

PLAINFIELD CHARTER TOWNSHIP

COUNTY OF KENT, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31,

2014

PLAINFIELD CHARTER TOWNSHIP
COUNTY OF KENT, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

*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

April 30, 2015

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 2014, ending December 31, 2014. 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.

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In October of 2012, the NKSA partner communities terminated their O&M contract with the Kent County Department of Public Works (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 2014 is \$1,082,794,557. 73% of this is residential, 19% is commercial, and 8% is other.

Building permits have averaged 369 annually for the past five years. The number of building permits issued in 2014 was 433. The value of the new construction represented by those permits has risen from \$15,672,922 in 2010 to \$46,008,739 in 2014.

The property tax base is very diversified, with the ten largest property tax payers comprising only 6.6% 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. Due to the decrease in Taxable Value below its base value in 2006, there were no revenues in 2013 or

2014. 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 have seen economic activity and growth increase the last two years, and we are reasonably optimistic that it will continue to increase in 2015.

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 2014 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 2014, 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 sewer system projects with State Revolving Funds (SRF) at a very low interest rate and through Stormwater/Asset Management/Wastewater grant program (SAW).
- Closely monitoring capital spending.
- Board approval required for out-of-town travel.
- Increased cost sharing for employee health insurance, starting at zero employee contribution in 2009 to 20% contribution in 2014.
- Utilize vehicles longer before replacement.
- Partnerships with nonprofit organizations and neighboring township to finance new park development.
- Took advantage of lower construction costs by moving up water and sewer projects.

Most of these changes resulted in immediate financial improvement and will carry cost savings forward to future years as well. We revised retirement benefits in 2011 resulting in a financial impact in 2011, 2012, and 2013. These 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 as the economy continues to recover. With our current tax rate at 3.30 mils, which is substantially lower than the allowable maximum of 4.1772 mils, there is room to generate the revenue needed to sustain operations and continue to grow.

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 was recommending that a dedicated source of funding be considered for these predictable and quantifiable recurring needs. Beginning in 2014, the Board approved dedicating 0.5 mills to be used for capital needs for all General Fund departments, including the Fire Department. This option was made possible due to paying off General Fund bonds in 2013 and increasing the millage rate by only 0.01.

Over the past few years, we took advantage of 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 water system capital projects. These improvements have positioned Plainfield Township to deal more effectively with water system long term capital improvement planning.

Over the past 8 years, there have been significant improvements made to our sewer collection system, which have mostly been paid out of cash reserves. We have additional sewer capital improvement projects that commenced in 2012 and are being financed using Sewer Revolving Funds (SRF) and Stormwater/Asset Management/Wastewater grant program (SAW).

We continue to upgrade and improve both our water and sewer systems. 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 28 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 stands at "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 Vredeveld Haefner LLC was selected by Plainfield Township to perform the audit for the fiscal year of 2014. 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 2014 was \$1,421,528. The Township made significant changes to the retiree health insurance benefit for all employees that went into effect in 2011 and 2012. These changes have 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.

- **Governmental Accounting Standards Board – Statement No. 65**

For our 2013 financial reports, Plainfield Township implemented Statement No. 65 of the Governmental Accounting Standards Board. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

- **Awards**

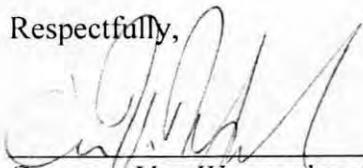
The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plainfield Charter Township for its comprehensive annual financial report for the fiscal year ended December 31, 2013. Plainfield Charter Township is one of only eight townships in Michigan that achieved this for fiscal year 2013. This was the thirteenth 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.

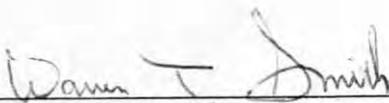
A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

- **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

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

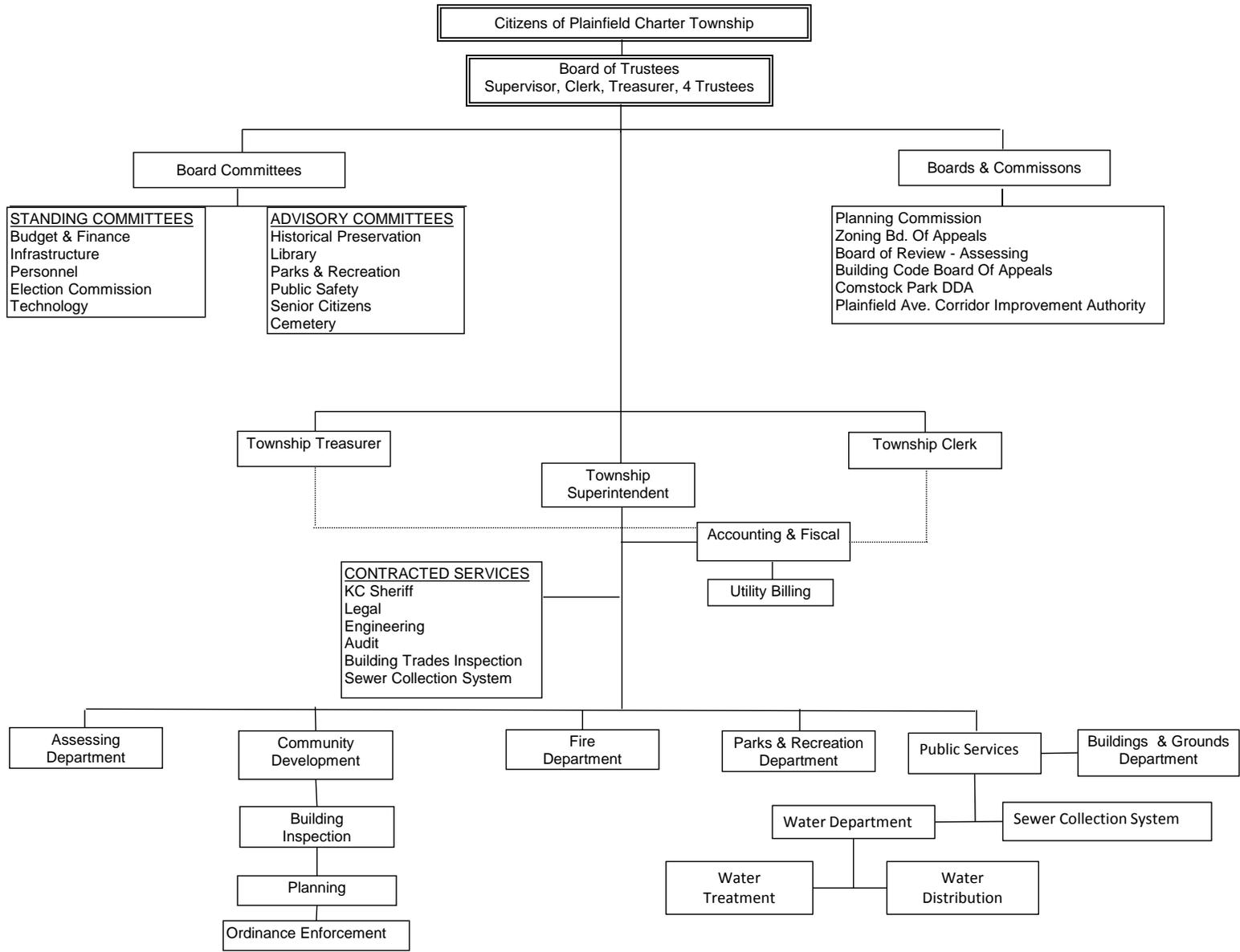
Presented to

**Plainfield Charter Township
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO





Plainfield Charter Township Board of Trustees

Supervisor

Jay D. Spencer

Clerk

Ruth Ann Karnes

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
Teresa Zimmerman

Clerk's Department
Ruth Ann Karnes

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



Vredeveld Haefner LLC

CPA's and Consultants

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Douglas J. Vredeveld, CPA

(616) 446-7474

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INDEPENDENT AUDITORS' REPORT

April 22, 2015

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 (the Township), Kent County, Michigan, as of and for the year ended December 31, 2014, 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, 2014, 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 combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2015, 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.

Uredaxold Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2014

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, 2014. 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 \$77,186,027 (net position). Of this amount, \$13,673,981 (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 \$2,135,041.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,696,857, an increase of \$867,216 in comparison with the prior year. Approximately 67% of the ending fund balance, or \$2,479,306, 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 \$2,479,306, or 38 percent of total General Fund expenditures.
- The Township's total indebtedness decreased by \$196,819 to a total of \$16,656,388 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, 2014

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 five 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 \$77,186,027 at the close of the most recent fiscal year.

By far the largest portion of the Township's net position (82 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 8,308,842	\$ 7,320,296	\$ 13,659,938	\$ 13,783,941	\$21,968,780	\$21,104,237
Capital assets	9,795,442	10,181,612	67,657,485	65,641,048	77,452,927	75,822,660
Total assets	18,104,284	17,501,908	81,317,423	79,424,989	99,421,707	96,926,897
Long-term liabilities outstanding	1,572,933	1,639,553	13,932,476	13,452,047	15,505,409	15,091,600
Other liabilities	847,062	672,266	2,141,120	2,329,476	2,988,182	3,001,742
Total liabilities	2,419,995	2,311,819	16,073,596	15,781,523	18,493,591	18,093,342
Deferred inflows of resources	3,742,089	3,717,189	-	-	3,742,089	3,717,189
Net position:						
Net investment in capital assets	9,781,549	10,160,772	53,348,245	51,313,031	63,129,794	61,473,803
Restricted	382,252	223,620	-	168,509	382,252	392,129
Unrestricted	1,778,399	1,088,508	11,895,582	12,161,926	13,673,981	13,250,434
Total net position	\$11,942,200	\$11,472,900	\$65,243,827	\$63,643,466	\$77,186,027	\$75,116,366

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An additional portion of the Township's net position (0.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (18 percent or \$13,673,981) 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 \$2,135,041 during the current fiscal year.

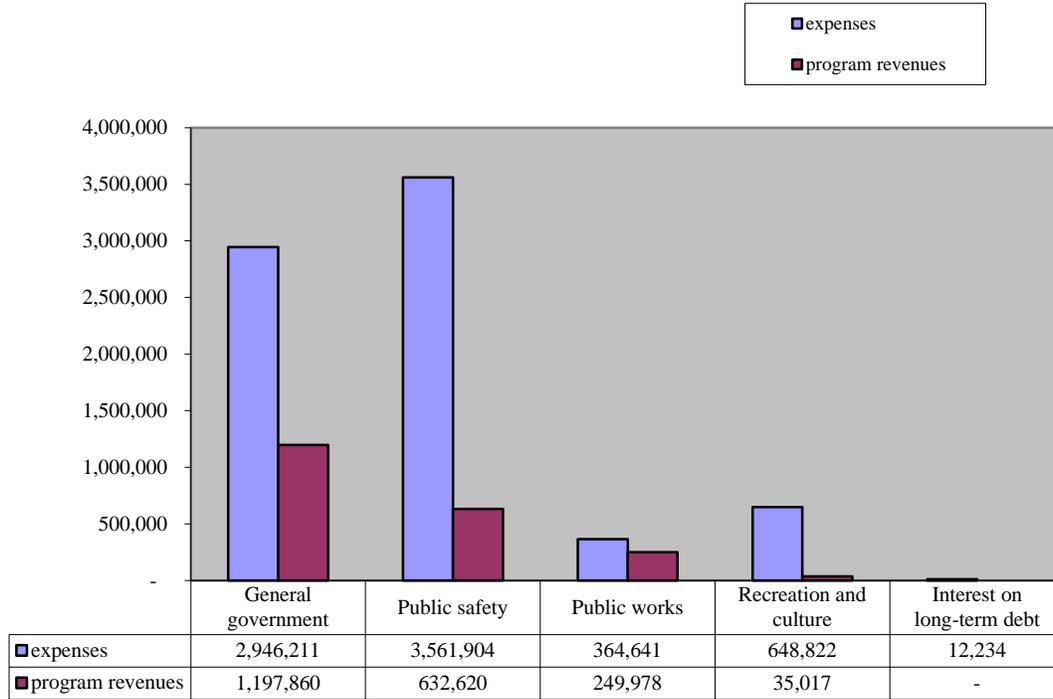
Plainfield Charter Township's Changes in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue:						
Program revenue:						
Charges for services	\$1,818,591	\$1,810,930	\$9,415,146	\$9,484,120	\$11,233,737	\$11,295,050
Operating grants and contributions	283,898	296,236	5,573	7,572	289,471	303,808
Capital grants and contributions	12,986	37,053	942,946	1,457,306	955,932	1,494,359
General revenue:						
Property taxes	3,499,416	3,424,604	-	-	3,499,416	3,424,604
State sources	2,425,737	2,328,118	-	-	2,425,737	2,328,118
Other	27,864	32,674	80,654	101,031	108,518	133,705
Total revenue	<u>8,068,492</u>	<u>7,929,615</u>	<u>10,444,319</u>	<u>11,050,029</u>	<u>18,512,811</u>	<u>18,979,644</u>
Expenses:						
General government	2,946,211	2,770,161	-	-	2,946,211	2,770,161
Public safety	3,561,904	3,486,022	-	-	3,561,904	3,486,022
Public works	364,641	439,250	-	-	364,641	439,250
Parks and recreation	648,822	577,313	-	-	648,822	577,313
Interest on long-term debt	12,234	19,218	-	-	12,234	19,218
Sewer	-	-	4,165,795	4,151,788	4,165,795	4,151,788
Water	-	-	4,678,163	4,780,859	4,678,163	4,780,859
Total expenses	<u>7,533,812</u>	<u>7,291,964</u>	<u>8,843,958</u>	<u>8,932,647</u>	<u>16,377,770</u>	<u>16,224,611</u>
Change in net position	534,680	637,651	1,600,361	2,117,382	2,135,041	2,755,033
Net position - beginning of year, as restated	<u>11,407,520</u>	<u>10,835,249</u>	<u>63,643,466</u>	<u>61,526,084</u>	<u>75,050,986</u>	<u>72,361,333</u>
Net position - end of year	<u>\$11,942,200</u>	<u>\$11,472,900</u>	<u>\$65,243,827</u>	<u>\$63,643,466</u>	<u>\$77,186,027</u>	<u>\$75,116,366</u>

Governmental activities. Governmental activities increased the Township's net position by \$534,680. The key element of this increase was conservative budgeting to spend less than the amount of revenues. Of this amount, approximately \$330,000 is being set aside for future capital outlay.

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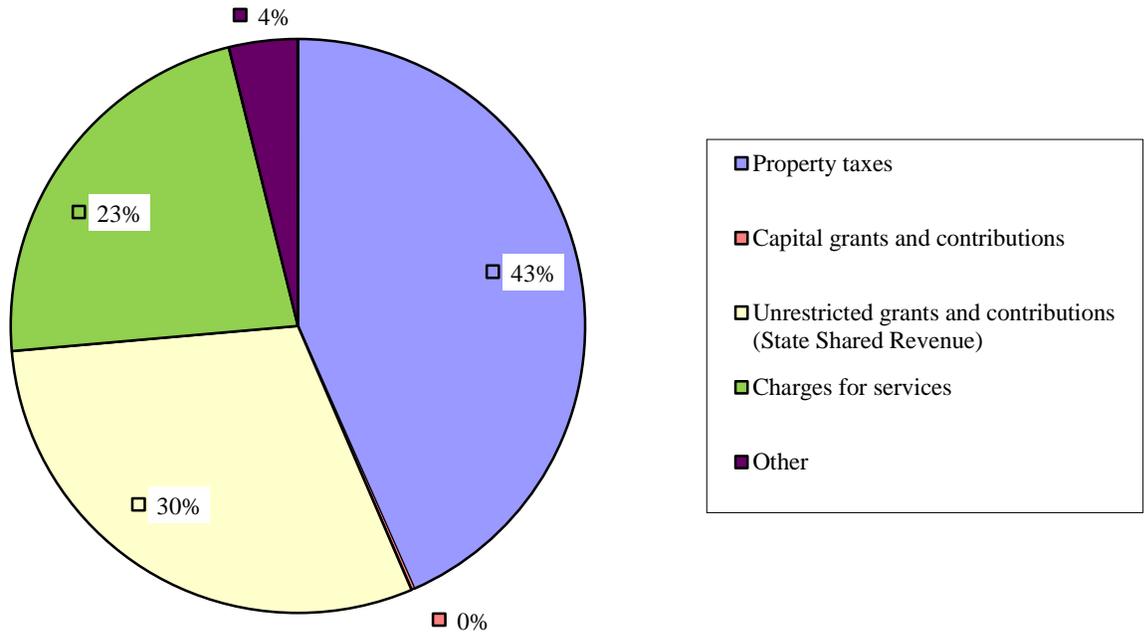
Expenses and Program Revenues - Governmental Activities



PLAINFIELD CHARTER TOWNSHIP
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Revenues by Source - Governmental Activities

Revenues by Source - Governmental Activities

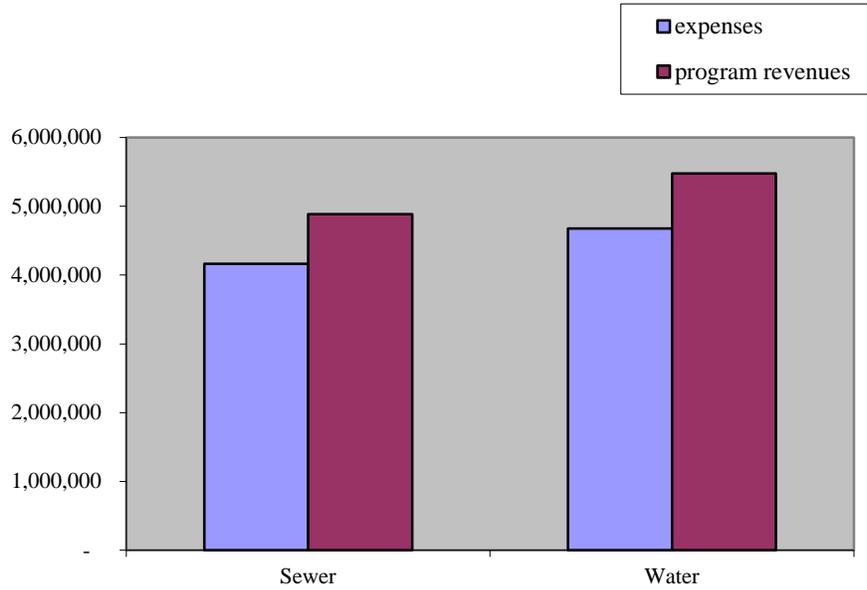


Business-type activities. Business-type activities increased the Township's net position by \$1,600,361. Operating revenues in the Sewer Fund decreased by \$5,539 from 2013, and operating revenues in the Water Fund decreased by \$64,300 from 2013. There was a decrease of \$178,584 in connection charges and contributions in the Sewer Fund and an increase of \$65,954 in the Water Fund from 2013. Sewer Fund expenses were down \$37,787 from 2013 and Water Fund expenses were up \$78,274 from 2013. Key elements of these changes are as follows:

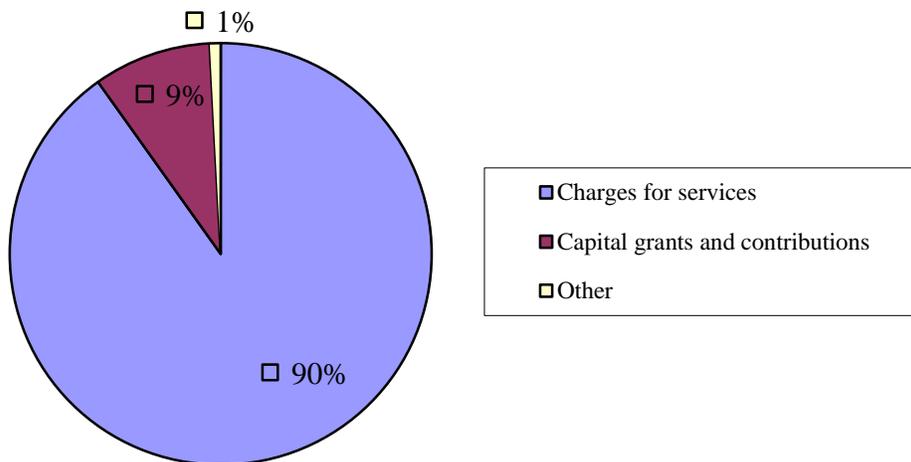
- Sewer contributions up \$142,209 due to receipt of SAW grant.
- Sewer consulting engineering decreased \$92,000, due to many one-time costs that occurred in 2013.
- Sewer bond expense decreased \$33,000, due to increase in NKSA connection fees used to pay a portion of bond expenses.
- Water sales revenue down \$67,000, due to milder summer compared to 2013.
- Water connection revenues up \$78,000, due to increase in number of connections.
- Water Fund retiree costs down \$60,000 due to reduction in future liability costs.
- Water Fund legal fees decreased by \$96,000, due to reduced activity in dispute with the state concerning lime residual disposal.

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Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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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 \$3,696,857, an increase of \$867,216 in comparison with the prior year. Approximately 67% (\$2.48 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 \$2,479,306, while total fund balance was \$3,287,163. 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 38 percent of total General Fund expenditures.

The fund balance of the Township's General Fund increased by \$859,942 in 2014 compared to a decrease of \$284,244 in 2013. The budgeted increase in fund balance of \$471,946 was exceeded due to: unbudgeted fire department grant of \$52,000, excess reimbursement revenue received of \$32,000; unspent contracted services of \$15,000; unspent travel expenses of \$17,000; unspent capital outlay expenses of \$53,000; unspent hazard mitigation expenses of \$58,000; and unspent road construction expense of \$73,000.

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 \$7,276,850 and \$4,618,732, respectively. The Sewer Fund had an increase in net position for the year of \$785,351, and the Water Fund had an increase of \$815,010. 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 State Shared revenue by \$60,000 due to receiving some Statutory Revenue Sharing in addition to our Constitutional Revenue Sharing.
2. Decrease FEMA Hazard Mitigation Grant revenue by \$330,000 due to lower number of homes acquired in the floodplain. This is offset by similar reduction in expenditures.
3. Decrease Cemeteries Capital Outlay by \$42,000 due to postponement of repaving project.
4. Decrease FEMA Hazard Mitigation Grant expense by \$325,000 due to lower number of homes acquired in the floodplain.
5. Increase Fire Department Salaries and Wages expense by \$44,000 due to error in original budget.
6. Decrease Fire Department Capital Outlay by \$38,000 due to lower final amount needed for new turnout gear.

PLAINFIELD CHARTER TOWNSHIP
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7. Increase Parks Contracted Services expense by \$32,000 due to new recreation plan update.

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, 2014, amounted to \$77,452,927, (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:

- Upgrade generators at lift stations for \$277,000.
- North Park lift station improvement project for \$162,000.
- Scott Creek Sewer Trunk rehab for \$1,331,000.
- Sawkaw area sewer improvements for \$787,000.
- Preliminary work on Forest Ridge lift station relocation for \$79,000.
- Sawkaw area water improvements for \$736,000.
- Preliminary work on 5 Mile pressure conversion project for \$101,000.
- White Caps ballpark watermain extension for \$342,000.

Major capital asset events planned for fiscal year 2015 include the following:

- Install paved parking lot at Premier Park for \$225,000.
- 10 Mile Road sewer trunk extension for \$980,000.
- Northerly sewer trunk inverted siphons for \$732,000.
- Forest Ridge lift station relocation for \$600,000.
- Comstock Park area sewer improvements for \$525,000.
- Repaint 5 Mile Road water tank for \$350,000.
- Purchase new dump truck for \$135,000.
- 5 Mile area water pressure conversion for \$1,750,000.
- Hills & Dales area watermain replacement for \$445,000.
- Secondary water plant power supply for \$410,000.

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

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,969,225	\$ 1,866,957	\$ 4,836,182
Construction in Progress	-	3,465,026	3,465,026
Buildings and Improvements	6,078,889	8,965,186	15,044,075
Machinery and Equipment	747,328	1,660,718	2,408,046
Utility Systems	-	51,699,598	51,699,598
Total	\$ 9,795,442	\$ 67,657,485	\$ 77,452,927

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, 2014

Long-term debt. At the end of the current fiscal year, the Township had total long-term debt outstanding of \$16,656,388. The outstanding debt is made up of amounts secured by specified revenue sources (i.e., revenue bonds) in the amount of \$13,869,240, retirement health notes of \$668,338, post-employment benefits in the amount of \$1,421,528, installment loan agreements in the amount of \$453,893, and other accrued employee benefits in the amount of \$243,389.

Plainfield Charter Township's Outstanding Debt

	Governmental activities	Business-type activities	Total
General obligation bonds	\$ —	\$ —	\$ —
Revenue bonds	—	13,869,240	13,869,240
Installment purchase agreements	13,893	440,000	453,893
Retirement health notes	423,194	245,144	668,338
Post-employment benefits liability	1,051,931	369,597	1,421,528
Accumulated sick and vacation pay	157,017	86,372	243,389
Total	\$1,646,035	\$15,010,353	\$16,656,388

The Township's total debt decreased by \$196,819 during the current fiscal year. This decrease is the result of normal debt service payments and also includes an addition of \$1,628,869 for our share of new sewer bonds issued through the State of Michigan SRF loan program.

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 \$112,492,820. Plainfield Charter Township currently has \$2,816,000 of outstanding revenue bonds which are backed by the full faith and credit of the Township (general obligation).

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 2015 fiscal year:

Governmental Activities:

- .5 mills of our 3.3 millage rate is used to pay for current and future General Fund capital needs. We project we will take in about \$528,000 in 2015 and we budgeted to spend \$575,000. The shortage of \$47,000 will be paid from the 2014 excess, which was \$329,634.
- State Shared Revenue is projected to be \$142,000 higher in 2015 due to increase in Constitutional Revenue Sharing and also receiving Statutory Revenue Sharing.
- The Fire Fighter Safer Grant expired in 2014 so revenue from this grant will be \$100,000 lower in 2015.

PLAINFIELD CHARTER TOWNSHIP
Management's Discussion and Analysis
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- Reimbursement to the General Fund from all other funds is budgeted to be \$106,000 higher in 2015, mostly due to increased reimbursement from the Building Department Fund paying their full share.
- Parks department Capital Outlay budgeted to be higher by \$276,000 mostly due to installation of parking lot at Premier Park.

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, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Downtown	Corridor
	Activities	Activities		Development	Improvement
			Authority	Authority	
Assets					
Cash and pooled investments	\$ 4,186,211	\$ 10,766,173	\$ 14,952,384	\$ 717,696	\$ 58,556
Receivables					
Taxes	3,452,578	-	3,452,578	66,294	-
Accounts	16,526	1,591,559	1,608,085	-	-
Due from other governments	527,956	1,861	529,817	-	-
Inventory	-	222,811	222,811	-	-
Prepaid items	30,936	11,352	42,288	-	-
Total current assets	8,214,207	12,593,756	20,807,963	783,990	58,556
Noncurrent assets					
Special assessment receivable	94,635	614,329	708,964	-	-
Due from other governments	-	451,853	451,853	-	-
Capital assets:					
Non-depreciable	2,969,225	5,331,983	8,301,208	-	-
Depreciable capital assets, net	6,826,217	62,325,502	69,151,719	776,705	36,913
Total noncurrent assets	9,890,077	68,723,667	78,613,744	776,705	36,913
Total assets	18,104,284	81,317,423	99,421,707	1,560,695	95,469
Liabilities					
Accounts payable	621,961	996,562	1,618,523	9,414	-
Accrued payroll and benefits	151,999	-	151,999	-	-
Accrued interest payable	-	66,681	66,681	-	-
Current portion of bonds and notes	73,102	1,077,877	1,150,979	-	-
Total current liabilities	847,062	2,141,120	2,988,182	9,414	-
Long-term liabilities					
Post-employment benefits	1,051,931	369,597	1,421,528	-	-
Compensated absences	157,017	86,372	243,389	-	-
Bonds and notes payable	437,087	14,554,384	14,991,471	-	-
Less current portion	(73,102)	(1,077,877)	(1,150,979)	-	-
Total long-term liabilities	1,572,933	13,932,476	15,505,409	-	-
Total liabilities	2,419,995	16,073,596	18,493,591	9,414	-
Deferred inflows of resources					
Unearned revenue - property taxes	3,742,089	-	3,742,089	66,294	-
Net position					
Net investment in capital assets	9,781,549	53,348,245	63,129,794	776,705	36,913
Restricted for					
Building department	275,495	-	275,495	-	-
Lighting district	96,806	-	96,806	-	-
Lake improvement	9,951	-	9,951	-	-
Unrestricted	1,778,399	11,895,582	13,673,981	708,282	58,556
Total net position	\$ 11,942,200	\$ 65,243,827	\$ 77,186,027	\$ 1,484,987	\$ 95,469

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

PLAINFIELD CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

<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	\$ 2,946,211	\$ 1,197,207	\$ 653	\$ -	\$ (1,748,351)
Public safety	3,561,904	349,375	283,245	-	(2,929,284)
Public works	364,641	236,992	-	12,986	(114,663)
Culture and recreation	648,822	35,017	-	-	(613,805)
Interest on long-term debt	12,234	-	-	-	(12,234)
Total governmental activities	<u>7,533,812</u>	<u>1,818,591</u>	<u>283,898</u>	<u>12,986</u>	<u>(5,418,337)</u>
Business-type activities					
Sewer	4,165,795	4,392,616	-	493,581	720,402
Water	4,678,163	5,022,530	5,573	449,365	799,305
Total business-type activities	<u>8,843,958</u>	<u>9,415,146</u>	<u>5,573</u>	<u>942,946</u>	<u>1,519,707</u>
Total primary government	<u>\$ 16,377,770</u>	<u>\$ 11,233,737</u>	<u>\$ 289,471</u>	<u>\$ 955,932</u>	<u>\$ (3,898,630)</u>
Component units					
Downtown Development Authority	\$ 134,678	\$ -	\$ -	\$ -	\$ (134,678)
Corridor Improvement Authority	10,513	-	-	-	(10,513)
Total component units	<u>\$ 145,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,191)</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, 2014

	Primary Government			Component Units	
	Governmental	Business-type	Total	Downtown	Corridor
	Activities	Activities		Development	Improvement
				Authority	Authority
Changes in net assets					
Net (expense) revenue	\$ (5,418,337)	\$ 1,519,707	\$ (3,898,630)	\$ (134,678)	\$ (10,513)
General revenues					
Property taxes	3,499,416	-	3,499,416	207,010	-
State shared revenues	2,425,737	-	2,425,737	-	-
Unrestricted investment earnings	21,087	80,654	101,741	2,080	256
Other revenue	6,777	-	6,777	-	36,913
Total general revenues	5,953,017	80,654	6,033,671	209,090	37,169
Change in net position	534,680	1,600,361	2,135,041	74,412	26,656
Net position, beginning of year, as restated	11,407,520	63,643,466	75,050,986	1,410,575	68,813
Net position, end of year	\$ 11,942,200	\$ 65,243,827	\$ 77,186,027	\$ 1,484,987	\$ 95,469

(Concluded)

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

PLAINFIELD CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
BALANCE SHEET**

DECEMBER 31, 2014

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 3,609,592	\$ 576,619	\$ 4,186,211
Receivables			
Taxes	3,250,822	201,756	3,452,578
Accounts	16,526	-	16,526
Special assessments	80,658	13,977	94,635
Due from other governments	527,956	-	527,956
Prepaid items	<u>26,797</u>	<u>4,139</u>	<u>30,936</u>
Total assets	<u>\$ 7,512,351</u>	<u>\$ 796,491</u>	<u>\$ 8,308,842</u>
Liabilities, Deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 470,574	\$ 151,387	\$ 621,961
Accrued payroll and benefits	<u>151,999</u>	<u>-</u>	<u>151,999</u>
Total liabilities	<u>622,573</u>	<u>151,387</u>	<u>773,960</u>
Deferred inflows of resources			
Unavailable revenue			
Special assessments	78,908	17,028	95,936
Subsequent year property taxes	<u>3,523,707</u>	<u>218,382</u>	<u>3,742,089</u>
Total deferred inflows	<u>3,602,615</u>	<u>235,410</u>	<u>3,838,025</u>
Fund balances			
Non-spendable			
Prepaid items	26,797	4,139	30,936
Restricted			
Building department	-	275,495	275,495
Lighting district	-	96,806	96,806
Lake improvement	-	9,951	9,951
Committed			
Special assessment projects	406,450	-	406,450
Capital expenditures	329,634	-	329,634
Fire department	769	-	769
Assigned			
Stormwater management	-	23,303	23,303
Future years expenditures	44,207	-	44,207
Unassigned	<u>2,479,306</u>	<u>-</u>	<u>2,479,306</u>
Total fund balances	<u>3,287,163</u>	<u>409,694</u>	<u>3,696,857</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,512,351</u>	<u>\$ 796,491</u>	<u>\$ 8,308,842</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, 2014

Fund balances - total governmental funds	\$ 3,696,857
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	2,969,225
Add - capital assets (net of accumulated depreciation)	6,826,217
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	95,936
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - post-employment benefits	(1,051,931)
Deduct - compensated absences payable	(157,017)
Deduct - bonds and notes payable	<u>(437,087)</u>
Net position of governmental activities	<u>\$ 11,942,200</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, 2014

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues			
Taxes	\$ 3,499,224	\$ -	\$ 3,499,224
Licenses and permits	505,547	-	505,547
Federal	283,245	-	283,245
State	2,425,737	-	2,425,737
Charges for services	242,953	349,375	592,328
Fines	1,311	-	1,311
Investment earnings	19,045	3,457	22,502
Miscellaneous	<u>514,592</u>	<u>236,992</u>	<u>751,584</u>
Total revenues	<u>7,491,654</u>	<u>589,824</u>	<u>8,081,478</u>
Expenditures			
Current			
General government	2,746,629	-	2,746,629
Public safety	3,111,885	231,850	3,343,735
Public works	101,080	375,334	476,414
Culture and recreation	562,148	-	562,148
Debt service			
Principal	68,118	4,984	73,102
Interest	<u>11,852</u>	<u>382</u>	<u>12,234</u>
Total expenditures	<u>6,601,712</u>	<u>612,550</u>	<u>7,214,262</u>
Revenues over (under) expenditures	<u>889,942</u>	<u>(22,726)</u>	<u>867,216</u>
Other financing sources (uses)			
Transfers in	-	30,000	30,000
Transfers out	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>
Net changes in fund balances	859,942	7,274	867,216
Fund balances, beginning of year, as restated	<u>2,427,221</u>	<u>402,420</u>	<u>2,829,641</u>
Fund balances, end of year	<u>\$ 3,287,163</u>	<u>\$ 409,694</u>	<u>\$ 3,696,857</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, 2014

Net changes in fund balances - total governmental funds	\$	867,216
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because</p> <p>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.</p>		
Add - capital outlay		211,709
Deduct - net book value of disposed of assets		(35,915)
Deduct - depreciation expense		(561,964)
<p>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.</p>		
Deduct - special assessment receipts		(12,986)
<p>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.</p>		
Add - principal payments on debt		73,102
<p>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.</p>		
Deduct - increase in post-employment benefits payable		(7,022)
Add - decrease in compensated absences payable		540
		540
Change in net position of governmental activities	\$	534,680

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

PLAINFIELD CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

DECEMBER 31, 2014

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Assets			
Current assets			
Cash and pooled investments	\$ 6,207,970	\$ 4,558,203	\$ 10,766,173
Accounts receivable	921,837	669,722	1,591,559
Due from other governments	-	1,861	1,861
Inventory	-	222,811	222,811
Prepaid and other assets	-	11,352	11,352
	<u>7,129,807</u>	<u>5,463,949</u>	<u>12,593,756</u>
Total current assets			
Noncurrent assets			
Special assessments receivable	562,594	51,735	614,329
Due from other governments	-	451,853	451,853
Property, plant and equipment-net of accumulated depreciation	23,756,753	43,900,732	67,657,485
	<u>24,319,347</u>	<u>44,404,320</u>	<u>68,723,667</u>
Total noncurrent assets			
Total assets	<u>31,449,154</u>	<u>49,868,269</u>	<u>81,317,423</u>
Liabilities			
Current liabilities			
Accounts payable	390,470	606,092	996,562
Accrued interest payable	25,081	41,600	66,681
Current portion of bonds and notes	446,020	631,857	1,077,877
	<u>861,571</u>	<u>1,279,549</u>	<u>2,141,120</u>
Total current liabilities			
Long-term liabilities			
Post-employment benefits	-	369,597	369,597
Compensated absences	-	86,372	86,372
Bonds and notes payable	5,726,316	8,828,068	14,554,384
Less current portion of bonds and notes	(446,020)	(631,857)	(1,077,877)
	<u>5,280,296</u>	<u>8,652,180</u>	<u>13,932,476</u>
Total long-term liabilities			
Total liabilities	<u>6,141,867</u>	<u>9,931,729</u>	<u>16,073,596</u>
Net position			
Net investment in capital assets	18,030,437	35,317,808	53,348,245
Unrestricted	7,276,850	4,618,732	11,895,582
	<u>25,307,287</u>	<u>39,936,540</u>	<u>65,243,827</u>
Total net position	<u>\$ 25,307,287</u>	<u>\$ 39,936,540</u>	<u>\$ 65,243,827</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, 2014

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Operating revenue			
Charges for services			
Water sales	\$ -	\$ 4,364,932	\$ 4,364,932
Sewage disposal services	4,334,351	-	4,334,351
Debt services charges	-	3,990	3,990
Penalties	58,163	53,801	111,964
	<u>4,392,514</u>	<u>4,422,723</u>	<u>8,815,237</u>
Total charges for services	4,392,514	4,422,723	8,815,237
Hydrant maintenance charges	-	497,634	497,634
Other revenue	102	51,823	51,925
	<u>4,392,616</u>	<u>4,972,180</u>	<u>9,364,796</u>
Total operating revenue	<u>4,392,616</u>	<u>4,972,180</u>	<u>9,364,796</u>
Operating expense			
Administration	-	627,240	627,240
Plant operations and maintenance	-	1,468,863	1,468,863
Distribution operations and maintenance	3,487,655	869,756	4,357,411
Depreciation	544,108	1,499,635	2,043,743
	<u>4,031,763</u>	<u>4,465,494</u>	<u>8,497,257</u>
Total operating expense	<u>4,031,763</u>	<u>4,465,494</u>	<u>8,497,257</u>
Operating income (loss)	<u>360,853</u>	<u>506,686</u>	<u>867,539</u>
Non-operating revenue (expense)			
Investment earnings	64,949	15,705	80,654
Other non-operating revenue	-	55,923	55,923
Interest expense	(134,032)	(212,669)	(346,701)
	<u>(69,083)</u>	<u>(141,041)</u>	<u>(210,124)</u>
Total non-operating revenue (expense)	(69,083)	(141,041)	(210,124)
Income (loss) before transfers and capital contributions	291,770	365,645	657,415
Connection charges and contributions	493,581	449,365	942,946
Changes in net position	785,351	815,010	1,600,361
Net position, beginning of year	<u>24,521,936</u>	<u>39,121,530</u>	<u>63,643,466</u>
Net position, end of year	<u>\$ 25,307,287</u>	<u>\$ 39,936,540</u>	<u>\$ 65,243,827</u>

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, 2014

	<u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from customers and users	\$ 4,429,784	\$ 5,008,541	\$ 9,438,325
Other revenue	-	55,923	55,923
Payments to employees	-	(1,438,412)	(1,438,412)
Payments to suppliers	<u>(3,495,650)</u>	<u>(1,529,152)</u>	<u>(5,024,802)</u>
Net cash provided by (used in) operating activities	<u>934,134</u>	<u>2,096,900</u>	<u>3,031,034</u>
Cash flows from capital and related financing activities			
Connection charges and contributions	493,581	449,365	942,946
Special assessments collected	77,323	719	78,042
Bond proceeds	1,628,869	-	1,628,869
Principal paid on bonds	(354,647)	(1,333,857)	(1,688,504)
Amount received from other governments	63,472	18,898	82,370
Interest paid on bonds	(115,259)	(217,560)	(332,819)
Acquisition of capital assets	<u>(2,674,382)</u>	<u>(1,044,168)</u>	<u>(3,718,550)</u>
Net cash provided by (used in) capital and related financing activities	<u>(881,043)</u>	<u>(2,126,603)</u>	<u>(3,007,646)</u>
Cash flows from investing activities			
Interest income	<u>64,949</u>	<u>15,705</u>	<u>80,654</u>
Net increase (decrease) in cash and pooled investments	118,040	(13,998)	104,042
Cash and pooled investments, beginning of year	<u>6,089,930</u>	<u>4,572,201</u>	<u>10,662,131</u>
Cash and pooled investments, end of year	<u>\$ 6,207,970</u>	<u>\$ 4,558,203</u>	<u>\$ 10,766,173</u>
Cash flows from operating activities			
Operating income (loss)	\$ 360,853	\$ 506,686	\$ 867,539
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	544,108	1,499,635	2,043,743
Other non-operating revenue	-	55,923	55,923
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	37,168	36,361	73,529
Inventory	-	2,034	2,034
Prepaid and other assets	-	(7,930)	(7,930)
Accounts payable	(7,995)	74,754	66,759
Post-employment benefits payable	-	(68,378)	(68,378)
Compensated absences payable	-	(2,185)	(2,185)
Net cash provided by (used in) operating activities	<u>\$ 934,134</u>	<u>\$ 2,096,900</u>	<u>\$ 3,031,034</u>

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

PLAINFIELD CHARTER TOWNSHIP
AGENCY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2014

	Agency Funds
Assets	
Cash and pooled investments	\$ 4,293,020
Due from other governments	<u>442</u>
Total assets	<u>\$ 4,293,462</u>
Liabilities	
Accounts payable	\$ 3,866
Due to other governmental units	4,254,194
Escrow deposits	<u>35,402</u>
Total liabilities	<u>\$ 4,293,462</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, 2014

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 \$57,968,906 as of December 31, 2014. 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 \$851,888. 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, 2014

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 the 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, 2014

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 *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 activity.
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, 2014

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. Amounts in governmental funds not received within 60 days of year end are recorded as unavailable revenue.

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, 2014

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.

No interest expense 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

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, 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.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has no item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The governmental funds and governmental activities report unearned revenues from property taxes levied for the following year. In additions, the governmental funds report unavailable revenues from special assessments, which arise only under a modified accrual basis of accounting. Accordingly, the unavailable revenue related to special assessments, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 resolution 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, 2014

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. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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 unearned 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, 2014, 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.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 activity level.

During the year ended December 31, 2014, the Township incurred the following expenditures which were in excess of the amounts appropriated:

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
Building Department Fund			
Debt Service-Principal	\$2,800	\$4,984	\$(2,184)
Debt Service-Interest	-	382	(382)

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	<u>\$14,952,384</u>	<u>\$776,252</u>	<u>\$4,293,020</u>	<u>\$20,021,656</u>

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

Deposits	\$ 15,692,072
Investments	4,327,759
Petty cash	<u>1,825</u>
Total	<u>\$20,021,656</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, \$14,100,922 of the Township's bank balance of \$16,088,271 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, 2014

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 – Founders Bank	N/A	\$512,910	Unrated	
Money Market - Comerica	N/A	98,459	Unrated	
FNMA Note	9/16/15	187,496	AAA	Moody
FNMA Note	9/26/17	199,560	AAA	Moody
FNMA Note	3/27/18	199,762	AAA	Moody
FNMA Note	3/26/19	500,685	AA+	S & P
FNMA Note	3/27/19	16,929	AAA	Moody
Municipal Bonds	5/01/19	110,833	AA2	Moody
Investment Pool Accounts:				
Kent County Investment Pool	N/A	2,501,125	Unrated	
Total		\$4,327,759		

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, 2014 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	24%	0-3
Certificates of deposits	55%	0-4
Money market accounts	21%	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 notes are uninsured and unregistered and held by the government's brokerage firm which is also the counter party for this security.

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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.

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 2,941,125	\$ 28,100	\$ -	\$ 2,969,225
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	2,941,125	28,100	-	2,969,225
Capital assets, being depreciated				
Buildings and improvements	12,279,534	31,502	35,915	12,275,121
Machinery and equipment	4,895,460	152,107	-	5,047,567
Total capital assets, being depreciated	17,174,994	183,609	35,915	17,322,688
Less accumulated depreciation for				
Buildings and improvements	5,901,643	294,589	-	6,196,232
Machinery and equipment	4,032,864	267,375	-	4,300,239
Total accumulated depreciation	9,934,507	561,964	-	10,496,471
Net capital assets, being depreciated	7,240,487	(378,355)	35,915	6,826,217
Governmental Activities capital assets, net	\$10,181,612	\$(350,255)	\$35,915	\$ 9,795,442
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 1,866,957	\$ -	\$ -	\$1,866,957
Construction in progress	116,619	3,854,684	506,277	3,465,026
Total capital assets, not being depreciated	1,983,576	3,854,684	506,277	5,331,983
Capital assets being depreciated				
Buildings and improvements	17,094,971	7,350	-	17,102,321
Utility systems	68,720,723	694,913	-	69,415,636
Machinery and equipment	4,185,706	9,510	44,209	4,151,007
Total capital assets, being depreciated	90,001,400	711,773	44,209	90,668,964
Less accumulated depreciation for				
Buildings and improvements	7,728,205	408,930	-	8,137,135
Utility systems	16,272,588	1,443,450	-	17,716,038
Machinery and equipment	2,343,135	191,363	44,209	2,490,289
Total accumulated depreciation	26,343,928	2,043,743	44,209	28,343,462
Net capital assets, being depreciated	63,657,472	(1,331,970)	-	62,325,502
Business-type Activities capital assets, net	\$65,641,048	\$2,522,714	\$506,277	\$67,657,485

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Component Units

Capital assets, not being depreciated				
Construction in progress	\$	-	\$	-
Capital assets, being depreciated				
Infrastructure	1,055,001	48,141	-	1,103,142
Less accumulated depreciation	231,726	57,798	-	289,524
Net capital assets, being depreciated	<u>823,275</u>	<u>(9,657)</u>	-	<u>813,618</u>
Component Units capital assets, net	<u>\$ 823,275</u>	<u>\$(9,657)</u>	<u>\$ -</u>	<u>\$ 813,618</u>

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

Governmental Activities		
General government		\$184,553
Public safety		251,135
Culture and recreation		<u>126,276</u>
Total depreciation expense - governmental activities		<u><u>\$561,964</u></u>
Business-type Activities		
Sewer		\$ 544,108
Water		<u>1,499,635</u>
Total depreciation expense - business-type activities		<u><u>\$2,043,743</u></u>
Component Units		
Public works		<u>\$57,798</u>

5. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2014:

	<u>Balance</u> <u>January 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities					
\$324,651 2011 Retirement Health note; due in annual installments of \$36,072 plus interest at 2.5% through December 2020	\$252,507	\$ -	\$36,073	\$216,434	\$36,073
\$525,326 2012 IAFF Retirement Health note; due in annual installments of \$26,266 plus interest at 2.5% through December 2021	210,131	-	26,266	183,865	26,266
\$128,951 2012 PTMEA Retirement Health note; due in annual installments of \$3,816 plus interest at 2.5% through January 2020	26,711	-	3,816	22,895	3,816

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>	<u>Due Within One Year</u>
\$27,788 2012 installment purchase; due in annual installments of \$6,947 through 2016	\$ 20,840	\$ -	\$ 6,947	\$ 13,893	\$ 6,947
Total	510,189	-	73,102	437,087	73,102
Post-employment benefits liability	1,044,909	113,076	106,054	1,051,931	-
Accrued compensated absences	157,557	18,302	18,842	157,017	17,015
Total Governmental Activities	<u>\$1,712,655</u>	<u>\$131,378</u>	<u>\$197,998</u>	<u>\$1,646,035</u>	<u>\$90,117</u>
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	\$1,253,828	\$ -	\$220,583	\$1,033,245	\$236,061
\$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	250,000	-	250,000	-	-
\$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	466,000	-	466,000	-	-
\$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	5,556,924	-	230,000	5,326,924	235,000
\$146,102 2011 Retirement Health note; due in annual installments of \$16,234 plus interest at 2.5% through December 2020	113,634	-	16,234	97,400	16,233
\$503,277 PTMEA Retirement Health note; due in annual installments of \$24,624 plus interest at 2.5% through January 2020	172,367	-	24,623	147,744	24,624
\$3,325,000 2012 Refunding Revenue bonds; due in annual installments of \$250,000 to \$352,000 plus interest at 1.77% through 2023	3,075,000	-	259,000	2,816,000	268,000
\$616,000 Installment purchase; due in annual payments of \$88,000 through 2019 plus interest at 3.5%	528,000	-	88,000	440,000	88,000

PLAINFIELD CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>January 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
\$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	\$ 2,946,898	\$ -	\$ 124,103	\$ 2,822,795	\$ 126,690
2012 North Kent Sewer Authority Bonds; due in annual installments of \$10,000 to \$16,500 plus interest at 2.5% through October 2032	251,368	-	9,961	241,407	11,384
2013 North Kent Sewer Authority Bonds; due in annual installments of \$85,000 to \$125,000 plus interest at 2.0% through October 2034	-	1,628,869	-	1,628,869	71,885
Total	14,614,019	1,628,869	1,688,504	14,554,384	1,077,877
Post-employment benefits liability	437,975	-	68,378	369,597	-
Accrued compensated absences	88,557	7,406	9,591	86,372	7,843
Total Business-type Activities	<u>\$15,140,551</u>	<u>\$1,636,275</u>	<u>\$1,766,473</u>	<u>\$15,010,353</u>	<u>\$1,085,720</u>

The annual requirements to amortize all debt outstanding (excluding post-employment benefits liability and accrued employee benefits) as of December 31, 2014 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 73,102	\$10580	\$ 1,077,877	\$ 332,538
2016	73,101	8,926	1,114,300	320,245
2017	66,155	7,272	1,154,235	290,632
2018	66,154	5,618	1,197,112	260,102
2019	66,154	3,964	934,199	233,010
2020-2024	92,421	2,967	4,057,125	849,925
2025-2029	-	-	3,339,980	468,003
2030-2034	-	-	1,679,556	64,516
Total	<u>\$437,087</u>	<u>\$39,327</u>	<u>\$14,554,384</u>	<u>\$2,818,971</u>

PLAINFIELD CHARTER TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 \$484,320 and plan members contributed \$172,524 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 \$175,044 while the Township contributed \$140,533 to provide insurance coverage for 18 retired employees during 2014.

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, 2014

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	\$ 175,044
Interest on Net OPEB obligation	66,730
Adjustment to annual required contribution	<u>(162,597)</u>
Annual OPEB cost (expense)	79,177
Contribution made	<u>140,533</u>
Decrease in net OPEB obligation	(61,356)
Net OPEB obligation, beginning of year	<u>1,482,884</u>
Net OPEB obligation, end of year	<u><u>\$1,421,528</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>
12/31/12	\$125,080	117.2%	\$1,519,194
12/31/13	102,954	135.3%	1,482,884
12/31/14	79,177	177.5%	1,421,528

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>
12/31/14	\$ -	\$1,966,447	\$1,966,447	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, 2014 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 2014 grading up to 6.7% in 2019 and 5.6% for 2020 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, 2014

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.

9. PRIOR PERIOD ADJUSTMENTS

Beginning net position of the governmental activities and beginning fund balance of the general fund were decreased by \$65,380 to properly account for grant revenues from previous years.

10. COMMITMENT

At year-end the Township had contractual commitments of approximately \$502,000 for water and sewer infrastructure improvements.

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, 2014

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,467,082	\$ 3,480,082	\$ 3,499,224	\$ 19,142
Licenses and permits	494,300	506,300	505,547	(753)
Federal	584,000	254,000	283,245	29,245
State	2,347,000	2,407,000	2,425,737	18,737
Charges for services	177,000	239,000	242,953	3,953
Fines	1,000	1,000	1,311	311
Investment earnings	15,300	15,300	19,045	3,745
Miscellaneous	473,650	473,650	514,592	40,942
Total revenues	<u>7,559,332</u>	<u>7,376,332</u>	<u>7,491,654</u>	<u>115,322</u>
Expenditures				
Current				
General government	3,327,779	2,921,677	2,746,629	175,048
Public safety	3,128,847	3,134,597	3,111,885	22,712
Public works	173,000	174,000	101,080	72,920
Culture and recreation	574,280	564,140	562,148	1,992
Debt service				
Principal	68,119	68,119	68,118	1
Interest and fiscal charges	11,853	11,853	11,852	1
Total expenditures	<u>7,283,878</u>	<u>6,874,386</u>	<u>6,601,712</u>	<u>272,674</u>
Revenues over (under) expenditures	275,454	501,946	889,942	387,996
Other financing sources (uses)				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net changes in fund balance	245,454	471,946	859,942	387,996
Fund balance, beginning of year, as restated	<u>2,427,221</u>	<u>2,427,221</u>	<u>2,427,221</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,672,675</u>	<u>\$ 2,899,167</u>	<u>\$ 3,287,163</u>	<u>\$ 387,996</u>

PLAINFIELD CHARTER TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

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>
12/31/2012	\$ -	\$ 2,380,205	\$ 2,380,205	0.00%	N/A	N/A
12/31/2013	-	2,348,386	2,348,386	0.00%	N/A	N/A
12/31/2014	-	1,966,447	1,966,447	0.00%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended December 31</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2012	\$ 125,080	\$ 146,539	117%
2013	102,954	139,264	135%
2014	79,177	140,533	177%

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash	\$ 3,609,592	\$ 2,704,590
Receivables		
Taxes	3,250,822	3,284,320
Accounts	16,526	7,140
Special assessments	80,658	94,800
Due from other governments	527,956	478,712
Prepaid items	<u>26,797</u>	<u>23,993</u>
Total assets	<u>\$ 7,512,351</u>	<u>\$ 6,593,555</u>
Liabilities, Deferred inflows of resources, and fund balances		
Liabilities		
Accounts payable	\$ 470,574	\$ 431,094
Accrued payroll and benefits	<u>151,999</u>	<u>142,835</u>
Total liabilities	<u>622,573</u>	<u>573,929</u>
Deferred inflows of resources		
Unavailable revenue		
Special assessments	78,908	91,894
Subsequent year property taxes	<u>3,523,707</u>	<u>3,500,511</u>
Total deferred inflows	<u>3,602,615</u>	<u>3,592,405</u>
Fund balances		
Non-spendable		
Prepaid items	26,797	23,993
Committed		
Special assessment projects	406,450	390,755
Capital expenditures	329,634	-
Fire department	769	769
Assigned		
Future years expenditures	44,207	-
Unassigned	<u>2,479,306</u>	<u>2,011,704</u>
Total fund balances	<u>3,287,163</u>	<u>2,427,221</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,512,351</u>	<u>\$ 6,593,555</u>

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES**

FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Taxes		
Current property	\$ 3,434,210	\$ 3,378,848
Delinquent property	16,633	6,018
Industrial facilities	15,907	16,404
In lieu of taxes	3,495	4,106
Trailer fees	4,942	6,365
Interest and penalties on taxes	<u>24,037</u>	<u>12,550</u>
	<u>3,499,224</u>	<u>3,424,291</u>
Licenses and permits		
Business	4,900	7,995
Cable	457,717	433,446
Communication	42,930	43,406
Dog licenses	<u>-</u>	<u>366</u>
	<u>505,547</u>	<u>485,213</u>
Federal Sources		
FEMA grant	<u>283,245</u>	<u>325,636</u>
State Sources		
Liquor license fee	23,124	22,290
Sales taxes	<u>2,402,613</u>	<u>2,305,828</u>
	<u>2,425,737</u>	<u>2,328,118</u>
Charges for services		
Planning and zoning fees	11,900	8,100
Summer tax collection fees	57,040	55,902
Passports	22,980	24,230
Other fees	3,342	3,267
Fire and rescue	33,885	12,254
Grave openings	41,690	22,371
Sale of cemetery lots	16,700	10,200
Copier and printing fees	375	698
Title searches	3,219	3,303
Recreational fees	35,017	32,427
Election fees	<u>16,805</u>	<u>-</u>
	<u>242,953</u>	<u>172,752</u>

(continued)

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES**

FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Fines and forfeitures		
District court fines	\$ 1,311	\$ 1,078
Interest		
Interest on deposits	17,630	15,304
Interest on special assessments	<u>1,415</u>	<u>1,752</u>
	<u>19,045</u>	<u>17,056</u>
Other revenue		
Sidewalk assessments	12,986	7,153
Rental income	15,450	15,238
Sale of assets	6,705	495
Donations	335	-
Library reimbursements	25,131	32,913
Water/sewer/building department reimbursements	451,532	436,000
Other revenue	<u>2,453</u>	<u>22,832</u>
	<u>514,592</u>	<u>514,631</u>
Total Revenues	<u>\$ 7,491,654</u>	<u>\$ 7,268,775</u> (concluded)

PLAINFIELD CHARTER TOWNSHIP

**GENERAL FUND
COMPARATIVE SCHEDULE OF EXPENDITURES**

FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Expenditures		
Current		
General government		
Township Board	\$ 24,296	\$ 21,527
Supervisor	17,253	18,387
Manager	254,556	268,621
Accounting	228,257	276,836
Clerks office	161,716	155,357
Board of review	1,177	1,573
Treasurers office	201,472	206,830
Assessor	355,385	341,619
General administration	116,808	117,761
Elections	69,703	1,816
Buildings and grounds	532,117	485,724
Legal and audit	26,942	44,261
Cemetery	73,385	40,796
Other general government	540,668	698,033
Other		
Insurance and bonds	55,641	77,112
Retiree health insurance	87,253	80,675
	<u>2,746,629</u>	<u>2,836,928</u>
Public safety		
Law enforcement	545,678	496,209
Fire department	2,306,080	2,460,332
Planning	260,127	286,211
	<u>3,111,885</u>	<u>3,242,752</u>
Public works		
Drains	1,900	834
Highways, streets, and bridges	99,180	196,797
	<u>101,080</u>	<u>197,631</u>
Culture and recreation		
Parks and recreation	312,737	591,107
Township newsletter	3,638	-
Library	152,347	144,103
Cultural	82,617	69,009
Historical	10,809	9,583
	<u>562,148</u>	<u>813,802</u>
Debt service		
Principal	68,118	631,542
Interest and fiscal charges	11,852	21,764
	<u>79,970</u>	<u>653,306</u>
Total expenditures	<u>\$ 6,601,712</u>	<u>\$ 7,744,419</u>

PLAINFIELD CHARTER TOWNSHIP

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, 2014

	Special Revenue Funds				
	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 131,631	\$ 154,213	\$ 13,002	\$ 277,773	\$ 576,619
Receivables					
Taxes	201,756	-	-	-	201,756
Special assessments	-	-	13,977	-	13,977
Prepaid items	-	4,089	-	50	4,139
Total assets	<u>\$ 333,387</u>	<u>\$ 158,302</u>	<u>\$ 26,979</u>	<u>\$ 277,823</u>	<u>\$ 796,491</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 18,199	\$ 130,910	\$ -	\$ 2,278	\$ 151,387
Total liabilities	<u>18,199</u>	<u>130,910</u>	<u>-</u>	<u>2,278</u>	<u>151,387</u>
Deferred inflows of resources					
Unavailable revenue					
Special assessments	-	-	17,028	-	17,028
Subsequent year property taxes	218,382	-	-	-	218,382
Total deferred inflows	<u>218,382</u>	<u>-</u>	<u>17,028</u>	<u>-</u>	<u>235,410</u>
Fund balances					
Non-spendable					
Prepaid items	-	4,089	-	50	4,139
Restricted					
Building department	-	-	-	275,495	275,495
Lighting district	96,806	-	-	-	96,806
Lake improvement	-	-	9,951	-	9,951
Assigned	-	23,303	-	-	23,303
Total fund balances	<u>96,806</u>	<u>27,392</u>	<u>9,951</u>	<u>275,545</u>	<u>409,694</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 333,387</u>	<u>\$ 158,302</u>	<u>\$ 26,979</u>	<u>\$ 277,823</u>	<u>\$ 796,491</u>

PLAINFIELD CHARTER TOWNSHIP

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

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Special Revenue Funds</u>				<u>Total</u>
	<u>Lighting District</u>	<u>Stormwater Management</u>	<u>Lake Improvement</u>	<u>Building Department</u>	
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ 349,375	\$ 349,375
Investment earnings	298	3,126	2	31	3,457
Miscellaneous	<u>216,629</u>	<u>3,335</u>	<u>17,028</u>	<u>-</u>	<u>236,992</u>
Total revenues	<u>216,927</u>	<u>6,461</u>	<u>17,030</u>	<u>349,406</u>	<u>589,824</u>
Expenditures					
Current					
Public safety	-	-	-	231,850	231,850
Public works	205,954	155,902	13,478	-	375,334
Debt service					
Principal	-	-	-	4,984	4,984
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>382</u>	<u>382</u>
Total expenditures	<u>205,954</u>	<u>155,902</u>	<u>13,478</u>	<u>237,216</u>	<u>612,550</u>
Revenues over (under) expenditures	10,973	(149,441)	3,552	112,190	(22,726)
Other financing sources (uses)					
Transfers in	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net changes in fund balances	40,973	(149,441)	3,552	112,190	7,274
Fund balances, beginning of year	<u>55,833</u>	<u>176,833</u>	<u>6,399</u>	<u>163,355</u>	<u>402,420</u>
Fund balances, end of year	<u>\$ 96,806</u>	<u>\$ 27,392</u>	<u>\$ 9,951</u>	<u>\$ 275,545</u>	<u>\$ 409,694</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, 2014

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 400	\$ 400	\$ 298	\$ (102)
Miscellaneous	<u>216,500</u>	<u>216,500</u>	<u>216,629</u>	<u>129</u>
Total revenues	216,900	216,900	216,927	27
Expenditures				
Current				
Public works	<u>225,000</u>	<u>225,000</u>	<u>205,954</u>	<u>19,046</u>
Revenues over (under) expenditures	(8,100)	(8,100)	10,973	19,073
Other financing sources (uses)				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net changes in fund balances	21,900	21,900	40,973	19,073
Fund balances, beginning of year	<u>55,833</u>	<u>55,833</u>	<u>55,833</u>	<u>-</u>
Fund balances, end of year	<u>\$ 77,733</u>	<u>\$ 77,733</u>	<u>\$ 96,806</u>	<u>\$ 19,073</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, 2014

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 1,540	\$ 1,540	\$ 3,126	\$ 1,586
Miscellaneous	-	-	3,335	3,335
Total revenues	1,540	1,540	6,461	4,921
Expenditures				
Current				
Public works	25,000	157,500	155,902	1,598
Net changes in fund balances	(23,460)	(155,960)	(149,441)	6,519
Fund balances, beginning of year	176,833	176,833	176,833	-
Fund balances, end of year	\$ 153,373	\$ 20,873	\$ 27,392	\$ 6,519

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, 2014

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 25	\$ 25	\$ 2	\$ (23)
Miscellaneous	17,028	17,028	17,028	-
Total revenues	17,053	17,053	17,030	(23)
Expenditures				
Current				
Public works	16,500	16,500	13,478	3,022
Net changes in fund balances	553	553	3,552	2,999
Fund balances, beginning of year	6,399	6,399	6,399	-
Fund balances, end of year	\$ 6,952	\$ 6,952	\$ 9,951	\$ 2,999

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, 2014

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 194,500	\$ 336,500	\$ 349,375	\$ 12,875
Investment earnings	25	25	31	6
Total revenues	<u>194,525</u>	<u>336,525</u>	<u>349,406</u>	<u>12,881</u>
Expenditures				
Current				
Public safety	222,925	232,925	231,850	1,075
Debt service				
Principal	2,800	2,800	4,984	(2,184)
Interest	-	-	382	(382)
Total expenditures	<u>225,725</u>	<u>235,725</u>	<u>237,216</u>	<u>(1,491)</u>
Net changes in fund balances	(31,200)	100,800	112,190	11,390
Fund balances, beginning of year	<u>163,355</u>	<u>163,355</u>	<u>163,355</u>	<u>-</u>
Fund balances, end of year	<u>\$ 132,155</u>	<u>\$ 264,155</u>	<u>\$ 275,545</u>	<u>\$ 11,390</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, 2014

	Trust and Agency Fund	Current Tax Collection Fund	Total
Assets			
Cash and pooled investments	\$ 47,461	\$ 4,245,559	\$ 4,293,020
Due from other governments	-	442	442
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 47,461</u>	<u>\$ 4,246,001</u>	<u>\$ 4,293,462</u>
Liabilities			
Accounts payable	\$ 3,866	\$ -	\$ 3,866
Due to other governments	8,193	4,246,001	4,254,194
Escrow deposits	35,402	-	35,402
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 47,461</u>	<u>\$ 4,246,001</u>	<u>\$ 4,293,462</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, 2014

	<u>Governmental Fund Type General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and pooled investments	\$ 717,696	\$ -	\$ 717,696
Taxes receivable	66,294	-	66,294
Depreciable capital assets, net	-	776,705	776,705
Total assets	\$ 783,990	776,705	1,560,695
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 9,414	\$ -	\$ 9,414
Deferred inflows of resources			
Unavailable revenue			
Subsequent year property taxes	66,294	-	66,294
Fund balances			
Unreserved			
Undesignated	708,282	(708,282)	-
Total liabilities, deferred inflows and fund balances	\$ 783,990		
Net position			
Net investment in capital assets			776,705
Unrestricted			708,282
Total net position			\$ 1,484,987

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, 2014

	Governmental Fund Type General Fund	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 207,010	\$ -	\$ 207,010
Investment earnings	<u>2,080</u>	<u>-</u>	<u>2,080</u>
	<u>209,090</u>	<u>-</u>	<u>209,090</u>
 Expenditures			
Current			
Public works	<u>88,108</u>	<u>46,570</u>	<u>134,678</u>
Net changes in fund balances	120,982	<u>(120,982)</u>	-
Change in net position		74,412	74,412
Fund balances/net position, beginning of year	<u>587,300</u>		<u>1,410,575</u>
Fund balances/net position, end of year	<u>\$ 708,282</u>		<u>\$ 1,484,987</u>

PLAINFIELD CHARTER TOWNSHIP

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

DECEMBER 31, 2014

	Governmental Fund Type General Fund	Adjustments	Statement of Net Position
Assets			
Cash and pooled investments	\$ 58,556	\$ -	\$ 58,556
Depreciable capital assets, net	<u>-</u>	<u>36,913</u>	<u>36,913</u>
Total assets	<u>\$ 58,556</u>	<u>36,913</u>	<u>95,469</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	-	<u>-</u>
Fund balances			
Unreserved			
Undesignated	<u>58,556</u>	(58,556)	-
Total liabilities and fund balances	<u>\$ 58,556</u>		
Net position			
Net investment in capital assets			36,913
Unrestricted			<u>58,556</u>
Total net position			<u>\$ 95,469</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, 2014

	Governmental Fund Type		Statement of Activities
	General Fund	Adjustments	
Revenues			
Taxes	\$ -	\$ -	\$ -
Investment earnings	256	-	256
Other revenue	-	36,913	36,913
	<u>256</u>	<u>36,913</u>	<u>37,169</u>
 Expenditures			
Current			
Public works	<u>10,513</u>	-	<u>10,513</u>
 Net changes in fund balances	(10,257)	<u>10,257</u>	-
 Change in net position		(10,257)	26,656
 Fund balances/net position, beginning of year	<u>68,813</u>		<u>68,813</u>
 Fund balances/net position, end of year	<u>\$ 58,556</u>		<u>\$ 95,469</u>

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STATISTICAL SECTION

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.

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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.

93-95

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Investment in capital assets, net of related debt	\$ 7,006,368	\$ 7,623,164	\$ 7,458,863	\$ 7,891,387	\$ 7,814,219	\$ 8,367,491	\$ 8,762,915	\$ 9,431,250	\$ 10,160,772	\$ 9,781,549
Restricted	279,569	159,418	116,681	8,694	14,151	13,894	14,263	77,154	223,620	382,252
Unrestricted	2,730,471	2,853,812	3,526,034	2,817,098	2,472,934	2,190,277	1,877,252	1,316,045	1,088,508	1,778,399
Total governmental activities net assets	<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>	<u>\$ 11,472,900</u>	<u>\$ 11,942,200</u>
Business-type activities:										
Investment in capital assets, net of related debt	\$ 36,029,685	\$ 39,524,764	\$ 43,257,714	\$ 47,389,538	\$ 48,670,034	\$ 49,368,528	\$ 49,922,253	\$ 50,492,660	\$ 51,313,031	\$ 53,348,245
Restricted	1,090,135	1,101,330	980,292	807,375	799,079	755,121	187,333	163,520	168,509	
Unrestricted	14,164,126	13,244,791	11,130,981	7,909,628	7,368,998	7,279,973	7,799,378	11,146,908	12,161,926	11,895,582
Total business-type activities net assets	<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>	<u>\$ 63,643,466</u>	<u>\$ 65,243,827</u>
Primary government:										
Investment in capital assets, net of related debt	\$ 43,036,053	\$ 47,147,928	\$ 50,716,577	\$ 55,280,925	\$ 56,484,253	\$ 57,736,019	\$ 58,685,168	\$ 59,923,910	\$ 61,473,803	\$ 63,129,794
Restricted	1,369,704	1,260,748	1,096,973	816,069	813,230	769,015	201,596	240,674	392,129	382,252
Unrestricted	16,894,597	16,098,603	14,657,015	10,726,726	9,841,932	9,470,250	9,676,630	12,462,953	13,250,434	13,673,981
Total primary government net assets	<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>	<u>\$ 75,116,366</u>	<u>\$ 77,186,027</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 2,601,296	\$ 2,631,763	\$ 2,709,788	\$ 3,257,026	\$ 3,241,580	\$ 3,067,553	\$ 3,610,149	\$ 3,439,335	\$ 2,770,161	\$ 2,946,211
Public safety	2,982,464	3,192,723	3,502,709	3,477,692	3,393,624	3,199,757	3,453,294	3,388,052	3,486,022	3,561,904
Public works	604,465	448,153	303,941	568,743	480,644	423,889	489,574	392,225	439,250	364,641
Recreation and cultural	516,584	642,252	718,249	596,078	633,249	563,324	549,939	572,500	577,313	648,822
Interest on debt	122,574	113,992	124,723	110,979	89,523	67,567	45,828	34,159	19,218	12,234
Total governmental activities	<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>	<u>7,291,964</u>	<u>7,533,812</u>
Business-type activities:										
Sewer utility	2,503,299	2,872,792	3,779,500	3,902,358	4,319,756	4,472,602	4,318,730	3,846,393	4,151,788	4,165,795
Water utility	3,946,987	4,258,453	4,573,806	5,430,764	4,955,786	4,643,681	4,903,753	4,998,711	4,780,859	4,678,163
Total business-type activities	<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>	<u>8,932,647</u>	<u>8,843,958</u>
Total primary government expenses	<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>	<u>\$ 16,224,611</u>	<u>\$ 16,377,770</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 924,886	\$ 1,149,292	\$ 1,097,052	\$ 1,053,993	\$ 1,126,303	\$ 1,064,272	\$ 1,055,019	\$ 1,107,247	\$ 1,183,383	\$ 1,197,207
Public safety	524,083	293,486	340,914	194,431	143,679	193,004	200,153	213,751	361,892	349,375
Public works	-	157,793	166,987	167,090	165,327	168,372	169,821	233,029	233,228	236,992
Recreation and cultural	63,026	33,222	38,181	57,320	35,615	37,875	44,275	46,790	32,427	35,017
Operating grants and contributions	172,598	78,462	13,700	2,500	-	295,325	121,953	135,105	296,236	283,898
Capital grants and contributions	267,289	182,479	76,376	78,437	106,502	52,602	691,220	326,680	37,053	12,986
Total governmental activities	<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>	<u>2,144,219</u>	<u>2,115,475</u>
Business-type activities:										
Charges for services:										
Sewer utility	2,420,500	2,844,555	3,360,595	3,985,692	3,759,167	3,999,822	4,416,348	4,488,133	4,398,155	4,392,616
Water utility	5,022,316	4,934,264	5,271,735	4,913,441	4,799,958	4,871,734	4,900,467	5,455,162	5,085,965	5,022,530
Operating grants and contributions	-	-	-	-	8,299	16,152	-	11,089	7,572	5,573
Capital grants and contributions	1,331,440	1,306,074	644,410	731,104	717,210	665,179	303,270	2,662,876	1,457,306	942,946
Total business-type activities	<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>	<u>10,948,998</u>	<u>10,363,665</u>
Total primary government program revenues	<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>	<u>\$ 13,093,217</u>	<u>\$ 12,479,140</u>
Net (Expense) Revenue										
Governmental activities	\$ (4,875,501)	\$ (5,134,149)	\$ (5,626,200)	\$ (6,456,747)	\$ (6,261,194)	\$ (5,510,640)	\$ (5,866,343)	\$ (5,763,669)	\$ (5,147,745)	\$ (5,418,337)
Business-type activities	2,323,970	1,953,648	923,434	297,115	9,092	436,604	397,602	3,772,156	2,016,351	1,519,707
Total primary government net (expense) revenue	<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>	<u>\$ (3,131,394)</u>	<u>\$ (3,898,630)</u>

(Continued)

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Asset:										
Governmental activities:										
Property taxes	\$ 3,106,988	\$ 3,321,943	\$ 3,549,477	\$ 3,717,398	\$ 3,773,232	\$ 3,776,610	\$ 3,665,989	\$ 3,588,666	\$ 3,424,604	\$ 3,499,416
State shared revenue	2,155,946	2,156,261	2,181,249	2,120,047	1,875,353	1,963,636	2,250,554	2,274,860	2,328,118	2,425,737
Federal sources	-	-	-	-	-	-	-	-	-	-
Investment earnings	104,460	289,309	307,605	234,383	60,331	31,099	30,098	21,540	17,489	21,087
Other revenue (loss)	28,651	(13,378)	53,053	520	136,403	9,653	2,470	48,622	15,185	6,777
Transfers - internal activities	(25,000)	-	-	-	-	-	-	-	-	-
Total governmental activities	5,371,045	5,754,135	6,091,384	6,072,348	5,845,319	5,780,998	5,949,111	5,933,688	5,785,396	5,953,017
Business-type activities:										
Investment earnings	467,259	633,291	574,668	437,389	192,802	128,202	107,740	120,168	101,031	80,654
Gain (loss) on sale of capital assets	-	-	-	3,050	24,000	705	-	1,800	-	-
Transfers - internal activities	25,000	-	-	-	-	-	-	-	-	-
Total business-type activities	492,259	633,291	574,668	440,439	216,802	128,907	107,740	121,968	101,031	80,654
Total primary government	\$ 5,863,304	\$ 6,387,426	\$ 6,666,052	\$ 6,512,787	\$ 6,062,121	\$ 5,909,905	\$ 6,056,851	\$ 6,055,656	\$ 5,886,427	\$ 6,033,671
Changes in Net Assets										
Governmental activities	\$ 495,544	\$ 619,986	\$ 465,184	\$ (384,399)	\$ (415,875)	\$ 270,358	\$ 82,768	\$ 170,019	\$ 637,651	\$ 534,680
Business-type activities	2,816,229	2,586,939	1,498,102	737,554	225,894	565,511	505,342	3,894,124	2,117,382	1,600,361
Total primary government	\$ 3,311,773	\$ 3,206,925	\$ 1,963,286	\$ 353,155	\$ 189,981	\$ 835,869	\$ 588,110	\$ 4,064,143	\$ 2,755,033	\$ 2,135,041

(Concluded)

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund:				
Unreserved - designated	\$ 110,156	\$ 240,733	\$ 414,601	\$ 769,098
Unreserved - undesignated	2,177,486	2,170,899	2,644,868	1,748,443
Non-spendable				
Prepaid items	-	-	-	-
Committed				
Special assessment projects	-	-	-	-
Capital Expenditures	-	-	-	-
Retiree health insurance	-	-	-	-
Fire department	-	-	-	-
Assigned				
Future years expenditures	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 2,287,642</u>	<u>\$ 2,411,632</u>	<u>\$ 3,059,469</u>	<u>\$ 2,517,541</u>
All Other Governmental Funds:				
Reserved	\$ 279,569	\$ 159,418	\$ 116,682	\$ 8,694
Unreserved, reported in				
Special revenue funds	597,739	617,930	647,195	673,831
Capital projects funds	-	-	-	-
Non-spendable				
Prepaid items	-	-	-	-
Restricted				
Building department	-	-	-	-
Lighting district	-	-	-	-
Lake improvement	-	-	-	-
Assigned				
Capital projects	-	-	-	-
Stormwater management	-	-	-	-
Total all other governmental funds	<u>\$ 877,308</u>	<u>\$ 777,348</u>	<u>\$ 763,877</u>	<u>\$ 682,525</u>

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 810,738	\$ 906,223	\$ -	\$ -	\$ -	\$ -
1,620,369	1,587,533	-	-	-	-
-	-	103,146	145,719	23,993	26,797
-	-	434,814	449,442	390,755	406,450
-	-	-	-	-	329,634
-	-	44,000	-	-	-
-	-	1,594	769	769	769
-	-	75,379	66,467	-	44,207
-	-	1,852,593	2,114,448	2,077,084	2,479,306
<u>\$ 2,431,107</u>	<u>\$ 2,493,756</u>	<u>\$ 2,511,526</u>	<u>\$ 2,776,845</u>	<u>\$ 2,492,601</u>	<u>\$ 3,287,163</u>
\$ 14,151	\$ 13,894	\$ -	\$ -	\$ -	\$ -
681,625	655,285	-	-	-	-
-	-	-	-	-	-
-	-	821	6,665	5,624	4,139
-	-	1,035	42,122	161,788	275,495
-	-	386	27,614	55,833	96,806
-	-	12,842	7,418	5,999	9,951
-	-	262,297	220,489	-	-
-	-	182,345	176,765	173,176	23,303
<u>\$ 695,776</u>	<u>\$ 669,179</u>	<u>\$ 459,726</u>	<u>\$ 481,073</u>	<u>\$ 402,420</u>	<u>\$ 409,694</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Taxes	\$ 3,244,383	\$ 3,321,943	\$ 3,549,477	\$ 3,715,517
Licenses and permits	314,272	307,747	304,567	336,393
Intergovernmental:				
Federal	-	78,462	13,700	2,500
State	2,173,609	2,156,261	2,181,249	2,120,047
Local	-	290	340	240
Charges for services	673,150	527,847	586,281	429,686
Fines and forfeitures	776	1,083	4,028	3,336
Interest and rentals	138,462	322,994	341,290	257,814
Other	607,649	945,620	827,703	848,899
	<u>7,152,301</u>	<u>7,662,247</u>	<u>7,808,635</u>	<u>7,714,432</u>
Total revenues				
Expenditures				
Legislative	22,060	21,036	26,900	25,124
General government	2,342,457	2,981,401	2,526,387	2,651,423
Public safety	2,912,997	3,159,541	3,666,490	3,767,427
Public works	604,465	385,341	324,881	568,743
Recreation and culture	398,654	526,548	605,636	534,494
Other expenditures	131,510	132,416	128,358	127,436
Capital outlay	-	-	-	-
Debt service				
Principal	390,000	428,194	513,773	548,848
Interest	124,538	114,540	120,264	114,217
	<u>6,926,681</u>	<u>7,749,017</u>	<u>7,912,689</u>	<u>8,337,712</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>225,620</u>	<u>(86,770)</u>	<u>(104,054)</u>	<u>(623,280)</u>
Other Financing Sources (Uses)				
Loan/lease issued	-	110,800	738,420	-
Transfers in	56,366	65,804	59,750	36,000
Transfers out	(81,366)	(65,804)	(59,750)	(36,000)
Bonds issued	-	-	-	-
	<u>(25,000)</u>	<u>110,800</u>	<u>738,420</u>	<u>-</u>
Total other financing sources (uses)				
Net changes in fund balances	<u>\$ 200,620</u>	<u>\$ 24,030</u>	<u>\$ 634,366</u>	<u>\$ (623,280)</u>
Debt service as a percentage of noncapital expenditures	7.55%	7.85%	8.62%	8.68%

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 3,771,758	\$ 3,775,392	\$ 3,665,795	\$ 3,588,234	\$ 3,424,291	\$ 3,499,224
421,851	435,780	444,813	474,008	485,213	505,547
-	294,407	407,270	425,152	325,636	283,245
1,875,353	1,963,636	2,629,736	2,295,838	2,328,118	2,425,737
400	90	-	-	-	-
374,627	412,475	432,482	456,678	534,644	592,328
3,541	3,629	3,528	929	1,078	1,311
69,491	34,979	33,449	24,005	26,411	29,852
938,203	723,892	639,349	740,973	740,689	744,234
<u>7,455,224</u>	<u>7,644,280</u>	<u>8,256,422</u>	<u>8,005,817</u>	<u>7,866,080</u>	<u>8,081,478</u>
26,583	20,288	21,412	23,749	21,527	24,295
2,628,507	2,630,644	3,207,762	2,680,646	2,815,401	2,722,334
3,095,824	3,198,732	3,093,496	3,248,203	3,480,270	3,343,735
480,644	470,800	492,043	428,140	439,250	476,414
489,947	437,314	1,010,510	484,543	813,802	562,148
152,708	196,500	-	-	-	-
-	-	-	-	-	-
560,162	581,717	572,684	843,843	636,526	73,102
94,032	72,233	50,198	37,815	22,201	12,234
<u>7,528,407</u>	<u>7,608,228</u>	<u>8,448,105</u>	<u>7,746,939</u>	<u>8,228,977</u>	<u>7,214,262</u>
<u>(73,183)</u>	<u>36,052</u>	<u>(191,683)</u>	<u>258,878</u>	<u>(362,897)</u>	<u>867,216</u>
-	-	-	27,788	-	-
124,950	116,564	324,100	72,730	251,400	30,000
(124,950)	(116,564)	(324,100)	(72,730)	(251,400)	(30,000)
-	-	-	-	-	-
-	-	-	27,788	-	-
<u>\$ (73,183)</u>	<u>\$ 36,052</u>	<u>\$ (191,683)</u>	<u>\$ 286,666</u>	<u>\$ (362,897)</u>	<u>\$ 867,216</u>
8.75%	9.27%	8.06%	12.05%	8.88%	1.22%

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

<u>Year Ended December 31</u>	<u>General Property Taxes</u>
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
2013	3,424,291
2014	3,499,224

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
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
2013	1,023,110,600	991,423,886	2,046,221,200	82,976,500	82,973,200	165,953,000
2014	1,042,804,400	1,000,678,857	2,085,608,800	82,123,800	82,115,700	164,247,600

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 2014.

Total			
*State Equalized Value	Taxable Value	Estimated Actual Value	Tax Rate Mills
\$ 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
1,106,087,100	1,074,397,086	2,212,174,200	3.3000
1,124,928,200	1,082,794,557	2,249,856,400	3.3000

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>
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
2013 Homestead	3.3000	5.3940	0.8800	6.0000	4.6903	1.7865
Non Homestead	3.3000	5.3940	0.8800	6.0000	4.6903	1.7865
2014 Homestead	3.3000	5.6196	1.2800	6.0000	4.6903	1.7865
Non Homestead	3.3000	5.6196	1.2800	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 2014.

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
9.4949 27.4949	8.9572 26.9572	3.3600 21.3600	9.1621 27.1621	31.4107 49.4107	30.8730 48.8730	25.2758 43.2758	31.0779 49.0779
9.4949 27.4949	6.2056 24.2056	3.3600 21.3600	9.1620 27.1620	31.5357 49.5357	28.2464 46.2464	25.4008 43.4008	31.2028 49.2028
9.4817 27.4817	6.2056 24.2056	3.3600 21.3600	9.1578 27.1578	31.9325 49.9325	28.6564 46.6564	25.8108 43.8108	31.6086 49.6086
9.4881 27.4881	5.2256 23.2256	3.3600 21.3600	9.1604 27.1604	31.9389 49.9389	27.6764 45.6764	25.8108 43.8108	31.6112 49.6112
9.4881 27.4881	5.2256 23.2256	3.3600 21.3600	9.1604 27.1604	31.9389 49.9389	27.6764 45.6764	25.8108 43.8108	31.6112 49.6112
9.4882 27.4882	5.2256 23.2256	2.9700 20.9700	9.1604 27.1604	31.5290 49.5290	27.2664 45.2664	25.0108 43.0108	31.2012 49.2012
9.4881 27.4881	5.2256 23.2256	2.9700 20.9700	10.1604 28.1604	31.5289 49.5289	27.2664 45.2664	25.0108 43.0108	32.2012 50.2012
9.4881 27.4881	8.9556 26.9556	2.9700 20.9700	10.1604 28.1604	31.5289 49.5289	30.9964 48.9964	25.0108 43.0108	32.2012 50.2012
9.4881 27.4881	8.9556 26.9556	3.2700 21.2700	10.1604 28.1604	31.5389 49.5389	31.0064 49.0064	25.3208 43.3208	32.2112 50.2112
9.4881 27.4881	8.9350 26.9350	3.5500 21.5500	10.3604 28.3604	32.1645 50.1645	31.6114 49.6114	26.2264 44.2264	33.0368 51.0368

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

Taxpayer	Type of Business	2014			2005		
		Taxable Value	Rank	Percent of Total Twp. Taxable Value	Taxable Value	Rank	Percent of Total Twp. Taxable Value
Wynalda Litho, Inc.	Manufacturing	\$ 13,757,940	1	1.27%	\$ 12,438,800	1	1.20%
Consumers Energy Co.	Utility	12,553,441	2	1.16%	11,299,512	2	1.09%
West Michigan Baseball	Sports Complex	8,035,408	3	0.74%	5,934,887	6	0.57%
Gill Industries Inc.	Manufacturing	6,337,072	4	0.59%	7,313,641	4	0.70%
Northern/Woodland Estates	Mobile Home Park	6,050,484	5	0.56%	5,224,368	8	0.50%
Nucraft Furniture	Manufacturing	5,695,900	6	0.53%			
Michigan Consolidated Gas Co.	Utility	5,618,200	7	0.52%	8,340,200	3	0.80%
Meijer Inc.	Retailer	5,210,400	8	0.48%	7,119,752	5	0.69%
Northview Harbor Ltd.	Apartments	4,808,132	9	0.44%	5,647,900	7	0.54%
Franklin Mill Assoc LTD	Apartments	3,154,133	10	0.29%			
Jupiter Development	Real Estate				4,650,518	9	0.45%
Jackson Products	Manufacturing				4,513,340	10	0.43%
Ten Largest Taxpayers		71,221,110		6.58%	72,482,918		6.98%
Other Taxpayers		1,011,573,447			965,691,877		
Total Taxable Value		<u>\$1,082,794,557</u>			<u>\$1,038,174,795</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
2005	\$ 3,124,825	\$ 3,044,214	97.42	\$ 7,895	\$ 3,052,109	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	20,049	3,664,946	99.34
2009	3,751,844	3,737,100	99.61	7,136	3,744,236	99.80
2010	3,753,352	3,742,219	99.70	7,336	3,749,555	99.90
2011	3,652,591	3,632,188	99.44	12,726	3,644,914	99.79
2012	3,578,173	3,564,249	99.61	9,055	3,573,304	99.86
2013	3,407,447	3,395,251	99.64	6,192	3,401,443	99.82
2014	3,453,304	3,445,491	99.77	-	3,445,491	99.77

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	Water Installment Purchase Agreements	Retirement Health Note Payable	
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	27,788	465,000	664,726	1,458,937	10,508,924		622,345	13,747,721
2013	20,840	-	489,349	4,452,093	9,347,924	528,000	286,002	15,124,208
2014	13,893	-	423,194	5,726,315	8,142,924	440,000	245,144	14,991,471

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

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	\$ 1,795,923
NKSA Bonds Series 2007	2,338,594
NKSA Bonds Series 2006	16,449,815
NKSA Bonds Series 2005	2,348,328
NKSA Bonds dated June 1, 1998 (Unfixed Portion)	141,144

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)

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

See demographic and economic statistical schedule for details

1. Township population is 30,195 for 2001 - 2009. Population is 30,952 for 2010 - 2014.

Percentage of Personal Income	Net Bonded Debt Per Capita¹
90.79%	\$ 597
79.39%	546
73.90%	516
65.16%	461
59.09%	404
48.64%	336
37.92%	278
57.17%	444
61.11%	489
N/A	484

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
2005	31,587	\$1,096,985,600	\$ 3,340,000	0.30%	\$ 106
2006	31,917	1,185,237,000	2,963,466	0.25%	93
2007	32,058	1,253,029,500	3,247,253	0.26%	101
2008	32,057	1,299,048,598	2,698,404	0.21%	84
2009	31,920	1,293,917,300	2,138,243	0.17%	67
2010	30,952 ¹	1,264,215,500	1,556,526	0.12%	50
2011	31,261	1,210,063,900	1,308,493	0.11%	42
2012	31,612	1,171,774,900	1,157,514	0.10%	37
2013	31,632	1,106,087,100	510,189	0.05%	16
2014	N/A	1,124,928,200	437,087	0.04%	14 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 2013 Population

PLAINFIELD CHARTER TOWNSHIP
Direct and Overlapping Governmental Activities Debt
December 31, 2014

<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	\$ 437,087 (1)	100.00 %	\$ 437,087
Overlapping (2):			
Kent County	118,505,000	5.34	6,328,167
Grand Rapids Community College	61,295,000	5.18	3,175,081
Rockford School District	118,570,000	25.02	29,666,214
Northview School District	50,245,000	87.60	44,014,620
Comstock Park School District	64,611,458	56.66	36,608,852
Kenowa Hills School District	32,675,000	0.14	<u>45,745</u>
Total Overlapping Debt			<u>119,838,679</u>
Total Direct and Overlapping Debt			<u><u>\$120,275,766</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 109,698,560	\$ 118,523,700	\$ 125,302,950	\$ 129,904,860
Net General Obligation Debt Subject to Limitation	<u>7,985,000</u>	<u>7,423,466</u>	<u>7,471,761</u>	<u>6,742,292</u>
Legal Debt Margin	<u>\$ 101,713,560</u>	<u>\$ 111,100,234</u>	<u>\$ 117,831,189</u>	<u>\$ 123,162,568</u>
Total net debt applicable to the limit as a percentage of the debt limit	7.28%	6.26%	5.96%	5.19%

Legal Debt Margin Calculation for Fiscal Year 2013

State Equalized Valuation	<u>\$ 1,124,928,200</u>
Debt Limit - 10% of State Equalized Value	\$ 112,492,820
Debt Outstanding	
Less: Exempt Debt	
Net General Obligation Debt Subject to Limit:	<u>2,816,000</u>
Legal Debt Margin	<u>\$ 109,676,820</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					
2009	2010	2011	2012	2013	2014
\$129,391,730	\$126,421,550	\$121,006,390	\$117,177,490	\$110,608,710	\$112,492,820
<u>5,997,280</u>	<u>5,226,526</u>	<u>4,438,842</u>	<u>3,790,000</u>	<u>3,075,000</u>	<u>2,816,000</u>
<u>\$123,394,450</u>	<u>\$121,195,024</u>	<u>\$116,567,548</u>	<u>\$113,387,490</u>	<u>\$107,533,710</u>	<u>\$109,676,820</u>
4.63%	4.13%	3.67%	3.23%	2.78%	2.50%

PLAINFIELD CHARTER TOWNSHIP
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Year Ended December 31</u>	<u>Gross Revenue</u>	<u>Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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	791,234	258,182	2.8
2013	5,490,393	3,065,670	2,424,723	1,265,234	237,091	1.6
2014	5,493,173	2,965,859	2,527,314	1,333,857	212,669	1.6

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 Income⁶</u>	<u>Total Personal Income (thousands)⁶</u>	<u>Unemployment Rate⁷</u>
2005	31,587 ¹	\$ 33,526	\$ 19,854,396	3.8
2006	31,917 ¹	34,913	20,779,941	3.7
2007	32,058 ¹	35,249	21,081,574	3.8
2008	32,057 ¹	35,627	21,349,052	4.5
2009	31,920 ¹	34,307	20,633,575	7.1
2010	30,952 ²	35,476	21,384,892	6.9
2011	31,261 ³	37,334	22,688,109	5.4
2012	31,612 ³	39,162	24,048,645	4.3
2013	31,632 ⁴	39,806	24,747,216	4.3
2014	N/A ⁵	N/A ⁵	N/A ⁵	3.2

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 US Census Bureau (Plainfield Township)

⁵ Information not available

⁶ Bureau of Economic Analysis, US Dept of Commerce (Kent County)

⁷ Michigan Labor Market Information, Unemployment Statistics (Plainfield Township)

PLAINFIELD CHARTER TOWNSHIP
Principal Employers
Current year and nine years ago

Taxpayer	Type of Business	2014			2005		
		Approx. Number of Employees	Rank	Percent of Total Twp. Employment	Approx. Number of Employees	Rank	Percent of Total Twp. Employment
Rockford Public Schools	Education	986	1	5.43%	900	1	5.31%
Northview Public Schools	Education	392	2	2.16%	350	3	2.06%
Meijer, Inc.	Retail	296	3	1.63%	343	4	2.02%
NuCraft Furniture	Manufacturing	275	4	1.51%	218	7	1.29%
Comstock Park Schools	Education	225	5	1.24%	256	6	1.51%
Gill Industries	Manufacturing	236	6	1.30%	379	2	2.24%
Wynalda Litho	Manufacturing	182	7	1.00%			
Lowes	Home Improvement	170	8	0.94%	200	8	1.18%
Progressive Engineering	Engineering	156	9	0.86%	140	9	0.83%
K&M Northfield Dodge	Auto Sales & Repair	118	10	0.65%	130	10	0.77%
Jackson Products	Manufacturing			0.00%	275	5	1.62%
Ten Largest Employers		3,036		16.71%	3,191		18.82%
Other Employers		15,130			13,766		
Total Employed		18,166			16,957		

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

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	30.9	32.7	31.6	32.2	29.2	28.6	27.8	28.2	27.9	28.6
Public safety	25.0	25.3	23.8	24.7	23.9	23.2	24.2	24.2	24.1	23.8
Parks and recreation	2.6	2.9	4.3	3.1	3.2	2.6	3.0	3.0	3.2	3.4
Building inspection	3.5	3.0	2.6	2.1	2.0	1.7	1.9	1.5	1.4	1.5
Water utility	17.0	15.0	17.8	18.5	16.3	17.8	15.7	15.7	15.7	15.6
Total	79.0	78.8	80.2	80.6	74.7	73.9	72.6	72.6	72.4	72.9

Source: Plainfield Charter Township payroll records

PLAINFIELD CHARTER TOWNSHIP
Operating Indicators By Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Tax bills issued	12,644	12,798	13,117	14,144	14,231	15,550	24,818	24,295	24,468	23,947
Number of registered voters	21,921	21,898	22,753	23,124	23,163	23,366	23,774	23,990	24,115	24,009
Public Safety - Fire Protection:										
Number of calls answered	2,055	2,104	2,193	2,328	2,264	2,338	2,366	2,397	2,479	2,618
Number of inspections conducted	400	968	511	697	767	591	554	1,106	624	606
Police Protection: Kent County Sheriff:										
Number of incidents	11,728	11,385	11,811	11,579	10,834	10,798	10,475	10,013	7,707 ¹	5,643 ¹
Sewer System:										
Number of service connections	7,312	7,471	7,492	7,501	7,623	7,658	7,699	7,753	7,829	7,935
Number of residential equivalency units	12,392	12,757	12,821	12,829	12,980	13,005	13,071	13,132	13,227	13,405
Daily average treatment in gallons - MGD	1.68036	1.75138	1.70417	1.81776	1.91975	1.72526	1.70239	1.70974	1.84060	1.79563
Water System:										
Number of service connections	9,556	9,698	9,728	9,744	9,885	9,933	9,981	10,021	10,097	10,233
Number of residential equivalency units	18,415	18,659	18,713	18,743	18,913	19,226	19,293	19,365	19,447	19,660
Daily average consumption in gallons - MGD	4.2874	4.1341	4.4197	4.2993	3.7438	3.7757	3.4516	4.0768	3.6929	3.4632
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	10.0	8.7	11.8	9.6	7.7	8.4	7.7	10.8	8.6	7.9

Source: Plainfield Charter Township records

¹ Does not include traffic stops.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire vehicles	16	16	16	17	15	15	15	14	14	15
Public works:										
Number of trucks	15	16	15	15	15	15	16	15	16	16
Miles of major streets:										
Primary	35.60	35.60	37.74	42.76	42.76	44.20	44.20	44.20	44.20	44.20
Local	131.27	131.64	129.47	124.45	124.45	123.01	122.47	122.47	122.47	123.51
Number of street lights	1,329	1,360	1,361	1,368	1,366	1,366	1,366	1,391	1,391	1,409
Number of cemeteries	2	2	2	2	2	2	2	2	2	2
Culture and recreation:										
Township parks	11	11	11	11	11	11	12	12	13	15
County/State parks	5	5	5	5	5	5	5	5	5	5
Sewer System:										
Miles of sanitary sewers	148	150	155	159	160	160	161	162	162	163
Water System:										
Miles of water mains	215	221	226	230	231	231	240	240	241	242
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks	13	13	13	13	13	13	13	14	14	14
Number of fire hydrants:	2,212	2,287	2,314	2,394	2,405	2,405	2,443	2,447	2,469	2,501
Plainfield Township	1694	1803	1,769	1,845	1,853	1,853	1,870	1,874	1,895	1,927
Alpine Township	451	415	477	481	482	482	502	502	503	503
City of Walker	4	4	5	5	6	6	6	6	6	6
Grand Rapids Township	36	38	36	36	36	36	36	36	36	36
Algoma Township	27	27	27	27	28	28	29	29	29	29

Source: Plainfield Charter Township records

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INTERNAL CONTROL AND COMPLIANCE SECTION



Vredeveld Haefner LLC

CPA's and Consultants

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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

April 22, 2015

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, Kent County, Michigan, (the Township) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 22, 2015.

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 over financial reporting.

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 over financial reporting 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 of 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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