84,726,259
Less accumulated depreciation for				
Buildings and improvements	6,911,825	408,080	-	7,319,905
Utility systems	13,749,382	1,178,384	-	14,927,766
Machinery and equipment	1,963,295	215,326	32,500	2,146,121
Total accumulated depreciation	22,624,502	1,801,790	32,500	24,393,792
Net capital assets, being depreciated	55,276,617	5,055,850	-	60,332,467
Business-type Activities capital assets, net	\$62,911,639	\$9,801,042	\$6,663,540	\$66,049,141
Component Units				
Capital assets, not being depreciated				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated				
Infrastructure	1,027,819	27,182	-	1,055,001
Less accumulated depreciation	123,205	53,921	-	177,126
Net capital assets, being depreciated	904,614	(26,739)	-	877,875
Component Units capital assets, net	\$904,614	\$(26,739)	\$ -	\$877,875

PLAINFIELD CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Governmental Activities	
General government	\$158,227
Public safety	271,018
Culture and recreation	<u>125,207</u>
Total depreciation expense - governmental activities	<u>\$554,452</u>
Business-type Activities	
Sewer	\$ 412,322
Water	<u>1,389,468</u>
Total depreciation expense - business-type activities	<u>\$1,801,790</u>
Component Units	
Public Works	<u>\$53,921</u>

5. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2012:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
Governmental Activities					
\$3,900,000 2002 Capital Improvement bonds; due in annual installments of \$380,000 to \$465,000 plus interest at 3.25 - 3.85% through November 2013	\$910,000	\$ -	\$445,000	\$465,000	\$465,000
\$738,420 2007 Installment Purchase agreement; due in annual installments of \$73,842 to \$147,684 plus interest at 4.06% through March 2012	73,842	-	73,842	-	-
\$324,651 2011 Retirement Health note; due in annual installments of \$36,072 plus interest at 2.5% through December 2020	324,651	-	36,072	288,579	36,072
\$525,326 2012 IAFF Retirement Health note; due in annual installments of \$26,266 plus interest at 2.5% through December 2021	-	525,326	288,929	236,397	26,266
\$139,751 2012 PTMEA Retirement Health note; due in annual installments of \$3,816 plus interest at 2.5% through January 2020	-	139,751	-	139,751	113,040

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
\$27,788 2012 installment purchase; due in annual installments of \$6,947 through 2016	-	27,788	-	27,788	6,947
Total	1,308,493	692,865	843,843	1,157,515	647,325
Post employment benefits liability	965,687	200,326	102,577	1,063,436	-
Accrued compensated absences	162,325	39,779	23,144	178,960	30,758
Total Governmental Activities	\$2,436,505	\$932,970	\$969,564	\$2,399,911	\$678,083
Business-type Activities					
\$3,471,301 1998 North Kent Sewer Authority Bond; due in annual installments of \$155,000 to \$282,000 plus interest at 3.00-7.00% through May 2018	\$1,652,423	\$ -	\$ 193,493	\$1,458,930	\$205,102
\$5,000,000 2003 Capital Improvement Bonds; due in annual installments of \$195,000 to \$370,000 plus interest at 2.05-4.00% through November 2023	3,455,000	-	3,455,000	-	-
\$2,210,000 2004 Refunding revenue bonds; due in annual installments of \$205,000 to \$250,000 plus interest at 2.50-3.75% through November 2014	710,000	-	225,000	485,000	235,000
\$1,332,000 2011 Refunding revenue bonds; due in annual installments of \$420,000 to \$466,000 plus interest of 1.00% to 1.45% through May 2014	1,332,000	-	420,000	912,000	446,000
\$7,750,000 2011 Capital Improvement Bonds; due in annual installments of \$300,000 to \$485,000 plus interest at 2.5% through April 2032	6,019,664	-	232,740	5,786,924	230,000
\$146,102 2011 Retirement Health note; due in annual installments of \$16,234 plus interest at 2.5% through December 2020	146,102	-	16,234	129,868	16,233
\$492,477 PTMEA Retirement Health note; due in annual installments of \$24,624 plus interest at 2.5% through January 2020	-	492,477	-	492,477	320,110
\$3,325,000 2012 refunding revenue bonds; due in annual installments of \$250,000 to \$352,000 plus interest at 1.77% through 2023	-	3,325,000	-	3,325,000	250,000

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
\$616,000 installment purchase; due in annual payments of \$88,000 through 2019	\$ -	\$ 616,000	\$ -	\$ 616,000	\$ 88,000
\$3,178,073 2011 North Kent Sewer Authority Bonds due in annual installments of \$145,000 to \$215,000 plus interest at 2.5% through October 2030	-	3,178,073	-	3,178,073	145,647
2012 North Kent Sewer Authority Bonds; due in annual installments of \$4,000 to 10,000 plus interest at 2.5% through October 2018	-	54,403	-	54,403	10,015
Total	13,315,189	7,665,953	4,542,467	16,438,675	1,946,107
Post employment benefits liability	574,966	-	119,208	455,758	-
Accrued compensated absences	89,380	14,307	17,164	86,523	11,390
Total Business-type Activities	<u>\$13,979,535</u>	<u>\$7,680,260</u>	<u>\$4,678,839</u>	<u>\$16,980,956</u>	<u>\$1,957,497</u>

During fiscal year 2012, the Township issued \$3,325,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$3,288,016 of refunded debt. The refunded bonds were called and refunded during 2012. This advanced refunding was undertaken to reduce total debt service payments by \$369,272, which resulted in an economic gain of \$338,033.

The 2011 and 2012 North Kent Sewer Authority bonds provide for bond proceeds to be received as the related construction project progresses to a maximum amount of approximately \$3,700,000 and \$245,000 respectively. The future minimum payment schedules include only debt outstanding at December 31, 2012.

The annual requirements to amortize all debt outstanding (excluding post-employment benefits liability and accrued employee benefits) as of December 31, 2012 are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 647,325	\$22,075	\$1,946,107	\$ 355,271
2014	73,102	12,234	1,712,749	321,607
2015	73,101	10,580	1,031,524	286,627
2016	73,101	8,926	1,063,783	263,578
2017	66,155	7,272	1,103,780	239,581
2018-2022	224,731	12,550	4,419,691	882,777
2023-2027	-	-	3,176,513	489,657
2028-2032	-	-	1,984,528	75,940
Total	<u>\$1,157,515</u>	<u>\$73,637</u>	<u>\$16,438,675</u>	<u>\$2,915,038</u>

PLAINFIELD CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

6. PENSION PLANS

Defined Contribution Pension Plans

The Township maintains the Plainfield Charter Township Pension Plan which is a defined contribution plan. The Township contributes 7.5% and participating eligible employees contribute at least 5% of gross salary to the plan administered by an independent carrier. The township contributes an additional 2.5% of gross salary to the plan for eligible employees with over 10 years of service and an additional 2.5% for employees with over 15 years of service. The Township plan benefits and contribution requirements were established and may be amended under the authority of the Township Board and under agreements with unions representing various classes of employees. All full-time Township employees are eligible to participate in the plan. During the year, the Township contributed \$307,591 and plan members contributed \$145,824 to the plan.

Deferred Compensation Plan

The Township offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergence. All assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

7. OTHER POST EMPLOYMENT BENEFITS

The Township administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides employees retiring prior to 2011, with 20 years of full time employment, full hospitalization benefits for life in the amount of a two person contract. Employees retiring prior to 2011 with less than 20 years of full time employment receive various levels of hospitalization benefits depending on years of service. The Township makes 100% of the premium payments to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan. The Plan is not available to current Township employees; the Township has established retirement savings accounts for its current employees.

The Township's contribution to this plan is provided on a pay as you go basis. For the current year, the annual required contribution (ARC) was \$211,875 while the Township contributed \$146,539 to provide insurance coverage for 18 retired employees during 2012.

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Township has elected to calculate the ARC and related information using the alternative measurement method in accordance with generally accepted accounting principles for employers in plans with fewer than one hundred plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. Fiscal year 2008 was the first year for which an actuarially required contribution (ARC) was determined.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's OPEB obligation to the plan.

Annual required contribution	\$ 211,875
Interest on Net OPEB obligation	69,329
Adjustment to annual required contribution	<u>(156,124)</u>
Annual OPEB cost (expense)	125,080
Contribution made	<u>146,539</u>
Decrease in net OPEB obligation	<u>(21,459)</u>
Net OPEB obligation, beginning of year	<u>1,540,653</u>
Net OPEB obligation, end of year	<u><u>\$1,519,194</u></u>

Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>OPEB</u> <u>Cost</u>	<u>Percentage of OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/10	\$557,426	21.8%	\$1,319,096
12/31/11	365,096	39.3%	1,540,653
12/31/12	125,080	117.2%	1,519,194

Schedule of Funding Progress

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>Total</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>((b-a)/c)</u>
12/31/12	\$ -	\$2,380,205	\$2,308,205	0%	\$n/a	n/a%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Township is currently funding the plan on a pay as you go basis. For governmental activities, post-employment benefits are generally liquidated by the general fund.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the December 31, 2012 actuarial valuation, the Plan utilized the projected unit credit actuarial cost method; level dollar, closed amortization method; and an amortization period of 15 years. The actuarial assumptions included a 0% return on plan assets as the plan is not funded, an inflation rate of 3.0%, a discount rate of 4.5%, and a 5.9% medical inflation rate in 2013 grading up to 6.7% in 2018 and 5.6% for 2019 and thereafter. Other post-employment benefits of governmental funds are generally liquidated with general fund resources.

PLAINFIELD CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

8. LITIGATION

In the normal course of its operations, the Township has become a party in various legal actions, including property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,659,750	\$ 3,592,650	\$ 3,588,234	\$ (4,416)
Licenses and permits	438,800	460,800	474,008	13,208
Federal	82,500	340,850	425,152	84,302
State	2,119,000	2,247,400	2,295,838	48,438
Charges for services	210,500	247,275	242,927	(4,348)
Fines	3,300	900	929	29
Investment earnings	29,000	21,000	20,018	(982)
Miscellaneous	459,302	464,375	507,944	43,569
Total revenues	<u>7,002,152</u>	<u>7,375,250</u>	<u>7,555,050</u>	<u>179,800</u>
Expenditures				
Current				
General government	2,816,041	2,797,338	2,704,395	92,943
Public safety	3,073,032	3,117,926	3,066,492	51,434
Public works	164,000	163,500	181,961	(18,461)
Culture and recreation	447,616	524,416	484,543	39,873
Debt service				
Principal	518,842	843,843	843,843	-
Interest and fiscal charges	28,000	40,494	37,815	2,679
Total expenditures	<u>7,047,531</u>	<u>7,487,517</u>	<u>7,319,049</u>	<u>168,468</u>
Revenues over (under) expenditures	<u>(45,379)</u>	<u>(112,267)</u>	<u>236,001</u>	<u>348,268</u>
Other financing sources (uses)				
Note proceeds	-	16,588	16,588	-
Transfers in	-	50,800	42,730	(8,070)
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	<u>(30,000)</u>	<u>37,388</u>	<u>29,318</u>	<u>(8,070)</u>
Net changes in fund balance	<u>(75,379)</u>	<u>(74,879)</u>	<u>265,319</u>	<u>340,198</u>
Fund balance, beginning of year	<u>2,511,526</u>	<u>2,511,526</u>	<u>2,511,526</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,436,147</u>	<u>\$ 2,436,647</u>	<u>\$ 2,776,845</u>	<u>\$ 340,198</u>

PLAINFIELD CHARTER TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

RETIREE HEALTH OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2008	\$ -	\$ 5,959,098	\$ 5,959,098	0.00%	\$ 4,089,330	146.70%
12/31/2011	-	3,275,688	3,275,688	0.00%	995,904	328.92%
12/31/2012	-	2,380,205	2,380,205	0.00%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended December 31</u>	<u>Annual required Contribution</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2010	\$ 557,426	\$ 121,492	22%
2011	365,096	143,539	39%
2012	125,080	146,539	117%

Note to required supplementary information

Budgets and Budgetary Accounting

The Township adopts an annual budget for the general fund following the GAAP basis of accounting. Unexpended appropriations lapse at year end.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

PLAINFIELD CHARTER TOWNSHIP

GENERAL FUND

The *General Fund* accounts for revenues and expenditures that are not required to be accounted for in another fund. In Plainfield Charter Township the functions of the General Fund include General government, public safety, public works, culture & recreation and debt service not recorded in Special Revenue or Enterprise Funds. The General Fund is the designated repository per Michigan law for ad valorem property taxes. Other revenue sources for the General Fund are state shared revenues, transfers from other funds, fees and interest.

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PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE BALANCE SHEET**

DECEMBER 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ 2,464,887	\$ 2,295,354
Receivables		
Taxes	3,226,567	3,328,699
Accounts	12,760	30,630
Special assessments	33,126	40,078
Due from other funds	-	74
Due from other governments	870,537	816,102
Prepaid items	<u>145,719</u>	<u>103,146</u>
Total assets	<u>\$ 6,753,596</u>	<u>\$ 6,614,083</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 258,873	\$ 256,123
Accrued payroll and benefits	230,699	104,474
Deferred revenue	<u>3,487,179</u>	<u>3,741,960</u>
Total liabilities	<u>3,976,751</u>	<u>4,102,557</u>
Fund balances		
Non-spendable		
Prepaid items	145,719	103,146
Committed		
Special assessment projects	449,442	434,814
Retiree health insurance	-	44,000
Fire department	769	1,594
Assigned		
Future years expenditures	66,467	75,379
Unassigned	<u>2,114,448</u>	<u>1,852,593</u>
Total fund balances	<u>2,776,845</u>	<u>2,511,526</u>
Total liabilities and fund balances	<u>\$ 6,753,596</u>	<u>\$ 6,614,083</u>

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES**

FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Taxes		
Current property	\$ 3,545,102	\$ 3,605,891
Delinquent property	6,977	6,976
Industrial facilities	19,147	26,297
In lieu of taxes	4,211	3,444
Trailer fees	4,077	6,854
Interest and penalties on taxes	<u>8,720</u>	<u>16,333</u>
	<u>3,588,234</u>	<u>3,665,795</u>
Licenses and permits		
Business	6,055	4,565
Cable	425,166	398,914
Communication	42,469	40,964
Dog licenses	<u>318</u>	<u>370</u>
	<u>474,008</u>	<u>444,813</u>
Federal Sources		
FEMA grant	<u>425,152</u>	<u>407,270</u>
State Sources		
Liquor license fee	22,835	20,420
State grants	20,978	379,182
Sales taxes	<u>2,252,025</u>	<u>2,230,134</u>
	<u>2,295,838</u>	<u>2,629,736</u>
Charges for services		
Planning and zoning fees	7,200	4,893
Summer tax collection fees	57,002	56,612
Passports	23,685	27,959
Other fees	3,775	7,206
Fire and rescue	26,128	20,969
Grave openings	30,230	35,302
Sale of cemetery lots	8,100	8,900
Copier and printing fees	842	987
Title searches	5,433	3,917
Recreational fees	46,790	44,275
Election fees	<u>33,742</u>	<u>21,309</u>
	<u>242,927</u>	<u>232,329</u>

(continued)

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES**

FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Fines and forfeitures		
District court fines	\$ 929	\$ 3,528
Interest		
Interest on deposits	17,553	25,663
Interest on special assessments	<u>2,465</u>	<u>3,351</u>
	<u>20,018</u>	<u>29,014</u>
Other revenue		
Sidewalk assessments	9,450	24,871
Rental income	21,925	26,938
Sale of assets	6,627	2,470
Donations	4,705	-
Library reimbursements	25,131	18,970
Water/sewer/building department reimbursements	392,578	391,632
Other revenue	<u>47,528</u>	<u>4,647</u>
	<u>507,944</u>	<u>469,528</u>
Total Revenues	<u>\$ 7,555,050</u>	<u>\$ 7,882,013</u> (concluded)

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Expenditures		
Current		
General government		
Township Board	\$ 23,749	\$ 21,412
Supervisor	17,436	15,901
Manager	252,930	249,071
Accounting	237,179	238,198
Clerks office	178,324	175,925
Board of review	845	2,023
Treasurers office	212,709	228,698
Assessor	340,565	315,508
General administration	128,291	144,175
Elections	95,569	27,208
Buildings and grounds	445,871	428,279
Legal and audit	54,374	48,978
Cemetery	37,843	50,335
Other general government	536,050	770,165
Other		
Insurance and bonds	54,291	47,914
Retiree health insurance	88,369	84,137
Contributions to retirement health savings	-	381,247
	<u>2,704,395</u>	<u>3,229,174</u>
Public safety		
Law enforcement	522,466	528,810
Fire department	2,291,442	2,088,822
Planning	252,584	262,567
	<u>3,066,492</u>	<u>2,880,199</u>
Public works		
Drains	1,031	73
Highways, streets, and bridges	180,930	210,505
	<u>181,961</u>	<u>210,578</u>
Culture and recreation		
Parks and recreation	253,227	779,274
Township newsletter	5,194	15,903
Library	156,618	137,389
Cultural	64,178	72,005
Historical	5,326	5,939
	<u>484,543</u>	<u>1,010,510</u>
Debt service		
Principal	843,843	572,684
Interest and fiscal charges	37,815	50,198
	<u>881,658</u>	<u>622,882</u>
Total expenditures	<u>\$ 7,319,049</u>	<u>\$ 7,953,343</u>

PLAINFIELD CHARTER TOWNSHIP

CAPITAL PROJECT FUND

The *Public Improvement Fund* accounts for the park improvements. Revenues are provided primarily from the 10 mile transfer station.

SPECIAL REVENUE FUNDS

The *Lighting District Fund* accounts for street lighting activity. Financing is primarily provided by special assessments

The *Stormwater Management Fund* accounts for activities related to drains for storm water runoff. Funding is provided primarily by developers and transfers from the Township's general fund

The *Lake Improvement Fund* accounts for weed and algae treatments for the lakes in the township. Funding is provided primarily from property owners through special assessments.

The *Building Department Fund* accounts for permitting and inspection activities throughout the township. Funding is provided by building, electrical, heating, and other permits.

PLAINFIELD CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2012

	<u>Capital Projects</u>		<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Public Improvement</u>	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>	
Assets						
Cash and pooled investments	\$ 220,489	\$ 60,475	\$ 176,765	\$ 9,130	\$ 42,430	\$ 509,289
Receivables						
Taxes	-	201,897	-	-	-	201,897
Special assessments	-	-	-	14,628	-	14,628
Prepaid items	-	-	3,657	800	2,208	6,665
Total assets	<u>\$ 220,489</u>	<u>\$ 262,372</u>	<u>\$ 180,422</u>	<u>\$ 24,558</u>	<u>\$ 44,638</u>	<u>\$ 732,479</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 17,889	\$ -	\$ -	\$ 308	\$ 18,197
Deferred revenue	-	216,869	-	16,340	-	233,209
Total liabilities	<u>-</u>	<u>234,758</u>	<u>-</u>	<u>16,340</u>	<u>308</u>	<u>251,406</u>
Fund balances						
Non-spendable						
Prepaid items	-	-	3,657	800	2,208	6,665
Restricted						
Building department	-	-	-	-	42,122	42,122
Lighting district	-	27,614	-	-	-	27,614
Lake improvement	-	-	-	7,418	-	7,418
Assigned	220,489	-	176,765	-	-	397,254
Total fund balances	<u>220,489</u>	<u>27,614</u>	<u>180,422</u>	<u>8,218</u>	<u>44,330</u>	<u>481,073</u>
Total liabilities and fund balances	<u>\$ 220,489</u>	<u>\$ 262,372</u>	<u>\$ 180,422</u>	<u>\$ 24,558</u>	<u>\$ 44,638</u>	<u>\$ 732,479</u>

PLAINFIELD CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Capital Projects</u>		<u>Special Revenue Funds</u>			<u>Total</u>
	<u>Public Improvement</u>	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>	
Revenues						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 213,751	\$ 213,751
Investment earnings	922	318	2,683	30	34	3,987
Miscellaneous	-	216,689	-	16,340	-	233,029
Total revenues	<u>922</u>	<u>217,007</u>	<u>2,683</u>	<u>16,370</u>	<u>213,785</u>	<u>450,767</u>
Expenditures						
Current						
Public safety	-	-	-	-	181,711	181,711
Public works	-	219,779	4,606	21,794	-	246,179
Total expenditures	<u>-</u>	<u>219,779</u>	<u>4,606</u>	<u>21,794</u>	<u>181,711</u>	<u>427,890</u>
Revenues over (under) expenditures	<u>922</u>	<u>(2,772)</u>	<u>(1,923)</u>	<u>(5,424)</u>	<u>32,074</u>	<u>22,877</u>
Other financing sources (uses)						
Notes issued	-	-	-	-	11,200	11,200
Transfers in	-	30,000	-	-	-	30,000
Transfers out	(42,730)	-	-	-	-	(42,730)
Total other financing sources (uses)	<u>(42,730)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>11,200</u>	<u>(1,530)</u>
Net changes in fund balances	(41,808)	27,228	(1,923)	(5,424)	43,274	21,347
Fund balances, beginning of year	<u>262,297</u>	<u>386</u>	<u>182,345</u>	<u>13,642</u>	<u>1,056</u>	<u>459,726</u>
Fund balances, end of year	<u>\$ 220,489</u>	<u>\$ 27,614</u>	<u>\$ 180,422</u>	<u>\$ 8,218</u>	<u>\$ 44,330</u>	<u>\$ 481,073</u>

PLAINFIELD CHARTER TOWNSHIP

LIGHTING DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	200	200	318	118
Miscellaneous	<u>215,000</u>	<u>215,000</u>	<u>216,689</u>	<u>1,689</u>
Total revenues	<u>215,200</u>	<u>215,200</u>	<u>217,007</u>	<u>1,807</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	<u>244,472</u>	<u>244,472</u>	<u>219,779</u>	<u>24,693</u>
Total expenditures	<u>244,472</u>	<u>244,472</u>	<u>219,779</u>	<u>24,693</u>
Revenues over (under) expenditures	<u>(29,272)</u>	<u>(29,272)</u>	<u>(2,772)</u>	<u>26,500</u>
Other financing sources (uses)				
Notes issued	-	-	-	-
Transfers in	30,000	30,000	30,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net changes in fund balances	728	728	27,228	26,500
Fund balances, beginning of year	<u>386</u>	<u>386</u>	<u>386</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,114</u>	<u>\$ 1,114</u>	<u>\$ 27,614</u>	<u>\$ 26,500</u>

PLAINFIELD CHARTER TOWNSHIP

**STORM WATER MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	1,800	1,800	2,683	883
Miscellaneous	-	-	-	-
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>2,683</u>	<u>883</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	<u>27,000</u>	<u>27,000</u>	<u>4,606</u>	<u>22,394</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>4,606</u>	<u>22,394</u>
Revenues over (under) expenditures	<u>(25,200)</u>	<u>(25,200)</u>	<u>(1,923)</u>	<u>23,277</u>
Other financing sources (uses)				
Notes issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(25,200)	(25,200)	(1,923)	23,277
Fund balances, beginning of year	<u>182,345</u>	<u>182,345</u>	<u>182,345</u>	<u>-</u>
Fund balances, end of year	<u>\$ 157,145</u>	<u>\$ 157,145</u>	<u>\$ 180,422</u>	<u>\$ 23,277</u>

PLAINFIELD CHARTER TOWNSHIP

**LAKE IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	60	60	30	(30)
Miscellaneous	16,340	16,340	16,340	-
Total revenues	<u>16,400</u>	<u>16,400</u>	<u>16,370</u>	<u>(30)</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	15,500	21,900	21,794	106
Total expenditures	<u>15,500</u>	<u>21,900</u>	<u>21,794</u>	<u>106</u>
Revenues over (under) expenditures	<u>900</u>	<u>(5,500)</u>	<u>(5,424)</u>	<u>76</u>
Other financing sources (uses)				
Notes issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	900	(5,500)	(5,424)	76
Fund balances, beginning of year	<u>13,642</u>	<u>13,642</u>	<u>13,642</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,542</u>	<u>\$ 8,142</u>	<u>\$ 8,218</u>	<u>\$ 76</u>

PLAINFIELD CHARTER TOWNSHIP

**BUILDING DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 215,800	\$ 187,800	\$ 213,751	\$ 25,951
Investment earnings	-	-	34	34
Miscellaneous	-	-	-	-
Total revenues	<u>215,800</u>	<u>187,800</u>	<u>213,785</u>	<u>25,985</u>
Expenditures				
Current				
Public safety	207,365	195,815	181,711	14,104
Public works	-	-	-	-
Total expenditures	<u>207,365</u>	<u>195,815</u>	<u>181,711</u>	<u>14,104</u>
Revenues over (under) expenditures	<u>8,435</u>	<u>(8,015)</u>	<u>32,074</u>	<u>40,089</u>
Other financing sources (uses)				
Notes issued	-	11,200	11,200	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>11,200</u>	<u>11,200</u>	<u>-</u>
Net changes in fund balances	8,435	3,185	43,274	40,089
Fund balances, beginning of year	<u>1,056</u>	<u>1,056</u>	<u>1,056</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 9,491</u>	<u>\$ 4,241</u>	<u>\$ 44,330</u>	<u>\$ 40,089</u>

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PLAINFIELD CHARTER TOWNSHIP

FIDUCIARY FUNDS

Agency Funds:

The *Trust and Agency Fund* accounts for assets held in trust on behalf of other parties.

The *Current Tax Collection Fund* accounts for the collection and disbursement of property taxes billed and collected by the Township on behalf of the state, the county, school districts, and other taxing entities within the Township.

PLAINFIELD CHARTER TOWNSHIP
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2012

	Trust and Agency Fund	Current Tax Collection Fund	Total
Assets			
Cash and pooled investments	\$ 59,164	\$ 3,984,182	\$ 4,043,346
Liabilities			
Accounts payable	\$ 6,195	\$ -	\$ 6,195
Due to other governments	16,890	3,984,182	4,001,072
Escrow deposits	<u>36,079</u>	<u>-</u>	<u>36,079</u>
Total liabilities	<u>\$ 59,164</u>	<u>\$ 3,984,182</u>	<u>\$ 4,043,346</u>

PLAINFIELD CHARTER TOWNSHIP

**AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Trust and agency fund</u>			
	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Assets				
Cash and pooled investments	\$ 44,674	\$ 321,239	\$ 306,749	\$ 59,164
Accounts receivable	-	86	86	-
Total assets	<u>\$ 44,674</u>	<u>\$ 321,325</u>	<u>\$ 306,835</u>	<u>\$ 59,164</u>
Liabilities				
Accounts payable	\$ 6,776	\$ 289,025	\$ 289,606	\$ 6,195
Due to other governments	3,334	288,860	275,304	16,890
Escrow deposits	34,564	16,878	15,363	36,079
Total liabilities	<u>\$ 44,674</u>	<u>\$ 594,763</u>	<u>\$ 580,273</u>	<u>\$ 59,164</u>

	<u>Current tax collection agency fund</u>			
Assets				
Cash and pooled investments	\$ 4,148,748	\$ 36,379,166	\$ 36,543,732	\$ 3,984,182
	442	-	442	-
Total assets	<u>\$ 4,149,190</u>	<u>\$ 36,379,166</u>	<u>\$ 36,544,174</u>	<u>\$ 3,984,182</u>
Liabilities				
Accounts payable	\$ -	\$ 443,828	\$ 443,828	\$ -
Due to other funds	74	69,769	69,843	-
Due to other governments	4,149,116	37,167,252	37,332,186	3,984,182
Total liabilities	<u>\$ 4,149,190</u>	<u>\$ 37,680,849</u>	<u>\$ 37,845,857</u>	<u>\$ 3,984,182</u>

	<u>Total agency funds</u>			
Assets				
Cash and pooled investments	\$ 4,193,422	\$ 36,700,405	\$ 36,850,481	\$ 4,043,346
Accounts receivable	442	86	528	-
Total assets	<u>\$ 4,193,864</u>	<u>\$ 36,700,491</u>	<u>\$ 36,851,009</u>	<u>\$ 4,043,346</u>
Liabilities				
Accounts payable	\$ 6,776	\$ 732,853	\$ 733,434	\$ 6,195
Due to other funds	74	69,769	69,843	-
Due to other governments	4,152,450	37,456,112	37,607,490	4,001,072
Escrow deposits	34,564	16,878	15,363	36,079
Total liabilities	<u>\$ 4,193,864</u>	<u>\$ 38,275,612</u>	<u>\$ 38,426,130</u>	<u>\$ 4,043,346</u>

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PLAINFIELD CHARTER TOWNSHIP

COMPONENT UNITS

The *Downtown Development Authority (DDA) Fund* accounts for tax revenue “captured” in the DDA district. These funds are used to fund various projects and improvements as well as the repayment of debt incurred for projects in the DDA.

The *Plainfield Avenue Corridor Improvement Authority (PACIA)* accounts for “captured” tax revenue in the PACIA districts. The “captured” tax revenue is used for further development in the district.

PLAINFIELD CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET/STATEMENT OF NET POSITION

DECEMBER 31, 2012

	<u>Governmental Fund Type General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and pooled investments	\$ 509,026	\$ -	\$ 509,026
Taxes receivable	66,650	-	66,650
Depreciable capital assets, net	<u>-</u>	<u>877,875</u>	<u>877,875</u>
Total assets	<u>\$ 575,676</u>	<u>877,875</u>	<u>1,453,551</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 3,341	\$ -	\$ 3,341
Deferred revenue	<u>66,650</u>	<u>-</u>	<u>66,650</u>
Total liabilities	<u>69,991</u>	<u>-</u>	<u>69,991</u>
Fund balances			
Unreserved			
Undesignated	<u>505,685</u>	(505,685)	-
Total liabilities and fund balances	<u>\$ 575,676</u>		
Net position			
Invested in capital assets			877,875
Unrestricted			<u>505,685</u>
Total net position			<u>\$ 1,383,560</u>

PLAINFIELD CHARTER TOWNSHIP

**DOWNTOWN DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Type General Fund	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 210,097	\$ -	\$ 210,097
Investment earnings	<u>1,424</u>	<u>-</u>	<u>1,424</u>
	<u>211,521</u>	<u>-</u>	<u>211,521</u>
 Expenditures			
Current			
Public works	<u>72,488</u>	<u>26,739</u>	<u>99,227</u>
Net changes in fund balances	139,033	<u>(139,033)</u>	-
Change in net position		112,294	112,294
Fund balances/net position, beginning of year	<u>366,652</u>		<u>1,271,266</u>
Fund balances/net position, end of year	<u>\$ 505,685</u>		<u>\$ 1,383,560</u>

PLAINFIELD CHARTER TOWNSHIP

**PLAINFIELD AVENUE CORRIDOR IMPROVEMENT AUTHORITY
COMBINING BALANCE SHEET/STATEMENT OF NET POSITION**

DECEMBER 31, 2012

	Governmental Fund Type General Fund	Adjustments	Statement of Net Position
Assets			
Cash and pooled investments	\$ <u>113,733</u>	\$ -	\$ 113,733
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 39,915	-	<u>39,915</u>
Fund balances			
Unreserved			
Undesignated	<u>73,818</u>	(73,818)	-
Total liabilities and fund balances	\$ <u>113,733</u>		
Net position			
Unrestricted			\$ <u>73,818</u>

PLAINFIELD CHARTER TOWNSHIP

**PLAINFIELD AVENUE CORRIDOR IMPROVEMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES/STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Type General Fund	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 21,476	\$ -	\$ 21,476
Investment earnings	327	-	327
	<u>21,803</u>	<u>-</u>	<u>21,803</u>
 Expenditures			
Current			
Public works	42,915	-	42,915
Net changes in fund balances	(21,112)	<u>21,112</u>	-
Change in net position		(21,112)	(21,112)
Fund balances/net position, beginning of year	<u>94,930</u>		<u>94,930</u>
Fund balances/net position, end of year	<u>\$ 73,818</u>		<u>\$ 73,818</u>

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PLAINFIELD CHARTER TOWNSHIP

STATISTICAL SECTION

This part of Plainfield Charter Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the township's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the township's financial performance and well-being have changed over time.

69-75

Revenue Capacity

These schedules contain information to help the reader assess the township's most significant local revenue source, the property tax.

77-83

Debt Capacity

These schedules present information to help the reader assess the affordability of the township's current levels of outstanding debt and the township's ability to issue additional debt in the future.

84-90

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the township's financial activities take place.

91-92

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the township's financial report relates to the services the township provides and the activities it performs.

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Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Township implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.*

PLAINFIELD CHARTER TOWNSHIP
Net Assets By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Investment in capital assets, net of related debt	\$ 6,041,038	\$ 6,642,605	\$ 7,006,368	\$ 7,623,164	\$ 7,458,863	\$ 7,891,387	\$ 7,814,219	\$ 8,367,491	\$ 8,762,915	\$ 9,431,250
Restricted	943,236	244,898	279,569	159,418	116,681	8,694	14,151	13,894	14,263	77,154
Unrestricted	2,283,642	2,633,361	2,730,471	2,853,812	3,526,034	2,817,098	2,472,934	2,190,277	1,877,252	1,316,045
Total governmental activities net assets	<u>\$ 9,267,916</u>	<u>\$ 9,520,864</u>	<u>\$ 10,016,408</u>	<u>\$ 10,636,394</u>	<u>\$ 11,101,578</u>	<u>\$ 10,717,179</u>	<u>\$ 10,301,304</u>	<u>\$ 10,571,662</u>	<u>\$ 10,654,430</u>	<u>\$ 10,824,449</u>
Business-type activities:										
Investment in capital assets, net of related debt	\$ 28,898,485	\$ 31,062,249	\$ 36,029,685	\$ 39,524,764	\$ 43,257,714	\$ 47,389,538	\$ 48,670,034	\$ 49,368,528	\$ 49,922,253	\$ 50,492,660
Restricted	968,615	1,188,015	1,090,135	1,101,330	980,292	807,375	799,079	755,121	187,333	163,520
Unrestricted	15,319,466	16,217,453	14,164,126	13,244,791	11,130,981	7,909,628	7,368,998	7,279,973	7,799,378	11,146,908
Total business-type activities net assets	<u>\$ 45,186,566</u>	<u>\$ 48,467,717</u>	<u>\$ 51,283,946</u>	<u>\$ 53,870,885</u>	<u>\$ 55,368,987</u>	<u>\$ 56,106,541</u>	<u>\$ 56,838,111</u>	<u>\$ 57,403,622</u>	<u>\$ 57,908,964</u>	<u>\$ 61,803,088</u>
Primary government:										
Investment in capital assets, net of related debt	\$ 34,939,523	\$ 37,704,854	\$ 43,036,053	\$ 47,147,928	\$ 50,716,577	\$ 55,280,925	\$ 56,484,253	\$ 57,736,019	\$ 58,685,168	\$ 59,923,910
Restricted	1,911,851	1,432,913	1,369,704	1,260,748	1,096,973	816,069	813,230	769,015	201,596	240,674
Unrestricted	17,603,108	18,850,814	16,894,597	16,098,603	14,657,015	10,726,726	9,841,932	9,470,250	9,676,630	12,462,953
Total primary government net assets	<u>\$ 54,454,482</u>	<u>\$ 57,988,581</u>	<u>\$ 61,300,354</u>	<u>\$ 64,507,279</u>	<u>\$ 66,470,565</u>	<u>\$ 66,823,720</u>	<u>\$ 67,139,415</u>	<u>\$ 67,975,284</u>	<u>\$ 68,563,394</u>	<u>\$ 72,627,537</u>

PLAINFIELD CHARTER TOWNSHIP
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 2,512,621	\$ 2,687,754	\$ 2,601,296	\$ 2,631,763	\$ 2,709,788	\$ 3,257,026	\$ 3,241,580	\$ 3,067,553	\$ 3,610,149	\$ 3,439,335
Public safety	2,919,788	2,898,776	2,982,464	3,192,723	3,502,709	3,477,692	3,393,624	3,199,757	3,453,294	3,388,052
Public works	373,825	443,774	604,465	448,153	303,941	568,743	480,644	423,889	489,574	392,225
Recreation and cultural	553,330	416,544	516,584	642,252	718,249	596,078	633,249	563,324	549,939	572,500
Interest on debt	135,393	134,345	122,574	113,992	124,723	110,979	89,523	67,567	45,828	34,159
Total governmental activities	<u>6,494,957</u>	<u>6,581,193</u>	<u>6,827,383</u>	<u>7,028,883</u>	<u>7,359,410</u>	<u>8,010,518</u>	<u>7,838,620</u>	<u>7,322,090</u>	<u>8,148,784</u>	<u>7,826,271</u>
Business-type activities:										
Sewer utility	2,330,591	2,351,971	2,503,299	2,872,792	3,779,500	3,902,358	4,319,756	4,472,602	4,318,730	3,846,393
Water utility	3,441,189	3,717,555	3,946,987	4,258,453	4,573,806	5,430,764	4,955,786	4,643,681	4,903,753	4,998,711
Total business-type activities	<u>5,771,780</u>	<u>6,069,526</u>	<u>6,450,286</u>	<u>7,131,245</u>	<u>8,353,306</u>	<u>9,333,122</u>	<u>9,275,542</u>	<u>9,116,283</u>	<u>9,222,483</u>	<u>8,845,104</u>
Total primary government expenses	<u>\$ 12,266,737</u>	<u>\$ 12,650,719</u>	<u>\$ 13,277,669</u>	<u>\$ 14,160,128</u>	<u>\$ 15,712,716</u>	<u>\$ 17,343,640</u>	<u>\$ 17,114,162</u>	<u>\$ 16,438,373</u>	<u>\$ 17,371,267</u>	<u>\$ 16,671,375</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 711,684	\$ 870,484	\$ 924,886	\$ 1,149,292	\$ 1,097,052	\$ 1,053,993	\$ 1,126,303	\$ 1,064,272	\$ 1,055,019	\$ 1,107,247
Public safety	441,564	450,151	524,083	293,486	340,914	194,431	143,679	193,004	200,153	213,751
Public works	-	-	-	157,793	166,987	167,090	165,327	168,372	169,821	233,029
Recreation and cultural	64,813	47,095	63,026	33,222	38,181	57,320	35,615	37,875	44,275	46,790
Operating grants and contributions	136,881	154,278	172,598	78,462	13,700	2,500	-	295,325	121,953	135,105
Capital grants and contributions	21,499	32,063	267,289	182,479	76,376	78,437	106,502	52,602	691,220	326,680
Total governmental activities	<u>1,376,441</u>	<u>1,554,071</u>	<u>1,951,882</u>	<u>1,894,734</u>	<u>1,733,210</u>	<u>1,553,771</u>	<u>1,577,426</u>	<u>1,811,450</u>	<u>2,282,441</u>	<u>2,062,602</u>
Business-type activities:										
Charges for services:										
Sewer utility	2,962,921	3,232,060	2,420,500	2,844,555	3,360,595	3,985,692	3,759,167	3,999,822	4,416,348	4,488,133
Water utility	4,991,311	4,805,664	5,022,316	4,934,264	5,271,735	4,913,441	4,799,958	4,871,734	4,900,467	5,455,162
Operating grants and contributions	-	-	-	-	-	-	8,299	16,152	-	11,089
Capital grants and contributions	683,099	1,071,358	1,331,440	1,306,074	644,410	731,104	717,210	665,179	303,270	2,662,876
Total business-type activities	<u>8,637,331</u>	<u>9,109,082</u>	<u>8,774,256</u>	<u>9,084,893</u>	<u>9,276,740</u>	<u>9,630,237</u>	<u>9,284,634</u>	<u>9,552,887</u>	<u>9,620,085</u>	<u>12,617,260</u>
Total primary government program revenues	<u>\$ 10,013,772</u>	<u>\$ 10,663,153</u>	<u>\$ 10,726,138</u>	<u>\$ 10,979,627</u>	<u>\$ 11,009,950</u>	<u>\$ 11,184,008</u>	<u>\$ 10,862,060</u>	<u>\$ 11,364,337</u>	<u>\$ 11,902,526</u>	<u>\$ 14,679,862</u>
Net (Expense) Revenue										
Governmental activities	\$ (5,118,516)	\$ (5,027,122)	\$ (4,875,501)	\$ (5,134,149)	\$ (5,626,200)	\$ (6,456,747)	\$ (6,261,194)	\$ (5,510,640)	\$ (5,866,343)	\$ (5,763,669)
Business-type activities	2,865,551	3,039,556	2,323,970	1,953,648	923,434	297,115	9,092	436,604	397,602	3,772,156
Total primary government net (expense) revenue	<u>\$ (2,252,965)</u>	<u>\$ (1,987,566)</u>	<u>\$ (2,551,531)</u>	<u>\$ (3,180,501)</u>	<u>\$ (4,702,766)</u>	<u>\$ (6,159,632)</u>	<u>\$ (6,252,102)</u>	<u>\$ (5,074,036)</u>	<u>\$ (5,468,741)</u>	<u>\$ (1,991,513)</u>

(Continued)

General Revenues and Other Changes in Net Asset:

PLAINFIELD CHARTER TOWNSHIP
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Property taxes	\$ 2,295,544	\$ 2,954,135	\$ 3,106,988	\$ 3,321,943	\$ 3,549,477	\$ 3,717,398	\$ 3,773,232	\$ 3,776,610	\$ 3,665,989	\$ 3,588,666
State shared revenue	2,276,232	2,201,220	2,155,946	2,156,261	2,181,249	2,120,047	1,875,353	1,963,636	2,250,554	2,274,860
Federal sources	65,262	-	-	-	-	-	-	-	-	-
Investment earnings	143,054	115,674	104,460	289,309	307,605	234,383	60,331	31,099	30,098	21,540
Gain (loss) on sale of capital assets	2,706	9,041	28,651	(13,378)	53,053	520	136,403	9,653	2,470	48,622
Transfers - internal activities	(25,000)	-	(25,000)	-	-	-	-	-	-	-
Total governmental activities	4,757,798	5,280,070	5,371,045	5,754,135	6,091,384	6,072,348	5,845,319	5,780,998	5,949,111	5,933,688
Business-type activities:										
Investment earnings	184,241	241,595	467,259	633,291	574,668	437,389	192,802	128,202	107,740	120,168
Gain (loss) on sale of capital assets	-	-	-	-	-	3,050	24,000	705	-	1,800
Transfers - internal activities	25,000	-	25,000	-	-	-	-	-	-	-
Total business-type activities	209,241	241,595	492,259	633,291	574,668	440,439	216,802	128,907	107,740	121,968
Total primary government	\$ 4,967,039	\$ 5,521,665	\$ 5,863,304	\$ 6,387,426	\$ 6,666,052	\$ 6,512,787	\$ 6,062,121	\$ 5,909,905	\$ 6,056,851	\$ 6,055,656
Changes in Net Assets										
Governmental activities	\$ (360,718)	\$ 252,948	\$ 495,544	\$ 619,986	\$ 465,184	\$ (384,399)	\$ (415,875)	\$ 270,358	\$ 82,768	\$ 170,019
Business-type activities	3,074,792	3,281,151	2,816,229	2,586,939	1,498,102	737,554	225,894	565,511	505,342	3,894,124
Total primary government	\$ 2,714,074	\$ 3,534,099	\$ 3,311,773	\$ 3,206,925	\$ 1,963,286	\$ 353,155	\$ 189,981	\$ 835,869	\$ 588,110	\$ 4,064,143

(Concluded)

PLAINFIELD CHARTER TOWNSHIP
Fund Balances, Governmental Fund
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund:				
Unreserved - designated	\$ 302,081	\$ 288,624	\$ 110,156	\$ 240,733
Unreserved - undesignated	1,573,204	1,898,594	2,177,486	2,170,899
Non-spendable				
Prepaid items	-	-	-	-
Committed				
Special assessment projects	-	-	-	-
Retiree health insurance	-	-	-	-
Fire department	-	-	-	-
Assigned				
Future years expenditures	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 1,875,285</u>	<u>\$ 2,187,218</u>	<u>\$ 2,287,642</u>	<u>\$ 2,411,632</u>
All Other Governmental Funds:				
Reserved	\$ 201,318	\$ 239,532	\$ 279,569	\$ 159,418
Unreserved, reported in				
Special revenue funds	512,757	532,214	597,739	617,930
Capital projects funds	748,634	5,366	-	-
Non-spendable				
Prepaid items	-	-	-	-
Restricted				
Building department	-	-	-	-
Lighting district	-	-	-	-
Lake improvement	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Stormwater management	-	-	-	-
Total all other governmental funds	<u>\$ 1,462,709</u>	<u>\$ 777,112</u>	<u>\$ 877,308</u>	<u>\$ 777,348</u>

The year 2011 reflects the implementation of GASB Statement No. 54.

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 414,601	\$ 769,098	\$ 810,738	\$ 906,223	\$ -	\$ -
2,644,868	1,748,443	1,620,369	1,587,533	-	-
-	-	-	-	103,146	145,719
-	-	-	-	434,814	449,442
-	-	-	-	44,000	
-	-	-	-	1,594	769
-	-	-	-	75,379	66,467
-	-	-	-	1,852,593	2,114,448
<u>\$ 3,059,469</u>	<u>\$ 2,517,541</u>	<u>\$ 2,431,107</u>	<u>\$ 2,493,756</u>	<u>\$ 2,511,526</u>	<u>\$ 2,776,845</u>
\$ 116,682	\$ 8,694	\$ 14,151	\$ 13,894	\$ -	\$ -
647,195	673,831	681,625	655,285	-	-
-	-	-	-	-	-
-	-	-	-	821	6,665
-	-	-	-	1,035	42,122
-	-	-	-	386	27,614
-	-	-	-	12,842	7,418
-	-	-	-	262,297	220,489
-	-	-	-	182,345	176,765
<u>\$ 763,877</u>	<u>\$ 682,525</u>	<u>\$ 695,776</u>	<u>\$ 669,179</u>	<u>\$ 459,726</u>	<u>\$ 481,073</u>

PLAINFIELD CHARTER TOWNSHIP
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues				
Taxes	\$ 2,302,259	\$ 2,929,086	\$ 3,244,383	\$ 3,321,943
Licenses and permits	236,549	300,645	314,272	307,747
Intergovernmental:				
Federal	65,262	-	-	78,462
State	2,276,232	2,201,220	2,173,609	2,156,261
Local	-	-	-	290
Charges for services	648,858	642,853	673,150	527,847
Fines and forfeitures	2,559	1,083	776	1,083
Interest and rentals	143,054	115,674	138,462	322,994
Other	491,181	618,531	607,649	945,620
	<u>6,165,954</u>	<u>6,809,092</u>	<u>7,152,301</u>	<u>7,662,247</u>
Total revenues				
Expenditures				
Legislative	19,461	20,952	22,060	21,036
General government	2,209,516	2,319,272	2,342,457	2,981,401
Public safety	2,738,536	2,645,427	2,912,997	3,159,541
Public works	373,825	404,989	604,465	385,341
Recreation and culture	449,109	380,138	398,654	526,548
Other expenditures	120,320	121,302	131,510	132,416
Capital outlay	1,891,451	774,411	-	-
Debt service				
Principal	45,000	380,000	390,000	428,194
Interest	132,144	136,265	124,538	114,540
	<u>7,979,362</u>	<u>7,182,756</u>	<u>6,926,681</u>	<u>7,749,017</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,813,408)</u>	<u>(373,664)</u>	<u>225,620</u>	<u>(86,770)</u>
Other Financing Sources (Uses)				
Loan/lease issued	-	-	-	110,800
Transfers in	128,216	30,000	56,366	65,804
Transfers out	(153,216)	(30,000)	(81,366)	(65,804)
Bonds issued	-	-	-	-
	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>	<u>110,800</u>
Total other financing sources (uses)				
Net changes in fund balances	<u><u>\$(1,838,408)</u></u>	<u><u>\$ (373,664)</u></u>	<u><u>\$ 200,620</u></u>	<u><u>\$ 24,030</u></u>
Debt service as a percentage of noncapital expenditures	2.91%	7.96%	7.55%	7.85%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 3,549,477	\$ 3,715,517	\$ 3,771,758	\$ 3,775,392	\$ 3,665,795	\$ 3,588,234
304,567	336,393	421,851	435,780	444,813	474,008
13,700	2,500	-	294,407	407,270	425,152
2,181,249	2,120,047	1,875,353	1,963,636	2,629,736	2,295,838
340	240	400	90	-	-
586,281	429,686	374,627	412,475	432,482	456,678
4,028	3,336	3,541	3,629	3,528	929
341,290	257,814	69,491	34,979	33,449	24,005
827,703	848,899	938,203	723,892	639,349	740,973
<u>7,808,635</u>	<u>7,714,432</u>	<u>7,455,224</u>	<u>7,644,280</u>	<u>8,256,422</u>	<u>8,005,817</u>
26,900	25,124	26,583	20,288	21,412	23,749
2,526,387	2,651,423	2,628,507	2,630,644	3,207,762	2,680,646
3,666,490	3,767,427	3,095,824	3,198,732	3,093,496	3,248,203
324,881	568,743	480,644	470,800	492,043	428,140
605,636	534,494	489,947	437,314	1,010,510	484,543
128,358	127,436	152,708	196,500	-	-
-	-	-	-	-	-
513,773	548,848	560,162	581,717	572,684	843,843
120,264	114,217	94,032	72,233	50,198	37,815
<u>7,912,689</u>	<u>8,337,712</u>	<u>7,528,407</u>	<u>7,608,228</u>	<u>8,448,105</u>	<u>7,746,939</u>
<u>(104,054)</u>	<u>(623,280)</u>	<u>(73,183)</u>	<u>36,052</u>	<u>(191,683)</u>	<u>258,878</u>
738,420	-	-	-	-	27,788
59,750	36,000	124,950	116,564	324,100	72,730
(59,750)	(36,000)	(124,950)	(116,564)	(324,100)	(72,730)
-	-	-	-	-	-
<u>738,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,788</u>
<u>\$ 634,366</u>	<u>\$ (623,280)</u>	<u>\$ (73,183)</u>	<u>\$ 36,052</u>	<u>\$ (191,683)</u>	<u>\$ 286,666</u>
8.62%	8.68%	8.75%	9.27%	8.06%	12.05%

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PLAINFIELD CHARTER TOWNSHIP
Tax Revenues By Source, Governmental Fund
Last Ten Fiscal Years
(Accrual Basis of Accounting)

<u>Year Ended December 31</u>	<u>General Property Taxes</u>
2003	\$ 2,302,259
2004	2,929,086
2005	3,244,383
2006	3,321,943
2007	3,549,477
2008	3,715,517
2009	3,771,758
2010	3,775,392
2011	3,665,795
2012	3,588,234

PLAINFIELD CHARTER TOWNSHIP
State Equalized Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending	Real Property			Personal Property		
	*State Equalized Value	Taxable Value	Estimated Actual Value	*State Equalized Value	Taxable Value	Estimated Actual Value
2003	\$ 900,230,200	\$ 798,369,051	\$ 1,800,460,400	\$ 68,547,700	\$ 68,536,800	\$ 137,095,400
2004	968,497,500	836,898,913	1,936,995,000	67,366,300	67,366,300	134,732,600
2005	1,023,022,500	893,113,655	2,046,045,000	73,963,100	75,222,315	147,926,200
2006	1,106,601,200	959,538,995	2,213,202,400	78,635,800	78,635,800	157,271,600
2007	1,176,557,900	1,031,332,923	2,353,115,800	76,471,600	76,471,600	152,943,200
2008	1,224,438,698	1,084,390,437	2,448,877,396	74,609,900	74,609,900	149,219,800
2009	1,216,792,800	1,103,430,555	2,433,585,600	77,124,500	77,124,500	154,249,000
2010	1,188,406,400	1,108,176,104	2,376,812,800	75,809,100	75,809,100	151,618,200
2011	1,134,170,100	1,073,842,907	2,268,340,200	75,893,800	75,895,700	151,787,600
2012	1,094,428,400	1,051,806,998	2,188,856,800	77,346,500	77,345,100	154,693,000

Source: Plainfield Charter Township Assessor

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2012.

	Total		
*State Equalized Value	Taxable Value	Estimated Actual Value	Tax Rate Mills
\$ 968,777,900	\$ 866,905,851	\$ 1,937,555,800	2.8000
1,035,863,800	904,265,213	2,071,727,600	3.3100
1,096,985,600	968,335,970	2,193,971,200	3.2900
1,185,237,000	1,038,174,795	2,370,474,000	3.2900
1,253,029,500	1,107,804,523	2,506,059,000	3.2900
1,299,048,598	1,159,000,337	2,598,097,196	3.2900
1,293,917,300	1,180,555,055	2,587,834,600	3.2900
1,264,215,500	1,183,985,204	2,528,431,000	3.2900
1,210,063,900	1,149,738,607	2,420,127,800	3.2900
1,171,774,900	1,129,152,098	2,343,549,800	3.2900

PLAINFIELD CHARTER TOWNSHIP
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Taxable Value)
Last Ten Fiscal Years

<u>Year of Levy</u>	<u>Township Direct Rate</u>	<u>Kent County</u>	<u>Kent District Library</u>	<u>State Education Tax</u>	<u>Kent Intermediate School District</u>	<u>Grand Rapids Community College</u>
2003 Homestead	3.3100	5.3140	0.8710	5.0000	3.7903	1.7865
Non Homestead	3.3100	5.3140	0.8710	5.0000	3.7903	1.7865
2004 Homestead	3.2900	5.3140	0.8800	6.0000	4.5333	1.7865
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.5333	1.7865
2005 Homestead	3.2900	5.3140	0.8800	6.0000	4.6453	1.7865
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.6453	1.7865
2006 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
2007 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2008 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2009 Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.8040	0.8800	6.0000	4.6903	1.7865
2010 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
2011 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
2012 Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.2900	5.3940	0.8800	6.0000	4.6903	1.7865

Source: Plainfield Charter Township Treasurer

The township's millage rate is currently limited to 5 mills for operations.

The township's millage rate is exclusively for operating.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1772 mills for 2012.

School Districts				Total For Residents Of			
Rockford School District	Northview School District	Kenowa Hills School District	Comstock Park School District	Rockford School District	Northview School District	Kenowa Hills School District	Comstock Park School District
8.5000	8.2186	3.6000	8.1620	28.5718	28.2904	23.6718	28.2338
26.5000	26.2186	21.6000	26.1620	46.5718	46.2904	41.6718	46.2338
9.5000	8.9572	3.6000	8.1620	31.3038	30.7610	25.4038	29.9658
27.5000	26.9572	21.6000	26.1620	49.3038	48.7610	43.4038	47.9658
9.4949	8.9572	3.3600	9.1621	31.4107	30.8730	25.2758	31.0779
27.4949	26.9572	21.3600	27.1621	49.4107	48.8730	43.2758	49.0779
9.4949	6.2056	3.3600	9.1620	31.5357	28.2464	25.4008	31.2028
27.4949	24.2056	21.3600	27.1620	49.5357	46.2464	43.4008	49.2028
9.4817	6.2056	3.3600	9.1578	31.9325	28.6564	25.8108	31.6086
27.4817	24.2056	21.3600	27.1578	49.9325	46.6564	43.8108	49.6086
9.4881	5.2256	3.3600	9.1604	31.9389	27.6764	25.8108	31.6112
27.4881	23.2256	21.3600	27.1604	49.9389	45.6764	43.8108	49.6112
9.4881	5.2256	3.3600	9.1604	31.9389	27.6764	25.8108	31.6112
27.4881	23.2256	21.3600	27.1604	49.9389	45.6764	43.8108	49.6112
9.4882	5.2256	2.9700	9.1604	31.5290	27.2664	25.0108	31.2012
27.4882	23.2256	20.9700	27.1604	49.5290	45.2664	43.0108	49.2012
9.4881	5.2256	2.9700	10.1604	31.5289	27.2664	25.0108	32.2012
27.4881	23.2256	20.9700	28.1604	49.5289	45.2664	43.0108	50.2012
9.4881	8.9556	2.9700	10.1604	31.5289	30.9964	25.0108	32.2012
27.4881	26.9556	20.9700	28.1604	49.5289	48.9964	43.0108	50.2012

PLAINFIELD CHARTER TOWNSHIP
Principal Property Taxpayers
Current year and nine years ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012</u>			<u>2003</u>		
		<u>Taxable Value</u>	<u>Rank</u>	<u>Percent of Total Twp. Taxable Value</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percent of Total Twp. Taxable Value</u>
Wynalda Litho, Inc.	Manufacturing	\$ 13,893,973	1	1.23%	\$ 9,026,623	1	1.00%
Consumers Energy Co.	Utility	12,068,105	2	1.07%	9,064,915	2	1.00%
West Michigan Baseball	Sports Complex	7,895,135	3	0.70%	5,747,533	7	0.64%
Northern/Woodland Estates	Mobile Home Park	6,368,510	4	0.56%	6,898,501	5	0.76%
Gill Industries Inc.	Manufacturing	6,109,543	5	0.54%	7,821,539	4	0.86%
Meijer Inc.	Retailer	5,889,100	6	0.52%	8,071,608	3	0.89%
Michigan Consolidated Gas Co.	Utility	5,635,200	7	0.50%	6,018,600	6	0.67%
Nucraft Furniture	Manufacturing	5,632,048	8	0.50%	4,323,411	9	0.48%
Jackson Products	Manufacturing	5,362,600	9	0.47%	4,493,084	10	0.50%
Northview Harbor Ltd.	Apartments	4,621,500	10	0.41%			
Regency Windsor North	Apartments			0.00%	5,074,777	8	0.56%
Ten Largest Taxpayers		73,475,714		6.51%	66,540,591		7.36%
Other Taxpayers		1,055,676,384			837,929,122		
Total Taxable Value		<u>\$1,129,152,098</u>			<u>\$904,469,713</u>		

Source: Plainfield Charter Township Assessor

PLAINFIELD CHARTER TOWNSHIP
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended December 31	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections Total Levy
2003	\$ 2,363,940	\$ 2,349,574	99.39	\$ 3,234	\$ 2,352,808	99.53
2004	2,932,668	2,901,132	98.92	7,126	2,908,257	99.17
2005	3,124,825	3,044,214	97.42	7,891	3,052,105	97.67
2006	3,281,440	3,253,367	99.14	9,356	3,262,723	99.43
2007	3,498,491	3,490,155	99.76	8,071	3,498,226	99.99
2008	3,689,424	3,644,897	98.79	19,954	3,664,851	99.33
2009	3,751,844	3,737,100	99.61	6,822	3,743,922	99.79
2010	3,753,352	3,742,219	99.70	6,377	3,748,596	99.87
2011	3,652,591	3,632,188	99.44	6,696	3,638,884	99.62
2012	3,578,173	3,564,249	99.61	-	3,564,249	99.61

Source: Plainfield Charter Township Treasurer

PLAINFIELD CHARTER TOWNSHIP
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Year Ended December 31	Governmental Activities			Business-Type Activities			Total Primary Government
	Installment Purchase Agreements	General Obligation Bonds	Retirement Health Note Payable	Sewer Bonds	Water Bonds	Retirement Health Note Payable	
2003	\$ 210,000	\$ 3,900,000	\$ -	\$ 3,471,698	\$ 13,250,000	\$	\$ 20,831,698
2004	160,000	3,570,000		3,267,863	12,515,000		19,512,863
2005	110,000	3,230,000		3,060,157	11,625,000		18,025,157
2006	83,466	2,880,000		2,844,712	10,690,000		16,498,178
2007	732,253	2,515,000		2,616,527	9,715,000		15,578,780
2008	563,404	2,135,000		2,376,735	8,835,000		13,910,139
2009	393,243	1,745,000		2,129,199	7,925,000		12,192,442
2010	221,526	1,335,000		1,870,055	6,975,000		10,401,581
2011	73,842	910,000	324,651	1,652,430	5,497,000	146,102	8,604,025
2012	-	465,000	664,726	1,458,937	10,508,924	622,345	13,719,933

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements.

Plainfield Charter Township participates in the North Kent Sewer Authority, a joint venture as defined by GASB Statement #14. The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Authority has also just constructed a wastewater treatment plant. The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance, and administration of the Authority. The most recent allocation of outstanding debt based on flow through the system indicated debt attributable to Plainfield Charter Township of:

NKSA Refunding Bonds Series 2012	\$ 2,087,458
NKSA Bonds Series 2007	2,695,262
NKSA Bonds Series 2006	17,702,543
NKSA Bonds Series 2005	2,613,059
NKSA Bonds dated June 1, 1998 (Unfixed Portion)	204,002

This debt has been excluded from Plainfield Charter Township financial statements because principal and interest payments are based upon Township's portion of sewage flow through the system, and the Township does not have an equity interest in the joint venture.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township
Source: U.S. Census Department (population) see demographic and economic statistics schedule for details
Source: U.S. Department of Labor (per capital income). Based upon 2009 information (latest available)
See demographic and economic statistical schedule for details

1. Township population is 30,195 for 2001 - 2009. Population is 30,952 for 2010 - 2012.

Percentage of Personal Income	Net Bonded Debt Per Capita¹
114.71%	\$ 690
102.73%	646
91.75%	597
79.99%	546
74.69%	516
66.13%	461
61.29%	404
49.87%	336
38.65%	278
N/A	443

PLAINFIELD CHARTER TOWNSHIP
Ratios Of General Bonded Debt Outstanding
Last Ten Fiscal Years

Year Ended December 31	Estimated Population	State Equalized Valuation	General Obligation Debt	Percentage of Estimated Actual Value of Taxable Property	Per Capita
2003	31,111	\$968,777,900	\$ 3,900,000	0.40%	\$ 125
2004	31,336	1,035,863,800	3,570,000	0.34%	114
2005	31,587	1,096,985,600	3,230,000	0.29%	102
2006	31,917	1,185,237,000	2,880,000	0.24%	90
2007	32,058	1,253,029,500	2,515,000	0.20%	78
2008	32,057	1,299,048,598	2,135,000	0.16%	67
2009	31,920	1,293,917,300	1,745,000	0.13%	55
2010	30,952	¹ 1,264,215,500	1,335,000	0.11%	43
2011	31,258	1,210,063,900	910,000	0.08%	29
2012	N/A	1,171,774,900	465,000	0.04%	15 ²

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements.

General Obligation debt in this table represent only that debt serviced from property tax revenues, including general obligation bonded debt not serviced from water revenues, Installment Purchase Agreement (paid off in 2011), and Retirement Health Note Payable. There is one other general obligation bond issue that is serviced from water revenues that is not included here.

Source: Plainfield Charter Township Assessor (State Equalized Valuation)

Source: U.S. Census Department (Population)

¹ 2010 Census

² Based on 2011 Population

PLAINFIELD CHARTER TOWNSHIP
Direct and Overlapping Governmental Activities Debt
December 31, 2012

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Township (3)</u>	<u>Township's Share of Debt</u>
Direct:			
Plainfield Charter Township	\$ 1,129,726 (1)	100.00 %	\$ 1,129,726
Overlapping (2):			
Kent County	178,975,000	5.31	9,503,573
Grand Rapids Community College	71,580,000	5.16	3,693,528
Rockford School District	105,910,000	24.98	26,456,318
Northview School District	53,660,000	87.91	47,172,506
Comstock Park School District	65,952,087	56.10	36,999,121
Kenowa Hills School District	37,225,000	0.14	<u>52,115</u>
Total Overlapping Debt			<u>123,877,160</u>
Total Direct and Overlapping Debt			<u><u>\$125,006,887</u></u>

- (1) Excluding general obligation limited tax and revenue bonds reported in the enterprise funds.
- (2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Plainfield Charter Township are liable in addition to debt issued by Plainfield Charter Township.
- (3) The portion of the assessed value for each governmental unit located within Plainfield Township over the assessed value of the governmental unit as a whole is utilized to calculate overlapping debt percentages.

Note: Amount of overlapping debt outstanding and the percent applicable to Township was obtained from Municipal Advisory Council of Michigan.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

PLAINFIELD CHARTER TOWNSHIP
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 96,898,240	\$ 103,606,830	\$109,698,560	\$118,523,700
Net General Obligation Debt Subject to Limitation	<u>9,110,000</u>	<u>8,555,000</u>	<u>7,985,000</u>	<u>7,423,466</u>
Legal Debt Margin	<u>\$ 87,788,240</u>	<u>\$ 95,051,830</u>	<u>\$101,713,560</u>	<u>\$111,100,234</u>
Total net debt applicable to the limit as a percentage of the debt limit	9.40%	8.26%	7.28%	6.26%

Legal Debt Margin Calculation for Fiscal Year 2012

State Equalized Valuation	<u>\$1,171,774,900</u>
Debt Limit - 10% of State Equalized Value	\$ 117,177,490
Debt Outstanding	\$ 13,719,933
Less: Exempt Debt	<u>9,929,933</u>
Net General Obligation Debt Subject to Limitation	<u>3,790,000</u>
Legal Debt Margin	<u>\$ 113,387,490</u>

State law limits the amount of township general obligation debt to 10% of state equalized value.
(1) Includes the State Equalized Valuation of property granted tax abatement under Act 198.

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$125,302,950	\$129,904,860	\$129,391,730	\$126,421,550	\$121,006,390	\$117,177,490
<u>7,471,761</u>	<u>6,742,292</u>	<u>5,997,280</u>	<u>5,226,526</u>	<u>4,438,842</u>	<u>3,790,000</u>
<u>\$117,831,189</u>	<u>\$123,162,568</u>	<u>\$123,394,450</u>	<u>\$121,195,024</u>	<u>\$116,567,548</u>	<u>\$113,387,490</u>
5.96%	5.19%	4.63%	4.13%	3.67%	3.23%

PLAINFIELD CHARTER TOWNSHIP
Pledged-Revenue Coverage
Last Ten Fiscal Years

Year Ended December 31	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principa	Interest	
2002	\$ 4,088,343	\$ 1,989,491	\$ 2,098,852	\$ 625,000	\$ 448,998	2.0
2003	5,735,019	2,050,738	3,684,281	650,000	464,124	3.3
2004	5,864,212	2,350,497	3,513,715	880,000	437,594	2.7
2005	5,753,969	2,478,478	3,275,491	890,000	439,906	2.5
2006	5,717,742	2,743,940	2,973,802	935,000	405,323	2.2
2007	5,950,718	2,990,314	2,960,404	975,000	369,330	2.2
2008	5,178,103	3,801,149	1,376,954	880,000	344,846	1.1
2009	5,029,772	3,254,798	1,774,974	910,000	315,489	1.4
2010	5,433,167	2,981,335	2,451,832	950,000	283,485	2.0
2011	5,123,525	3,260,471	1,863,054	1,546,000 ¹	239,906	1.0
2012	6,190,151	3,248,122	2,942,029	775,000	254,529	2.9

Water Supply System Revenue and General Obligation Bonds (Serviced by Water Fund)

¹ Includes additional payment of \$561,000 when refunding bonds.

PLAINFIELD CHARTER TOWNSHIP
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>		<u>Per Capita Personal Income⁵</u>		<u>Total Personal Income (thousands)⁵</u>	<u>Unemployment Rate⁶</u>
2003	31,111	1	\$ 31,051	\$	18,160,038	4.8
2004	31,336	1	32,396		18,994,646	4.4
2005	31,587	1	33,497		19,645,454	3.8
2006	31,917	1	34,687		20,626,498	3.7
2007	32,058	1	34,624		20,857,334	3.8
2008	32,057	1	35,101		21,033,650	4.5
2009	31,920	1	33,074		19,891,653	7.1
2010	30,952	2	34,588		20,857,545	6.9
2011	31,258	3	36,589		22,262,941	5.3
2012	N/A	4	N/A	4	N/A	4.3

Source: U.S. Department of Labor (per capital income and unemployment rates)

¹ Population estimates, Michigan Labor Market Information (Plainfield Township)

² 2010 Census

³ Population estimate, Michigan Dept. of Technology, Management & Budget (Plainfield Township)

⁴ Information not available

⁵ Bureau of Economic Analysis, US Dept of Commerce (Kent County)

⁶ Michigan Labor Market Information, Unemployment Statistics (Plainfield Township)

PLAINFIELD CHARTER TOWNSHIP
Principal Employers
Current year and seven years ago

Taxpayer	Type of Business	2012			2005 ¹		
		Approx. Number of Employees	Rank	Percent of Total Twp. Employment	Approx. Number of Employees	Rank	Percent of Total Twp. Employment
Rockford Public Schools	Education	964	1	5.97%	900	1	5.31%
Northview Public Schools	Education	394	2	2.44%	350	3	2.06%
Meijer, Inc.	Retail	275	3	1.70%	343	4	2.02%
NuCraft Furniture	Manufacturing	250	4	1.55%	218	7	1.29%
Comstock Park Schools	Education	248	5	1.54%	256	6	1.51%
Gill Industries	Manufacturing	230	6	1.43%	379	2	2.24%
Wynalda Litho	Manufacturing	173	7	1.07%			
Jackson Products	Manufacturing	165	6	1.02%	275	5	1.62%
Lowes	Home Improvement	150	9	0.93%	200	8	1.18%
Progressive Engineering	Engineering	145	10	0.90%	140	9	0.83%
K&M Northfield Dodge	Auto Sales & Repair				130	10	0.77%
Ten Largest Employers		2,994		18.55%	3,191		18.82%
Other Employers		13,143			13,766		
Total Employed		16,137			16,957		

Source: Plainfield Township
Source: State of Michigan Labor Market Information

¹ Information not available for Fiscal Years 2003 or 2004.

PLAINFIELD CHARTER TOWNSHIP
Full-Time Equivalent Township Employees By Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	31.8	31.2	30.9	32.7	31.6	32.2	29.2	28.6	27.8	28.2
Public safety	21.1	21.3	25.0	25.3	23.8	24.7	23.9	23.2	24.2	24.2
Parks and recreation	3.1	2.8	2.6	2.9	4.3	3.1	3.2	2.6	3.0	3.0
Building inspection	4.0	4.0	3.5	3.0	2.6	2.1	2.0	1.7	1.9	1.5
Water utility	15.8	17.2	17.0	15.0	17.8	18.5	16.3	17.8	15.7	15.7
Total	75.8	76.5	79.0	78.8	80.2	80.6	74.7	73.9	72.6	72.6

Source: Plainfield Charter Township payroll records

PLAINFIELD CHARTER TOWNSHIP
Operating Indicators By Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government:										
Tax bills issued	12,423	12,537	12,644	12,798	13,117	14,144	14,231	15,550	24,818	24,295
Number of registered voters	20,500	20,500	21,921	21,898	22,753	23,124	23,163	23,366	23,774	23,990
Public Safety - Fire Protection:										
Number of calls answered	1,907	2,109	2,055	2,104	2,193	2,328	2,264	2,338	2,366	2,397
Number of inspections conducted	250	350	400	968	511	697	767	591	554	1,106
Police Protection: Kent County Sheriff:										
Number of incidents	11,625	11,234	11,728	11,385	11,811	11,579	10,834	10,798	10,475	10,013
Sewer System:										
Number of service connections	6,874	7,070	7,312	7,471	7,492	7,501	7,623	7,658	7,699	7,753
Number of residential equivalency units	11,738	12,049	12,392	12,757	12,821	12,829	12,980	13,005	13,071	13,132
Daily average treatment in gallons - MGD	1.60734	1.74523	1.68036	1.75138	1.70417	1.81776	1.91975	1.72526	1.70239	1.70974
Water System:										
Number of service connections	9,165	9,374	9,556	9,698	9,728	9,744	9,885	9,933	9,981	10,021
Number of residential equivalency units	17,866	18,232	18,415	18,659	18,713	18,743	18,913	19,226	19,293	19,365
Daily average consumption in gallons - MGD	3.9822	3.8443	4.2874	4.1341	4.4197	4.2993	3.7438	3.7757	3.4516	4.0768
Maximum daily capacity of plant in gallons - MGD	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Peak Daily Demand - MGD	9.8	7.8	10.0	8.7	11.8	9.6	7.7	8.4	7.7	10.8

Source: Plainfield Charter Township records

PLAINFIELD CHARTER TOWNSHIP
Capital Assets Statistics By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire vehicles	16	17	16	16	16	17	15	15	15	14
Public works:										
Number of trucks	15	13	15	16	15	15	15	15	16	15
Miles of major streets:										
Primary	35.60	35.60	35.60	35.60	37.74	42.76	42.76	44.20	44.20	44.20
Local	127.30	129.42	131.27	131.64	129.47	124.45	124.45	123.01	122.47	122.47
Number of street lights	1,285	1,295	1,329	1,360	1,361	1,368	1,366	1,366	1,366	1,391
Number of cemeteries	2	2	2	2	2	2	2	2	2	2
Culture and recreation:										
Township parks	11	11	11	11	11	11	11	11	12	12
County/State parks	5	5	5	5	5	5	5	5	5	5
Sewer System:										
Miles of sanitary sewers	140	145	148	150	155	159	163	163	164	164
Water System:										
Miles of water mains	206	212	215	221	226	230	231	231	240	240
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks	12	13	13	13	13	13	13	13	13	14
Number of fire hydrants:										
Plainfield Township	1,548	1,624	1,694	1,803	1,769	1,845	1,853	1,853	1,870	1,874
Alpine Township	441	448	451	415	477	481	482	482	502	502
City of Walker	4	4	4	4	5	5	6	6	6	6
Grand Rapids Township	36	36	36	38	36	36	36	36	36	36
Algoma Township	27	27	27	27	27	27	28	28	29	29

Source: Plainfield Charter Township records

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SINGLE AUDIT SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 14, 2013

Members of the Board of Trustees
Plainfield Charter Township
Kent County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Plainfield Charter Township (the Township) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 14, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance

with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ordebold Haefner LLC



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

May 14, 2013

Members of the Board of Trustees
Plainfield Charter Township
Kent County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Plainfield Charter Township's (the Township) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2012. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major Federal Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Uredexeld Haefner LLC

PLAINFIELD CHARTER TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-through Grantor/ Program Title	CFDA Number	Grant Number	Federal Expenditures
Environmental Protection Agency			
Passed through Michigan Department of Treasury Drinking Water State Revolving Fund	66.468	7278-01	\$ 1,099,068
U.S. Department of Homeland Security			
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FH-00744	92,644
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2011-FH-00216	36,256
Passed through Michigan Department of State Police			
Hazard Mitigation - Structure Acquisition	97.039	A1777.10	293,752
Flood Mitigation Assistance	97.029	FMA-PJ-05-MI-2009-002	2,000
Pre-Disaster Mitigation	97.047	PDMC-PJ-05-MI-2011-008	500
Total U.S. Department of Homeland Security			<u>425,152</u>
Total Expenditures of Federal Awards			<u>\$ 1,524,220</u>

Note to Schedule of Expenditures of Federal Awards:

Basis of Presentation

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Expenditures on the Schedule of Expenditures of Federal Awards may differ from expenditures in the financial statements due to assets purchased with capital grants being capitalized and depreciated over the assets' estimated useful lives.

PLAINFIELD CHARTER TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	<u> X </u> no
Significant deficiency(ies) identified?	_____yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____yes	<u> X </u> no
Significant deficiency(ies) identified?	_____yes	<u> X </u> none reported
Type of auditors' report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____yes	<u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and B programs: \$300,000

Auditee qualified as low-risk auditee? _____yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

None were reported