

Township of Kimball

St. Clair County, Michigan

Audited Financial Report
March 31, 2015

KING & KING CPAS LLC

Marlette - Imlay City - North Branch
Michigan

Township of Kimball
 Annual Financial Report
 For The Fiscal Year Ended March 31, 2015

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KING & KING CPAs LLC

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Independent Auditor's Report

Members of the Township Board
Township of Kimball
St. Clair County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the **Township of Kimball**, Michigan as of and for the fiscal year ended March 31, 2015 and the related notes to the financial statement, which collectively comprise the **Township of Kimball'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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the **Township of Kimball**, Michigan as of March 31, 2015 and the respective changes in financial position for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and major fund budgetary comparison schedule, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Township of Kimball**, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Lehn King

Lehn L. King, C.P.A.
KING & KING CPAs LLC

June 15, 2015

Township of Kimball

Kimball, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Kimball, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2015. Please read it in conjunction with the Township's financial statements.

Using this Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Township as a whole and present a long-term view of the Township's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current fiscal year and whether the taxpayers have fully funded the cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the fiscal year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

Condensed Financial Information

The following table shows in a condensed format, the net position as of the current fiscal year. Comparative data of the prior audit's net position is included.

	Governmental Activities		Business-Type Activities		Total	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014
Current Assets	\$ 1,644,279	\$ 1,602,072	\$ 5,390,868	\$ 5,616,612	\$ 7,035,147	\$ 7,218,684
Noncurrent Assets	1,741,715	1,775,737	9,308,786	8,827,501	11,050,501	10,603,238
Total Assets	<u>3,385,994</u>	<u>3,377,809</u>	<u>14,699,654</u>	<u>14,444,113</u>	<u>18,085,648</u>	<u>17,821,922</u>
Current Liabilities	439,142	565,428	1,204,160	574,808	1,643,302	1,140,236
Noncurrent Liabilities	171,858	-	1,385,000	1,605,000	1,556,858	1,605,000
Total Liabilities	<u>611,000</u>	<u>565,428</u>	<u>2,589,160</u>	<u>2,179,808</u>	<u>3,200,160</u>	<u>2,745,236</u>
Net Position:						
Invested in Capital Assets -						
Net of Related Debt	1,569,857	1,775,737	7,677,580	6,955,384	9,247,437	8,731,121
Restricted	10,674	7,302	-	-	10,674	7,302
Unrestricted	1,194,463	1,029,342	4,432,913	5,308,921	5,627,376	6,338,263
Total Net Position	<u>\$ 2,774,994</u>	<u>\$ 2,812,381</u>	<u>\$ 12,110,493</u>	<u>\$ 12,264,305</u>	<u>\$ 14,885,487</u>	<u>\$ 15,076,686</u>

Township of Kimball

Kimball, Michigan

Condensed Financial Information – Continued

The following table shows the changes of the net position during the current fiscal year:

	Governmental Activities		Business-Type Activities		Total	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014
Revenues						
Program Revenues:						
Charges for Services	\$ 199,039	\$ 181,893	\$ 1,539,772	\$ 1,268,240	\$ 1,738,811	\$ 1,450,133
General Revenues:					-	-
Property Taxes	315,616	336,354	-	-	315,616	336,354
State-Shared Revenues	780,939	735,887	-	-	780,939	735,887
Interest	874	1,169	59,094	94,274	59,968	95,443
Other Revenues	199,076	156,036	-	-	199,076	156,036
Transfers	-	-	-	-	-	-
Total Revenues	<u>1,495,544</u>	<u>1,411,339</u>	<u>1,598,866</u>	<u>1,362,514</u>	<u>3,094,410</u>	<u>2,773,853</u>
Program Expenses						
General Government	\$ 546,249	\$ 589,400	\$ -	\$ -	\$ 546,249	\$ 589,400
Public Safety	557,845	503,681	-	-	557,845	503,681
Public Works	135,527	191,931	-	-	135,527	191,931
Recreation & Culture	75,850	64,214	-	-	75,850	64,214
Interest on L/T Debt	12,802	4,333	75,668	87,018	88,470	91,351
Water & Sewer	-	-	1,685,938	1,570,763	1,685,938	1,570,763
Total Program Expenses	<u>1,328,273</u>	<u>1,353,559</u>	<u>1,761,606</u>	<u>1,657,781</u>	<u>3,089,879</u>	<u>3,011,340</u>
Change in Net Position	<u>\$ 167,271</u>	<u>\$ 57,780</u>	<u>\$ (162,740)</u>	<u>\$ (295,267)</u>	<u>\$ 4,531</u>	<u>\$ (237,487)</u>

The Township as a Whole

- The Township's Governmental Activities Net Position increased by \$167,271 this fiscal year. This compares to a net increase of \$57,780 in the prior fiscal year. The main reason for the difference was increased revenue from state-shared revenue and other revenue. The Township also spent less on public works compared to the previous year.
- The Township's Business-type Activities Net Position decreased by \$162,740 this fiscal year. This compares to a net decrease of \$295,267 in the prior fiscal year. The primary difference was the increased revenue in the Water & Sewer Fund.
- The Township's primary source of revenue is from charges for services and state-shared revenues, which represent 80% of total revenue.

Township of Kimball

Kimball, Michigan

The Township's Funds

Our analysis of the Township's major funds begins on Page 5, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township's major funds for the fiscal year ending March 31, 2015, include the General Fund.

Other major funds are the Water and Sewer Fund, which is categorized as an enterprise or proprietary fund. This fund operates on revenues it receives from the customers (users) of the water and sewer systems.

General Fund Budgetary Highlights

The Township made amendments to the budget throughout the fiscal year to cover the expenditures incurred, yet there were some expenses in excess of budgeted amounts.

Capital Asset and Debt Administration

During the fiscal year ended March 31, 2015, the Township's General Fund conducted drywall and flooring work at the library for \$8,516. In the Fire Department General Fund, the Township purchased land for the new fire hall for \$12,878 and made down payments on the designing and feasibility studies for the new hall in the amount of \$21,695. The Fire Department also purchased a pull out truck bed and cap for \$3,715. In the Water Fund, the Township paid an additional \$21,048 on the Smith's Creek Sewer Line Project. Also, the Township replaced the Lapeer Road Water Main for \$646,248. Other water purchases include a water meter gun for \$6,579, Range and Griswold Roads vault/metering station for \$52,215, and a radio alert system for \$69,437.

Additional information regarding the Township's capital assets can be found in Note 4 to the financial statements.

The Township incurred additional long-term debt in the fiscal year ending March 31, 2015 in the amount of \$1,450 for County drain work. The Township made principal payments of \$320,644 on existing long-term debt.

Additional information regarding the Township's long-term debt can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Township's tax base remained relatively constant. The Township will need to continue to watch the budget very closely in all categories.

Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Township Office in Kimball, Michigan by telephone at (810) 987-9797.

Township of Kimball

Statement of Net Position

March 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash & Cash Equivalents	\$ 1,320,074	\$ 3,911,365	\$ 5,231,439
Property Taxes Receivable	27,368	-	27,368
Accounts Receivable	152,177	328,840	481,018
Due From Other Funds	110,605	346,820	457,426
Due From Other Governmental Units	-	6,469	6,469
Special Assessment Receivables	-	772,636	772,636
Prepaid Expenses	34,055	-	34,055
Unamortized Discount on Bonds - Net	-	24,737	24,737
Capital Assets			
Nondepreciable Capital Assets	65,992	7,000	72,992
Depreciable Capital Assets	1,675,723	9,301,786	10,977,509
<u>Total Assets</u>	3,385,994	14,699,654	18,085,648
<u>Deferred Outflows of Resources</u>			
	-	-	-
<u>Liabilities</u>			
Accounts Payable	60,589	900,603	961,192
Accrued Wages & Taxes	26,624	6,015	32,639
Due To Other Funds	335,897	51,336	387,233
Accrued Interest Payable	-	26,206	26,206
Current Portion of Bonds Payable	16,032	220,000	236,032
Noncurrent Liabilities:			
Bonds Payable	171,858	1,385,000	1,556,858
<u>Total Liabilities</u>	610,999	2,589,160	3,200,160
<u>Deferred Inflows of Resources</u>			
	-	-	-
<u>Net Position</u>			
Invested in Capital Assets - Net of			
Related Debt	1,569,857	7,677,580	9,247,437
Restricted	10,674	-	10,674
Unrestricted	1,194,463	4,432,913	5,627,377
<u>Total Net Position</u>	\$ 2,774,994	\$ 12,110,494	\$ 14,885,488

The notes are an integral part of the statements.

Township of Kimball
Statement of Activities
For the Fiscal Year Ended March 31, 2015

	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Primary Government Business-type Activities	Totals
Functions/Programs							
Primary Government:							
Governmental Activities:							
General Government	\$ 546,249	\$ 28,974	\$ -	\$ -	\$ (517,275)	\$ -	\$ (517,275)
Public Safety	557,845	169,415	-	-	(388,430)	-	(388,430)
Public Works	135,527	-	-	-	(135,527)	-	(135,527)
Recreation & Culture	75,850	650	-	-	(75,200)	-	(75,200)
Interest on Long-Term Debt	12,803	-	-	-	(12,803)	-	(12,803)
<u>Total Governmental Activities</u>	<u>1,328,274</u>	<u>199,039</u>	<u>-</u>	<u>-</u>	<u>(1,129,235)</u>	<u>-</u>	<u>(1,129,235)</u>
Business-type Activities	1,685,937	1,539,772	-	-	-	(146,165)	(146,165)
Interest on Long-Term Debt	75,668	-	-	-	-	(75,668)	(75,668)
<u>Total Business-type Activities</u>	<u>1,761,606</u>	<u>1,539,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221,833)</u>	<u>(221,833)</u>
Total Primary Government	<u>\$ 3,089,880</u>	<u>\$ 1,738,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,129,235)</u>	<u>\$ (221,833)</u>	<u>\$ (1,351,068)</u>
General Revenues:							
Property Taxes					\$ 315,616	\$ -	\$ 315,616
Intergovernmental Revenues					780,939	-	780,939
Interest					874	59,094	59,968
Other Revenues					199,076	-	199,076
Transfers					-	-	-
Total General Revenues, Special Items & Transfers					<u>1,296,506</u>	<u>59,094</u>	<u>1,355,599</u>
Change in Net Position					167,271	(162,740)	4,531
Net Position - Beginning of Year					<u>2,607,724</u>	<u>12,273,234</u>	<u>14,880,957</u>
Net Position - End of Year					<u>\$ 2,774,994</u>	<u>\$ 12,110,494</u>	<u>\$ 14,885,488</u>

The notes are an integral part of the statements.

Township of Kimball

Governmental Funds

Balance Sheet

March 31, 2015

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets & Deferred Outflows of Resources</u>			
<u>Assets</u>			
Cash & Certificates of Deposit	\$ 1,302,700	\$ 17,374	\$ 1,320,074
Property Taxes Receivable	27,368	-	27,368
Accounts Receivable	152,177	-	152,177
Due From Other Funds	100,252	10,353	110,605
Prepaid Expenses	34,055	-	34,055
<u>Total Assets</u>	1,616,551	27,728	1,644,279
 <u>Deferred Outflows of Resources</u>			
<u>Total Assets & Def. Outflows</u>	\$ 1,616,551	\$ 27,728	\$ 1,644,279
 <u>Liabilities, Deferred Inflows of Resources, & Fund Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 55,579	\$ 5,010	\$ 60,589
Accrued Wages & Taxes	22,267	4,357	26,624
Due To Other Funds	328,211	7,687	335,897
<u>Total Liabilities</u>	406,056	17,054	423,110
 <u>Deferred Inflows of Resources</u>			
<u>Total Liab. Def. Outflows & Fund Equity</u>	-	-	-
 <u>Fund Equity</u>			
Fund Balances			
Nonspendable - Prepaids	34,055	-	34,055
Restricted For:			
Public Safety - Building Inspection	-	6,064	6,064
Public Safety - Liquor Enforcement	-	3,287	3,287
Recreation & Culture	-	1,323	1,323
Unassigned	1,176,440	-	1,176,440
<u>Total Fund Balances</u>	1,210,495	10,674	1,221,169
<u>Total Liab. Def. Outflows & Fund Equity</u>	\$ 1,616,551	\$ 27,728	\$ 1,644,279

The notes are an integral part of the statements.

Township of Kimball
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Position
For The Fiscal Year Ended March 31, 2015

Total Fund Balances for Governmental Funds	\$ 1,221,169
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	1,741,715
Long-term bonds payable are not due and payable in the current period and are not reported in the Funds	<u>(187,889)</u>
Net Position of Governmental Activities	<u><u>\$ 2,774,994</u></u>

The notes are an integral part of the statements.

Township of Kimball
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For The Fiscal Year Ended March 31, 2015

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>			
Property Taxes	\$ 315,616	\$ -	\$ 315,616
Intergovernmental Revenues	737,791	43,148	780,939
Charges for Services	102,124	650	102,774
Licenses & Permits	24,720	71,545	96,265
Interest Earnings	874	-	874
Other Revenues	197,970	1,105	199,076
<u>Total Revenues</u>	1,379,096	116,448	1,495,544
<u>Expenditures</u>			
General Government	511,960	-	511,960
Public Safety	424,261	94,297	518,558
Publics Works	128,276	-	128,276
Recreation & Culture	30,638	45,212	75,850
Debt Service			
Principal	85,920	-	85,920
Interest	12,803	-	12,803
Capital Outlay	46,804	-	46,804
<u>Total Expenditures</u>	1,240,661	139,510	1,380,171
Excess of Revenues Over (Under) Expenditures	138,435	(23,061)	115,373
<u>Other Financing Sources (Uses)</u>			
Loan Proceeds	1,450	-	1,450
Operating Transfers In (Out)	(26,433)	26,433	-
Net Change in Fund Balances	113,451	3,372	116,823
<u>Fund Balances - Beginning of Year</u>	1,097,044	7,302	1,104,346
<u>Fund Balances - End of Year</u>	\$ 1,210,495	\$ 10,674	\$ 1,221,169

The notes are an integral part of the statements.

Township of Kimball
 Governmental Funds
 Reconciliation of Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For The Fiscal Year Ended March 31, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 116,823

Amounts reported for Governmental Activities in the Statement of
 Activities are different because:

Governmental Funds report Capital Outlays as Expenditures;
 in the Statement of Activities, these costs are capitalized and
 allocated over their estimated useful lives as Depreciation 46,804

Repayment of Loan Principal is an Expenditure in the Governmental
 Funds, but not in the Statement of Activities (where it
 reduces Long-Term Debt) 85,920

Loan proceeds are not reported as financing sources on
 the Statement of Activities (1,450)

Depreciation is an Expenditure for the Statement of
 Activities, but is not reported in the Governmental Funds (80,827)

Change in Net Position of Governmental Activities \$ 167,271

Township of Kimball
Proprietary Funds
Statement of Net Position
March 31, 2015

	Enterprise Fund
	Water & Sewer Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash & Cash Equivalents	\$ 3,911,365
Accounts Receivable	328,840
<u>Total Current Assets</u>	4,240,205
<u>Noncurrent Assets</u>	
Due From Other Funds	346,820
Due From Other Governmental Units	6,469
Special Assessments Receivable	772,636
Unamortized Discount on Bonds - Net	24,737
Nondepreciable Capital Assets	7,000
Depreciable Capital Assets - Net	9,301,786
<u>Total Noncurrent Assets</u>	10,459,449
<u>Total Assets</u>	14,699,654
 <u>Deferred Outflows of Resources</u>	
	-
 <u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	900,603
Accrued Wages & Taxes	6,015
Due to Other Funds	51,336
Accrued Interest	26,206
Current Portion of Bonds Payable	220,000
<u>Total Current Liabilities</u>	1,204,160
<u>Long-Term Liabilities</u>	
Bonds Payable	1,385,000
<u>Total Liabilities</u>	2,589,160
 <u>Deferred Inflows of Resources</u>	
	-
 <u>Net Position</u>	
Invested in Capital Assets Net of Related Debt	7,677,580
Unrestricted	4,432,913
<u>Total Net Position</u>	\$ 12,110,494

The notes are an integral part of the statements.

Township of Kimball
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
March 31, 2015

	Enterprise Fund
	Water & Sewer Fund
<u>Operating Revenues</u>	
User Charges & Penalties	\$ 1,475,800
Tap In Fees & Miscellaneous	63,972
<u>Total Operating Revenues</u>	1,539,772
<u>Operating Expenses</u>	
Cost of Water	575,831
Cost of Sewer Service	283,958
Operation & Maintenance	451,998
General & Administration	55,817
Depreciation & Amortization	318,334
<u>Total Operating Expenses</u>	1,685,937
<u>Operating Income (Loss)</u>	(146,165)
<u>Nonoperating Revenues (Expenses)</u>	
Interest Earned	59,094
Interest Expense	(75,668)
Transfers From (To) Other Funds	-
Change in Net Position	(162,740)
<u>Net Position - Beginning of Year</u>	12,273,234
<u>Net Position - End of Year</u>	\$ 12,110,494

The notes are an integral part of the statements.

Township of Kimball
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended March 31, 2015

	Enterprise Fund
	Water & Sewer Fund
<u>Cash Flow From Operating Activities</u>	
Receipts from Customers	\$ 1,469,113
Payments for Operation, Maintenance, & Water	(712,861)
Payments for General & Administration	(55,817)
<u>Net Cash Provided by Operating Activity</u>	700,436
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating Transfers In (Out)	-
Received/(Paid) "Due From/(To) Other Funds"	111,477
<u>Net Cash Provided by Noncapital Financing Activities</u>	111,477
<u>Cash Flows from Capital & Related Financing Activities</u>	
Purchase of Capital Assets	(786,598)
Collection of Special Assessments	234,229
Payments on Long-Term Debt	(234,724)
Interest Paid on Long-Term Debt	(81,855)
<u>Net Cash Provided by Capital & Related Financing Activities</u>	(868,948)
<u>Cash Flows From Investing Activities</u>	
Interest received on Investments	59,094
<u>Net Increase (Decrease) in Cash & Cash Equivalents</u>	2,058
<u>Cash & Cash Equivalents - Beginning of Year</u>	3,909,307
<u>Cash & Cash Equivalents - End of Year</u>	\$ 3,911,365
<u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u>	
Operating Income (Loss)	(146,165)
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:	
Depreciation	318,334
Changes in Assets & Liabilities:	
Accounts Receivable	(70,659)
Accounts Payable	598,926
<u>Net Cash Provided by Operating Activities</u>	\$ 700,436

The notes are an integral part of the statements.

Township of Kimball

Fiduciary Funds Statement of Net Position March 31, 2015

	Fiduciary Fund Types		
	Other Trust Funds	Agency Funds	Totals
<u>Assets</u>			
Cash - Savings & Certificates	\$ 26,395	\$ 130,999	\$ 157,394
Due From Other Funds	-	7,040	7,040
	<u>Total Assets</u>	<u>Total</u>	<u>Total</u>
	\$ 26,395	\$ 138,039	\$ 164,434
<u>Liabilities & Net Position</u>			
<u>Liabilities</u>			
Due To Other Funds	\$ -	\$ 77,233	\$ 77,233
Due To Others	-	60,806	60,806
	<u>Total Liabilities</u>	<u>Total</u>	<u>Total</u>
	-	138,039	138,039
<u>Net Position</u>			
Held in Trust for Cemetery Perpetual Care	26,395	-	26,395
Unreserved & Undesignated	-	-	-
	<u>Total Net Position</u>	<u>Total</u>	<u>Total</u>
	26,395	-	26,395
<u>Total Liabilities & Net Position</u>	\$ 26,395	\$ 138,039	\$ 164,434

The notes are an integral part of the statements.

Township of Kimball
 Fiduciary Funds
 Statement of Changes in Net Position
 March 31, 2015

	Other Trust Funds
<u>Additions</u>	
Interest Income - Perpetual Care	\$ -
Sale of Lots - Perpetual Care	550
<u>Total Additions</u>	550
<u>Deductions</u>	
Administrative Expense	-
Contribution To (From) Other Funds	-
<u>Total Deductions</u>	-
<u>Net Increase</u>	550
<u>Net Position - Beginning of Year</u>	25,845
<u>Net Position - End of Year</u>	\$ 26,395

The notes are an integral part of the statements.

Township of Kimball
Notes to the Financial Statements
For The Fiscal Year Ended March 31, 2015

1. Summary of Significant Accounting Policies

The accounting policies of the **Township of Kimball**, St. Clair County, Michigan conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the **Township of Kimball**, St. Clair County, Michigan:

Financial Reporting Entity

The **Township of Kimball**, Michigan, established in 1855, is a public corporation created under the constitution and statutes of the State of Michigan. Located in St. Clair County, the **Township of Kimball** covers an area of approximately 36 square miles and is one of 23 Townships in St. Clair County, Michigan, each of which is a separate governmental entity. The Township operates under an elected Township Board of Officials, which consists of a Supervisor, Clerk, Treasurer and four Trustees, and provides services to its residents in many areas including fire protection, water, sewer, streets, parks and recreation. In evaluating how to define the Township for financial purposes, management has considered all potential component units. The decision to include a potential component unit of the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America, currently GASB Statement #14, *The Financial Reporting Entity* and GASB Statement #39, *Determining Whether Certain Organizations are Component Units*.

Based upon the application of this criteria, the basic financial statements of the Township contain all the funds controlled by the Township Board of Officials, as no other entity meets the criteria to be considered a blended component unit or a discretely presented component unit of the Township.

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 the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues are reported separate from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separate 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 (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following Major Governmental Funds:

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

The Township reports the following Enterprise Fund:

Water & Sewer Fund - The Water and Sewer Fund is an Enterprise Fund used to record the activities related to providing water and sewer services to the Township's citizens.

Required Supplemental Information

Township of Kimball
 Budgetary Comparison Schedule
 General Fund
 For The Fiscal Year Ended March 31, 2015

	General Fund			Variance with
	Original	Amended	Actual	Amended
	Budget	Budget		Budget
Revenues				
Property Taxes	\$ 326,500	\$ 326,500	\$ 315,616	\$ (10,884)
State Shared Revenues	718,000	730,000	737,791	7,791
Licenses & Permits	22,400	22,400	24,720	2,320
Charges for Services	108,370	108,370	102,124	(6,246)
Interest Earnings	6,000	6,000	874	(5,126)
Other Revenues	169,370	169,370	197,970	28,600
Total Revenues	1,350,640	1,362,640	1,379,096	16,456
Expenditures				
General Government				
Township Board	90,220	90,220	81,313	8,907
Supervisor	28,375	28,375	27,974	401
Elections	29,748	29,748	18,136	11,612
Assessor	72,883	72,883	72,755	128
Clerk	112,804	112,804	124,569	(11,765)
Board of Review	3,913	3,913	2,416	1,497
Treasurer	105,511	105,511	110,156	(4,645)
Building & Grounds	46,770	46,770	47,901	(1,131)
Cemetery	58,042	58,042	26,739	31,303
Total General Government	548,266	548,266	511,960	36,307
Public Safety				
Fire Protection	325,005	331,005	327,488	3,517
Street Lights	62,000	62,000	61,667	333
Building Regulations	38,433	38,433	26,129	12,304
Planning & Zoning	18,622	18,622	8,977	9,645
Total Public Safety	444,060	450,060	424,261	25,799
Public Works - Roads & Drains				
	170,799	170,799	128,276	42,523
Recreation & Culture				
	37,170	37,170	30,638	6,532
Debt Service - Principal				
	87,000	87,000	85,920	1,080
Debt Service - Interest				
	13,000	13,000	12,803	197
Capital Outlay				
	50,000	50,000	46,804	3,196
Total Expenditures	1,350,295	1,356,295	1,240,661	115,634
Excess of Revenues Overb (Under) Expenditures	345	6,345	138,435	132,090
Other Financing Sources (Uses)				
Loan Proceeds	-	-	1,450	1,450
Operating Transfers In (Out)	-	-	(26,433)	(26,433)
Excess of Revenues & Operating Transfers In Over (Under) Expenditures & Operating Transfers Out	345	6,345	113,451	107,106
Fund Balance - Beginning of Year				
	-	-	1,097,044	1,097,044
Fund Balance - End of Year	\$ 345	\$ 6,345	\$ 1,210,495	\$ 1,204,150

Other Supplemental Information

Township of Kimball

Other Supplemental Information
 Nonmajor Governmental Funds
 Combining Balance Sheet
 March 31, 2015

	Special Revenue Funds			
	Building Inspection Fund	Parks & Recreation Fund	Liquor Enforcement Fund	Total Nonmajor Governmental Funds
<u>Assets & Deferred Outflows of Resources</u>				
<u>Assets</u>				
Cash & Cash Equivalents	\$ 4,672	\$ 1,469	\$ 11,234	\$ 17,374
Property Taxes Receivable	-	-	-	-
Due From Other Funds	10,353	-	-	10,353
<u>Total Assets</u>	15,025	1,469	11,234	27,728
 <u>Deferred Outflows of Resources</u>				
	-	-	-	-
<u>Total Assets & Deferred Outflows of Resources</u>	\$ 15,025	\$ 1,469	\$ 11,234	\$ 27,728
 <u>Liabilities, Deferred Inflows of Resources, & Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 4,864	\$ 146	\$ -	\$ 5,010
Accrued Wages & Taxes	4,097	-	260	4,357
Due To Other Funds	-	-	7,687	7,687
<u>Total Liabilities</u>	8,961	146	7,947	17,054
 <u>Deferred Inflows of Resources</u>				
	-	-	-	-
 <u>Fund Balances</u>				
Restricted For:				
Public Safety - Building Inspection	6,064	-	-	6,064
Public Safety - Liquor Enforcement	-	-	3,287	3,287
Recreation & Culture	-	1,323	-	1,323
<u>Total Fund Balances</u>	6,064	1,323	3,287	10,674
<u>Total Liab. Def. Inflows & Fund Balances</u>	\$ 15,025	\$ 1,469	\$ 11,234	\$ 27,728

Township of Kimball

Other Supplemental Information
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For The Fiscal Year Ended March 31, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Building Inspection Fund	Parks & Recreation Fund	Liquor Enforcement Fund	
<u>Revenues</u>				
Intergovernmental Revenue	\$ -	\$ 38,535	\$ 4,613	\$ 43,148
Charges For Services	-	650	-	650
Licenses, Fees, & Permits	71,545	-	-	71,545
Interest Earnings	-	-	-	-
Other Revenues	1,044	62	-	1,105
<u>Total Revenues</u>	72,589	39,247	4,613	116,448
<u>Expenditures</u>				
General Government	-	-	-	-
Public Safety	90,791	-	3,507	94,297
Public Works	-	-	-	-
Recreation & Culture	-	45,212	-	45,212
<u>Total Expenditures</u>	90,791	45,212	3,507	139,510
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	(18,202)	(5,965)	1,106	(23,061)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	21,586	4,848	-	26,433
<u>Net Change in Fund Balances</u>	3,384	(1,118)	1,106	3,372
<u>Fund Balances - Beginning of Year</u>	2,680	2,441	2,181	7,302
<u>Fund Balances - End of Year</u>	\$ 6,064	\$ 1,323	\$ 3,287	\$ 10,674

Township of Kimball
 Other Supplemental Information
 Fiduciary Funds
 Combining Statement of Net Position
 March 31, 2015

	<u>Other Trust Funds</u>			<u>Agency Funds</u>		
	<u>Cemetery Perpetual Care Fund</u>			<u>Trust &</u>	<u>Tax</u>	<u>Totals</u>
	<u>Expendable</u>	<u>Nonexpendable</u>	<u>Totals</u>	<u>Agency</u>	<u>Collection</u>	
<u>Trust</u>	<u>Trust</u>	<u>Fund</u>		<u>Fund</u>		
<u>Assets</u>						
Cash & Certificate of Deposit	\$ -	\$ 26,395	\$ 26,395	\$ 104,240	\$ 26,759	\$ 130,999
Due From Other Funds	-	-	-	7,040	-	7,040
<u>Total Assets</u>	<u>-</u>	<u>26,395</u>	<u>26,395</u>	<u>111,281</u>	<u>26,759</u>	<u>138,039</u>
<u>Liabilities & Net Position</u>						
<u>Liabilities</u>						
Due To Other Funds	-	-	-	65,406	11,826	77,233
Due To Others	-	-	-	45,874	14,932	60,806
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 111,281</u>	<u>\$ 26,759</u>	<u>\$ 138,039</u>
<u>Net Position</u>						
Held in Trust for Cemetery Perpetual Care	-	26,395	26,395			
Unreserved - Undesignated	-	-	-			
<u>Total Liabilities & Net Position</u>	<u>\$ -</u>	<u>\$ 26,395</u>	<u>\$ 26,395</u>			

Township of Kimball
 Other Supplemental Information
 Fiduciary Funds
 Combining Statement of Changes in Net Position
 March 31, 2015

	<u>Other Trust Funds</u>		
	<u>Cemetery Perpetual Care Fund</u>		<u>Totals</u>
	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	
<u>Additions</u>			
Interest Income - Perpetual Care	\$ -	\$ -	\$ -
Sale of Lots - Perpetual Care	-	550	550
<u>Total Additions</u>	<u>-</u>	<u>550</u>	<u>550</u>
<u>Deductions</u>			
Contribution To (From) Other Funds	-	-	-
<u>Total Deductions</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Increase</u>	-	550	550
<u>Net Position - Beginning of Year</u>	<u>-</u>	<u>25,845</u>	<u>25,845</u>
<u>Net Position - End of Year</u>	<u>\$ -</u>	<u>\$ 26,395</u>	<u>\$ 26,395</u>

Township of Kimball

Other Supplemental Information

Schedule of Indebtedness

March 31, 2015

Governmental Activities:

Tri-County Bank Installment Purchase Contract

Dated: January 26, 2010

E-One Typhoon Pumper Fire Truck

Original Issue: \$333,293

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding March 31,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
3.25%	10/15/2014	\$ -	\$ 67,702	\$ -
Total Installment Purchase Contract		<u>\$ -</u>	<u>\$ 67,702</u>	<u>\$ -</u>

St. Clair County Drain Commission

Drain Districts

<u>Interest Rate Range</u>	<u>Date of Maturity</u>	<u>Principal Outstanding March 31,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
3.5 - 5.36%	12/1/2014	\$ -	\$ 17,493	\$ -
3.5 - 5.36%	12/1/2015	16,032	15,307	9,654
3.5 - 5.36%	12/1/2016	15,307	15,307	8,920
3.5 - 5.36%	12/1/2017	15,307	15,307	8,139
3.5 - 5.36%	12/1/2018	15,307	15,307	7,381
3.5 - 5.36%	12/1/2019	15,307	15,307	6,624
3.5 - 5.36%	12/1/2020	15,307	15,307	5,882
3.5 - 5.36%	12/1/2021	11,916	11,916	5,109
3.5 - 5.36%	12/1/2022	11,916	11,916	4,470
3.5 - 5.36%	12/1/2023	11,916	11,916	3,832
3.5 - 5.36%	12/1/2024	11,916	11,916	3,202
3.5 - 5.36%	12/1/2025	11,916	11,916	2,554
3.5 - 5.36%	12/1/2026	11,916	11,916	1,916
3.5 - 5.36%	12/1/2027	11,916	11,916	1,277
3.5 - 5.36%	12/1/2028	11,916	11,916	640
Total Installment Purchase Contract		<u>\$ 187,889</u>	<u>\$ 204,657</u>	<u>\$ 69,600</u>
Total Governmental Installment Contracts		<u>\$ 187,889</u>	<u>\$ 272,359</u>	<u>\$ 69,600</u>

Township of Kimball
 Other Supplemental Information
 Schedule of Indebtedness
 March 31, 2015

Business-type Activities:

Tri-County Bank Installment Purchase Agreement
CAT Backhoe

Dated: October 26, 2009
 Original Issue: \$71,000

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding</u>		<u>Remaining Annual Interest Payable</u>
			<u>March 31, 2015</u>	<u>2014</u>	
	3.30%	4/15/2014	\$ -	\$ 14,724	\$ -
Total Installment Purchase Agreement			\$ -	\$ 14,724	\$ -

U.S. Bank - 1999 Special Assessment Improvement Bonds, Series A
Limited Tax General Obligation Bonds for Water Line Construction

Dated: April 22, 1999
 Original Issue: \$950,000

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding</u>		<u>Remaining Annual Interest Payable</u>
			<u>March 31, 2015</u>	<u>2014</u>	
	5.00%	12/1/2014	\$ -	\$ 55,000	\$ -
	5.00%	6/1/2015	-	-	5,582
	5.00%	12/1/2015	55,000	55,000	5,582
	5.00%	6/1/2016	-	-	4,194
	5.00%	12/1/2016	55,000	55,000	4,194
	5.00%	6/1/2017	-	-	2,805
	5.00%	12/1/2017	55,000	55,000	2,805
	5.00%	6/1/2018	-	-	1,402
	5.00%	12/1/2018	55,000	55,000	1,402
Total Bond Payable			\$ 220,000	\$ 275,000	\$ 27,966

Township of Kimball
 Other Supplemental Information
 Schedule of Indebtedness
 March 31, 2015

U.S. Bank - 1999 Special Assessment Improvement Bonds, Series B
Limited Tax General Obligation Bonds for Water Line Construction

Dated: April 22, 1999
 Original Issue: \$370,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding March 31,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
5.00%	12/1/2014	\$ -	\$ 20,000	\$ -
5.00%	6/1/2015	-	-	2,000
5.00%	12/1/2015	20,000	20,000	2,000
5.00%	6/1/2016	-	-	1,500
5.00%	12/1/2016	20,000	20,000	1,500
5.00%	6/1/2017	-	-	1,000
5.00%	12/1/2017	20,000	20,000	1,000
5.00%	6/1/2018	-	-	500
5.00%	12/1/2018	20,000	20,000	500
Total Bond Payable		<u>\$ 80,000</u>	<u>\$ 100,000</u>	<u>\$ 10,000</u>

Township of Kimball
Other Supplemental Information
Schedule of Indebtedness
March 31, 2015

U.S. Bank - Special Assessment Improvement Bonds, Series 2003
Sewer Disposal System Bonds for Sewer Line Construction

Dated: November 4, 2003
Original Issue: \$2,680,000

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		March 31, 2015	2014	
3.75%	11/1/2014	\$ -	\$ 145,000	\$ -
3.75%	5/1/2015	-	-	28,003
3.90%	11/1/2015	145,000	145,000	28,003
3.90%	5/1/2016	-	-	25,176
4.00%	11/1/2016	145,000	145,000	25,176
4.00%	5/1/2017	-	-	22,276
4.10%	11/1/2017	145,000	145,000	22,276
4.10%	5/1/2018	-	-	19,303
4.20%	11/1/2018	145,000	145,000	19,303
4.20%	5/1/2019	-	-	16,258
4.30%	11/1/2019	145,000	145,000	16,258
4.30%	5/1/2020	-	-	13,141
4.40%	11/1/2020	145,000	145,000	13,141
4.40%	5/1/2021	-	-	9,951
4.50%	11/1/2021	145,000	145,000	9,951
4.50%	5/1/2022	-	-	6,688
4.60%	11/1/2022	145,000	145,000	6,688
4.60%	5/1/2023	-	-	3,353
4.63%	11/1/2023	145,000	145,000	3,353
Total Bond Payable		<u>\$ 1,305,000</u>	<u>\$ 1,450,000</u>	<u>\$ 288,298</u>
Total Business-type Bonds and Purchase Contracts		<u>\$ 1,605,000</u>	<u>\$ 1,839,724</u>	<u>\$ 326,264</u>
Total Long Term Bonds and Purchase Contracts		<u>\$ 1,792,889</u>	<u>\$ 2,112,083</u>	<u>\$ 395,864</u>

