

MONROE CHARTER TOWNSHIP
Monroe County, Michigan

ANNUAL FINANCIAL REPORT
December 31, 2018

COOLEY HIRTH, SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

MONROE CHARTER TOWNSHIP

Table of Contents
December 31, 2018

Independent Auditor's Report 1-2

Management's Discussion and Analysis 3-10

Basic Financial Statements:

 Government-Wide Financial Statements:

 Statement of Net Position 11

 Statement of Activities 12-13

 Fund Financial Statements:

 Governmental Funds:

 Balance Sheet 14-15

 Reconciliation of the Balance Sheet of Governmental Funds to the
 Statement of Net Position 16

 Statement of Revenues, Expenditures, and Changes in Fund Balances 17-18

 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 19

 Agency Funds - Statement of Fiduciary Assets and Liabilities 20

 Notes to Financial Statements 21-32

Required Supplemental Information:

 General Fund:

 Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budget and Actual 33-34

 Special Revenue Fund - Central Sewer

 Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budget and Actual 35

 Capital Projects Fund - Health and Safety:

 Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budget and Actual 36

 Capital Projects Fund - Roads:

 Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budget and Actual 37

Other Supplemental Information:

 Nonmajor Governmental Funds:

 Combining Balance Sheet 38-39

 Combining Statement of Revenues, Expenditures and Changes in Fund Balances 40-41

MONROE CHARTER TOWNSHIP

Table of Contents (Concluded)
December 31, 2018

Other Supplemental Information (Concluded):

Special Revenue Fund – Street Lights Fund:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual42

Special Revenue Fund - Water District #68:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual43

Special Revenue Fund - Water District #69:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual44

Capital Projects Fund – Township Hall and Technology Improvements:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual45

Capital Projects Fund – Parks and Recreation:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual46

Capital Projects Fund – Wry Road and Drainage Project:
Statement of Revenues, Expenditures, and Changes in Fund Balance
- Budget and Actual47

Agency Funds:
Combining Balance Sheet.....48
Statement of Changes in Assets and Liabilities - All Agency Funds..... 49-51

Index to Central Sewer and Water Districts52

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Township Board
Monroe Charter Township
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Monroe County, Michigan as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We did not audit the financial statements of the Monroe Metropolitan Water Pollution Control System, a joint venture, which represent 100 percent of the business-type activities. Those financial statements were audited by another auditor, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe Metropolitan Water Pollution Control System in the business-type activities columns, is based on the report of the other auditor.

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 Township'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 Township'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.

Auditor's Responsibility (Continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Monroe County, Michigan as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows 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 and budgetary comparison information on pages 3 through 10 and 33 through 37, 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 and the other auditor 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 regarding 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe Charter Township, Monroe County, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Cooley Hehl Sabo & Calkins

March 27, 2019

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

This section of the Monroe Charter Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended December 31, 2018. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Monroe Charter Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** 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 General Fund, the Central Sewer Special Revenue Fund, the Special Assessment Water District #70 Debt Fund, the Health and Safety Capital Projects Fund, and the Roads Capital Projects Fund. All other funds are presented in one column as nonmajor funds. The remaining statements; the Statement of Fiduciary Assets and Liabilities, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

*Management's Discussion and Analysis (MD&A)
(Required Supplemental Information)*

Basic Financial Statements

Government-Wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

*Budgetary Information for Major Funds
(Required Supplemental Information)*

Other Supplemental Information

MONROE CHARTER TOWNSHIP

Management's Discussion and Analysis Year Ended December 31, 2018

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities (pages 11-13), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net position and changes therein. The change in net position provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The government-wide financial statements of the Township are divided into two categories:

- Governmental activities which encompasses all of the Township's services, including general government services, public safety, public works, and culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.
- Business-type activities which consists of the joint venture in the Monroe Metropolitan Water Pollution Control System.

Fund Financial Statements

The Township's Fund Financial Statements (pages 14-20) provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

Governmental funds – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 16 and 19.

Fiduciary funds – An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of payroll, property taxes, and escrow accounts.

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

Government-Wide Financial Analysis

The Statement of Net Position provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net position as of December 31, 2018 and 2017:

Table 1:

**Condensed Statement of Net Position
December 31,**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$6,924,553	\$6,601,592	\$0	\$0	\$6,924,553	\$6,601,592
Capital assets	6,904,504	7,263,212	0	0	6,904,504	7,263,212
Investment in joint venture	0	0	5,630,082	6,650,539	5,630,082	6,650,539
Total Assets	13,829,057	13,864,804	5,630,082	6,650,539	19,459,139	20,515,343
Liabilities						
Current and other liabilities	165,421	174,690	0	0	165,421	174,690
Long-term liabilities	152,410	173,411	0	0	152,410	173,411
Total Liabilities	317,831	348,101	0	0	317,831	348,101
Net Position						
Net investment in capital assets	6,904,504	7,263,212	6,091,594	5,812,922	12,996,098	13,076,134
Restricted for:						
Debt service	6,065	12,055	0	0	6,065	12,055
Public improvements	2,591,043	2,626,489	0	0	2,591,043	2,626,489
Street lights	74,903	39,959	0	0	74,903	39,959
Roads	637,789	394,022	0	0	637,789	394,022
Health and safety	900,430	884,728	0	0	900,430	884,728
Hall and technology improvements	61,617	62,867	0	0	61,617	62,867
Culture and recreation	245,323	250,000	0	0	245,323	250,000
Drains	1	5,164	0	0	1	5,164
Unrestricted	2,089,551	1,978,207	(461,512)	837,617	1,628,039	2,815,824
Total Net Position	\$13,511,226	\$13,516,703	\$5,630,082	\$6,650,539	\$19,141,308	\$20,167,242

As depicted in Table 1, the Township's total net position of *governmental activities* was \$13.5 million at December 31, 2018. Of this amount, a positive \$2.1 million was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted portion is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities, we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net position for the calendar year ended December 31, 2018 and 2017.

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

Government-Wide Financial Analysis - Continued

Table 2:

**Changes in Net Position
Year Ended December 31,**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$452,954	\$468,070	\$2,252,743	\$2,159,253	\$2,705,697	\$2,627,323
Operating grants and contributions	0	476,191	0	0	0	476,191
Capital contributions	10,410	10,642	126,532	151,057	136,942	161,699
	<u>463,364</u>	<u>954,903</u>	<u>2,379,275</u>	<u>2,310,310</u>	<u>2,842,639</u>	<u>3,265,213</u>
General revenues						
Property taxes	1,627,855	1,632,741	0	0	1,627,855	1,632,741
Grants	1,329,685	1,287,472	0	0	1,329,685	1,287,472
Interest and penalties	46,998	40,701	7,628	4,578	54,626	45,279
Other general revenues	116,837	114,583	9,686	2,252	126,523	116,835
	<u>3,121,375</u>	<u>3,075,497</u>	<u>17,314</u>	<u>6,830</u>	<u>3,138,689</u>	<u>3,082,327</u>
Total Revenues	3,584,739	4,030,400	2,396,589	2,317,140	5,981,328	6,347,540
Functions/Program Expenses						
Legislative	99,016	88,923	0	0	99,016	88,923
General government	1,321,759	1,244,190	0	0	1,321,759	1,244,190
Public safety	1,429,684	1,338,441	0	0	1,429,684	1,338,441
Public works	361,941	697,337	0	0	361,941	697,337
Culture and recreation	283,490	295,126	0	0	283,490	295,126
Community and economic development	85,364	81,235	0	0	85,364	81,235
Loss on sale of capital assets	0	63,721	0	0	0	63,721
Interest on long-term debt	8,962	12,698	0	0	8,962	12,698
Water pollution control system	0	0	1,925,559	2,104,148	1,925,559	2,104,148
	<u>3,590,216</u>	<u>3,821,671</u>	<u>1,925,559</u>	<u>2,104,148</u>	<u>5,515,775</u>	<u>5,925,819</u>
Total Expenses	3,590,216	3,821,671	1,925,559	2,104,148	5,515,775	5,925,819
Increase (Decrease) in Net Position	(\$5,477)	\$208,729	\$471,030	\$212,992	\$465,553	\$421,721

As indicated in Table 2, the cost of *all governmental* activities this year was \$3.6 million. Of this amount, \$0.5 million was subsidized with revenue generated from charges for services and other contributions with the remaining costs financed with general revenues. The cost of *business-type* activities this year was \$1.9 million which was subsidized with revenue generated from charges for services.

The Township's governmental activities experienced a decrease in net position of \$5,477. Compared to 2017, revenues decreased by \$445,661 and expenses decreased by \$231,455. Although general revenues in 2018 were quite similar overall to those in 2017, we did experience decreases in charges for services and operating grants and contributions, which is due to a FEMA grant received in 2017. During 2018, the Township had decreased expenses for the public works, culture and recreation, loss on sale of capital assets, and interest of long-term debt. The Township had increased expenses for general government, public safety, and community and economic development.

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Monroe Charter Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

On December 31, 2018 the governmental funds reported a combined fund balance of \$6,395,134, which is an increase of \$414,248 from last year. The changes by fund types are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Fund balances - Beginning of year	\$1,654,228	\$2,653,210	\$76,667	\$1,596,781	\$5,980,886
Increase (decrease)	<u>174,640</u>	<u>2,146</u>	<u>(10,917)</u>	<u>248,379</u>	<u>414,248</u>
Fund balances - End of year	<u><u>\$1,828,868</u></u>	<u><u>\$2,655,356</u></u>	<u><u>\$65,750</u></u>	<u><u>\$1,845,160</u></u>	<u><u>\$6,395,134</u></u>

The Township's General Fund balance increase is due to many factors. Revenues decreased by 10.8%. This decrease is due primarily to decreases in grants. General Fund expenditures decreased by 15.4%. The major decrease was in public safety due to a decrease in expenditures related to FEMA grants.

The tables that follow assist in illustrating the financial activities of the General Fund.

The Township's revenues decreased from \$3,849,112 to \$3,431,604 in 2018. There were decreased revenues in property taxes, license and permits, and grants categories. There were increased revenues in charges for services, interest, and other revenue.

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$1,627,855	\$1,632,741	(0.3)%
Licenses and permits	251,643	272,369	(7.6)%
Grants	1,329,685	1,763,663	(24.6)%
Charges for services	38,356	29,708	29.1 %
Interest	12,079	8,715	38.6 %
Other	<u>171,986</u>	<u>141,916</u>	21.2 %
Total Revenues	<u><u>\$3,431,604</u></u>	<u><u>\$3,849,112</u></u>	(10.8)%

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

Fund Financial Analysis – Concluded

The Township's expenditures decreased from \$3,415,944 in 2017 to \$2,889,064 in 2018. The significant decreases in expenditures were for public safety and debt services; and there were decreases in general expenditures for public works, culture and recreation, and other expenditures.

The increase to legislative expenditures was due to an increase in general operating costs. In 2018, the increase in cost for general government is primarily due to salary increases and maintenance costs. The decrease to public safety was due to no FEMA Grant costs for the fire department. The decrease to public works was mainly due to decreased cost for drain assessments. The culture and recreation decrease is due to lower utilities and maintenance costs. The decrease in other expenditures was due to a decrease in health and dental insurance.

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>Percent Change</u>
Expenditures			
Legislative	\$83,121	\$73,135	13.7 %
General government	940,409	901,396	4.3 %
Public safety	968,496	1,501,645	(35.5)%
Public works	37,376	40,903	(8.6)%
Culture and recreation	107,019	110,470	(3.1)%
Community and economic development	59,230	55,558	6.6 %
Debt service	0	35,965	(100.0)%
Other	<u>693,413</u>	<u>696,872</u>	(0.5)%
Total Expenditures	<u><u>\$2,889,064</u></u>	<u><u>\$3,415,944</u></u>	(15.4)%

The amount transferred in decreased \$102,053, and the amounts transferred to other funds increased \$51,482 in 2018. See the detail for the interfund transfers in Note 5 to the financial statements.

	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>Percent Change</u>
Operating Transfers			
Transfers in	\$66,737	\$168,790	(60.5)%
Transfers out	<u>(434,637)</u>	<u>(383,155)</u>	13.4 %
	<u><u>(\$367,900)</u></u>	<u><u>(\$214,365)</u></u>	71.6 %

MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis
Year Ended December 31, 2018*

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Charter Township Board to adopt the original budget prior to January 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

Revenues - The original budget of \$3,431,914 was amended to \$3,585,539. There were significant increases to property taxes, state shared revenue, cost recovery fees, passport fees, and other revenue. There were decreases to licenses and permits, planning commission fees, and zoning board of appeals fees.

Expenditures – The original budget of \$3,431,914 was amended to \$3,585,539. Transfers out increased by \$219,500. The main sources of expenditure increases were in elections, treasurer, and public safety for the fire department. The main sources of expenditure decreases were in assessor, township hall and grounds, roads and drains, parks and recreation, zoning enforcement, and contingency.

Capital Assets

On December 31, 2018, the Township had \$12.3 million invested in a broad range of capital assets, including land, land improvements, buildings and building improvements, machinery and equipment, vehicles, water lines, and roads. This amount represents a net increase (including additions and disposals) of \$15,004 from last year. This year's additions included a chest compression system. Depreciation for this year totaled \$373,712. Details regarding capital assets are included in Note 6 to the financial statements.

Debt Administration

On December 31, 2018, the Township's debt for special assessment bonds was \$165,000. The special assessment bonds are paid with special assessments. Details regarding long-term debt are included in Note 7 to the financial statements. Other obligations included compensated absences of \$7,410 which are presented in detail in Note 12 to the financial statements.

Development of the 2019 Fiscal Year Budget

The Monroe Charter Township Board considers many factors when setting the 2019 fiscal year budget. The budget is based primarily on the previous year's spending patterns as well as goals set forth by the Township Board. Foresight is given to the uncertainty of state shared revenue which accounted for 37% of the Township's total revenue in 2018. Monroe Charter Township continues to monitor and control the rising cost of governmental services as it plans for the future and assesses the needs, the health and safety, and the desires of its residents. In 2018, Monroe Charter Township expended \$56,889 for local road projects. The 2019 budget allocates monies for the sixth bond payment for the \$725,000 Wry Drain road project. The Township, along with their engineers, will also be looking at 2019-2024 road projects, as identified by the Township Pavement Asset Management Plan and the Pavement Service Evaluation and Rating System (PASER). In 2019, the Township plans to invest over \$500,000 in local road projects.

MONROE CHARTER TOWNSHIP

Management's Discussion and Analysis Year Ended December 31, 2018

Development of the 2019 Fiscal Year Budget - Concluded

In addition to these road projects, the Township plans to continue moving forward with the Parks and Recreation Master Plan. This includes the continued construction of a new park facility on approximately 37 acres adjacent to the Township Hall. The park currently consists of 12 baseball diamonds, a pavilion/concession area, playground equipment, a playground picnic pavilion, a boundless playground area, a sand volleyball court, a paved hiking/nature trail, nature center, additional paved parking areas, and an overflow parking area. The park plan is being completed in several phases with a portion completed each year, as funds become available. Future construction plans may include additional play area, restrooms facilities, and further extension and improvement of the walking trails. The Township will also consider reapplying for additional grant monies from the Michigan Department of Natural Resources for the purpose of purchasing the property currently sitting between the ball fields and the east side of the park, allowing the park to be combined into one large contiguous parcel. Additionally, the Parks and Recreation committee will continue to seek donation monies from private corporations, and the Township will start the process of updating the 5-year Parks and Recreation Plan.

The Township will continue to assess the needs of the volunteer fire department and the need for additional police protection.

In 2018, the Township continued with the 2013 intergovernmental community grant project, known as Resilient Monroe. Resilient Monroe is an all-new, land-use planning and community design project sponsored by Monroe Charter Township, the City of Monroe, and Frenchtown Charter Township. This project has resulted in improvements to our existing Municipal Master Plan. Together, our local governments and our Master Plans will provide guidance for successful, resilient community development in the years to come. The Township is also participating in the Telegraph Road Corridor Project, this project is an intergovernmental study with Monroe Charter Township, the City of Monroe and Frenchtown Charter Township to study improvements of Telegraph Road from East Dunbar Road to LaSalle Road. Monroe Charter Township is also a partner in the Monroe County Link Project. This study is intended to serve as a guide for local policy makers, Monroe County stakeholders and existing and future businesses along the I-75 corridor. In 2019, the Township will continue the process of updating the General Code of Ordinances.

Contacting Monroe Charter Township

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Monroe Charter Township Clerk, 4925 East Dunbar Road, Monroe, MI 48161.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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MONROE CHARTER TOWNSHIP

*Statement of Net Position
December 31, 2018*

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$2,326,098	\$0	\$2,326,098
Certificate of deposit	3,688,391	0	3,688,391
Receivables:			
Accounts and accrued interest	308,277	0	308,277
Special assessments	241,186	0	241,186
Contract receivable	162,000	0	162,000
Due from other governmental units	85,614	0	85,614
Prepaid expenses	112,987	0	112,987
Net investment in Monroe Metropolitan Water Pollution Control System	0	5,630,082	5,630,082
Capital assets, net of depreciation	6,904,504	0	6,904,504
Total Assets	13,829,057	5,630,082	19,459,139
Liabilities			
Accounts payable	144,113	0	144,113
Accrued interest payable	1,308	0	1,308
Long-term liabilities:			
Due within one year	20,000	0	20,000
Due in more than one year	152,410	0	152,410
Total Liabilities	317,831	0	317,831
Net Position			
Net investment in capital assets	6,904,504	6,091,594	12,996,098
Restricted for:			
Debt service	6,065	0	6,065
Public improvements	2,591,043	0	2,591,043
Streetlights	74,903	0	74,903
Roads	637,789	0	637,789
Health and safety	900,430	0	900,430
Township hall and technology improvements	61,617	0	61,617
Culture and recreation	245,323	0	245,323
Drains	1	0	1
Unrestricted	2,089,551	(461,512)	1,628,039
Total Net Position	\$13,511,226	\$5,630,082	\$19,141,308

See accompanying notes to the basic financial statements.

MONROE CHARTER TOWNSHIP

*Statement of Activities
Year Ended December 31, 2018*

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Legislative	\$99,016	\$0	\$0	\$0
General government	1,321,759	269,367	0	0
Public safety	1,429,684	20,632	0	10,025
Public works	361,941	162,955	0	385
Culture and recreation	283,490	0	0	0
Community and economic development	85,364	0	0	0
Interest on long-term debt	8,962	0	0	0
Total governmental activities	<u>3,590,216</u>	<u>452,954</u>	<u>0</u>	<u>10,410</u>
Business-type activities:				
Water pollution control system	<u>1,925,559</u>	<u>2,252,743</u>	<u>0</u>	<u>126,532</u>
Total primary government	<u><u>\$5,515,775</u></u>	<u><u>\$2,705,697</u></u>	<u><u>\$0</u></u>	<u><u>\$136,942</u></u>

General Revenues:
 Property taxes
 Grants
 Interest and penalties
 Other

Total General Revenues

Change in Net Position

Net Position - Beginning of year, restated

Net Position - End of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
(\$99,016)	\$0	(\$99,016)
(1,052,392)	0	(1,052,392)
(1,399,027)	0	(1,399,027)
(198,601)	0	(198,601)
(283,490)	0	(283,490)
(85,364)	0	(85,364)
(8,962)	0	(8,962)
(3,126,852)	0	(3,126,852)
0	453,716	453,716
(3,126,852)	453,716	(2,673,136)
1,627,855	0	1,627,855
1,329,685	0	1,329,685
46,998	7,628	54,626
116,837	9,686	126,523
3,121,375	17,314	3,138,689
(5,477)	471,030	465,553
13,516,703	5,159,052	18,675,755
<u>\$13,511,226</u>	<u>\$5,630,082</u>	<u>\$19,141,308</u>

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FUND FINANCIAL STATEMENTS

MONROE CHARTER TOWNSHIP

*Governmental Funds
Balance Sheet
December 31, 2018*

	General	Special Revenue Fund
	General	Central Sewer
Assets		
Cash and cash equivalents	\$334,642	\$0
Certificate of deposit	1,141,464	2,451,889
Receivables:		
Special assessment	106,093	0
Accounts and accrued interest	286,515	13,894
Due from other governmental units	85,614	0
Prepaid expenditures	112,987	0
 Total Assets	 <u>\$2,067,315</u>	 <u>\$2,465,783</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$132,354	\$0
 Deferred Inflows of Resources		
Special assessments	106,093	0
 Fund Balances		
Non-spendable fund balance:		
Prepaid expenditures	112,987	0
Restricted for:		
Debt service	0	0
Assigned to:		
Streetlights	0	0
Public works	0	2,465,783
Health and safety	0	0
Township hall and technology improvements	0	0
Roads	0	0
Culture and recreation	0	0
Drains	0	0
Unassigned fund balance	1,715,881	0
 Total Fund Balances	 <u>1,828,868</u>	 <u>2,465,783</u>
 Total Liabilities and Fund Balances	 <u>\$2,067,315</u>	 <u>\$2,465,783</u>

See accompanying notes to the basic financial statements.

Debt Service Fund	Capital Projects Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	Health and Safety	Roads		
Special Assessment Water District #70				
\$43,509	\$900,430	\$542,561	\$504,956	\$2,326,098
0	0	95,038	0	3,688,391
121,855	0	0	13,238	241,186
7,009	0	190	669	308,277
0	0	0	0	85,614
0	0	0	0	112,987
<u>\$172,373</u>	<u>\$900,430</u>	<u>\$637,789</u>	<u>\$518,863</u>	<u>\$6,762,553</u>
\$0	\$0	\$0	\$11,759	\$144,113
106,623	0	0	10,590	223,306
0	0	0	0	112,987
65,750	0	0	0	65,750
0	0	0	74,903	74,903
0	0	0	114,670	2,580,453
0	900,430	0	0	900,430
0	0	0	61,617	61,617
0	0	637,789	0	637,789
0	0	0	245,323	245,323
0	0	0	1	1
0	0	0	0	1,715,881
<u>65,750</u>	<u>900,430</u>	<u>637,789</u>	<u>496,514</u>	<u>6,395,134</u>
<u>\$172,373</u>	<u>\$900,430</u>	<u>\$637,789</u>	<u>\$518,863</u>	<u>\$6,762,553</u>

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MONROE CHARTER TOWNSHIP

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

December 31, 2018

Total Fund Balances - Governmental Funds		\$6,395,134
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:		
Cost of the capital assets	\$12,254,467	
Accumulated depreciation	(5,349,963)	
		<u>6,904,504</u>
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		223,306
Long-term accounts receivable on sale of land.		162,000
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(165,000)	
Accrued interest	(1,308)	
Compensated absences	(7,410)	
		<u>(173,718)</u>
Total Net Position - Governmental Activities		<u><u>\$13,511,226</u></u>

See accompanying notes to the basic financial statements.

MONROE CHARTER TOWNSHIP

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2018*

	General	Special Revenue Fund Central Sewer
Revenues		
Property taxes	\$1,627,855	\$0
Special assessments	0	0
Licenses and permits	251,643	0
Grants	1,329,685	0
Contributions	0	0
Charges for services	38,356	0
Interest and penalties	12,079	26,570
Other	171,986	0
Total Revenues	3,431,604	26,570
Expenditures		
Legislative	83,121	0
General government	940,409	0
Public safety	968,496	0
Public works	37,376	0
Culture and recreation	107,019	0
Community and economic development	59,230	0
Debt service	0	0
Other	693,413	0
Total Expenditures	2,889,064	0
Excess (Deficiency) of Revenues Over Expenditures	542,540	26,570
Other Financing Sources (Uses)		
Operating transfers in	66,737	0
Operating transfers out	(434,637)	0
Total Other Financing Sources (Uses)	(367,900)	0
Net Change in Fund Balances	174,640	26,570
Fund Balances - Beginning of year	1,654,228	2,439,213
Fund Balances - End of year	<u>\$1,828,868</u>	<u>\$2,465,783</u>

See accompanying notes to the basic financial statements.

Debt Service Fund	Capital Projects Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
Special Assessment Water District #70	Health and Safety	Roads			
\$0	\$0	\$0	\$0	\$0	\$1,627,855
15,232	0	0	0	165,603	180,835
0	0	0	0	0	251,643
0	0	0	0	0	1,329,685
0	10,025	0	0	0	10,025
0	0	0	0	0	38,356
7,024	0	656	669	669	46,998
0	9,533	0	0	0	181,519
22,256	19,558	656	166,272	166,272	3,666,916
0	0	0	0	0	83,121
0	0	0	1,250	1,250	941,659
0	0	0	0	0	968,496
0	0	56,889	192,811	192,811	287,076
0	0	0	4,677	4,677	111,696
0	65,825	0	0	0	125,055
29,075	0	0	46	46	29,121
0	13,031	0	0	0	706,444
29,075	78,856	56,889	198,784	198,784	3,252,668
(6,819)	(59,298)	(56,233)	(32,512)	(32,512)	414,248
0	75,000	300,000	59,637	59,637	501,374
0	0	0	(66,737)	(66,737)	(501,374)
0	75,000	300,000	(7,100)	(7,100)	0
(6,819)	15,702	243,767	(39,612)	(39,612)	414,248
72,569	884,728	394,022	536,126	536,126	5,980,886
\$65,750	\$900,430	\$637,789	\$496,514	\$496,514	\$6,395,134

MONROE CHARTER TOWNSHIP

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2018*

Net Change in Fund Balances - Total Governmental Funds	\$414,248
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 allocated over their estimated useful lives as depreciation expense.	
Capital outlay	\$15,004
Depreciation expense	<u>(373,713)</u>
	(358,709)
Changes in the liability for compensated absences are reported as an expenditure in the statement of activities, but not in the governmental funds.	1,001
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	160
Repayments of long term debt are an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt).	20,000
Current installment received for sale of land is recorded as revenue during the fiscal year in the governmental fund financial statements, but is not revenue in the statement of activities.	(54,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	<u>(28,177)</u>
Change in Net Position - Governmental Activities	<u><u>(\$5,477)</u></u>

See accompanying notes to the basic financial statements.

MONROE CHARTER TOWNSHIP

*Agency Funds
Statement of Fiduciary Assets and Liabilities
December 31, 2018*

	<u>Agency General</u>	<u>Tax Collection</u>	<u>Escrow Accounts</u>	<u>Totals</u>
Assets				
Cash	\$69,074	\$1,660,036	\$32,981	\$1,762,091
Receivables:				
Accounts	2,472	0	0	2,472
Taxes	0	7,137,245	0	7,137,245
 Total Assets	 <u>\$71,546</u>	 <u>\$8,797,281</u>	 <u>\$32,981</u>	 <u>\$8,901,808</u>
 Liabilities				
Due to other governmental units	\$69,486	\$15,875	\$0	\$85,361
Due to taxing authorities	0	8,781,406	0	8,781,406
Due to property owners	0	0	32,981	32,981
Due to other local units	2,060	0	0	2,060
 Total Liabilities	 <u>\$71,546</u>	 <u>\$8,797,281</u>	 <u>\$32,981</u>	 <u>\$8,901,808</u>

See accompanying notes to the basic financial statements.

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 1 Description of the Township and Reporting Entity

The Township operates under a locally elected seven member Board form of government and provides the following services: public safety (fire), highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

The following entity is a joint venture which is not included in the governmental fund financial statements but is included as a business-type activity in the government-wide financial statements.

Monroe Metropolitan Water Pollution Control System

This is a joint venture between Monroe Charter Township, Frenchtown Charter Township, City of Monroe, and the County of Monroe to provide a wastewater treatment system to these municipalities located within the County of Monroe.

Note 2 Summary of Significant Accounting Policies

The financial statements of Monroe Charter Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

MONROE CHARTER TOWNSHIP

Notes to Financial Statements
Year Ended December 31, 2018

Note 2 Summary of Significant Accounting Policies
Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

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

The Special Revenue Fund - Central Sewer accounts for the collection of sanitary sewer district special assessments and their disposition.

The Debt Fund - Special Assessment Water District #70 accounts for the payment of special assessment bond principal and interest from special assessment levies for Hull Road.

The Capital Projects Fund – Health and Safety accounts for monies set aside for the payment of health and safety expenditures.

The Capital Projects Fund – Roads accounts for monies set aside for specific capital projects.

MONROE CHARTER TOWNSHIP

Notes to Financial Statements
Year Ended December 31, 2018

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Special Revenue Fund - Street Lights, Special Revenue Fund - Water District #68, Special Revenue Fund - Water District #69, Debt Service Fund - Special Assessment Water District #67, Capital Projects Fund - Township Hall and Technology Improvements, Capital Project Funds - Parks and Recreation, and Capital Projects Fund - Wry Road and Drainage Project.

C. Assets, Liabilities, and Net Position or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of five thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and buildings improvements	10-50 years
Machinery and equipment	3-10 years
Vehicles	5-25 years
Water Lines	50 years
Roads	20 years

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Continued)

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net position.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

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. 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.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned - The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The township board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Township will maintain a minimum unrestricted general fund balance of no less than 15% of annual budgeted expenditures.

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Concluded)

Compensated Absences - Township employees are granted vacation, personal, and sick days under formulas and conditions in the personnel policy manual. All earned vacation must be taken within the calendar year. Vacation time not used during the year will not accrue and will be lost. Personal days must be used and no accrual is allowed. Full-time employees earn five days of sick leave per calendar year. Part-time regular employees, after ninety days of continuous employment, shall receive prorated sick days according to the number of hours worked. As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days with the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. In the fund financial statements, these accounts are reported when paid

D. Unearned Revenue - Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the Township has legal claim to them.

E. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

F. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

G. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to October 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on January 1.
2. A public hearing is conducted during October to obtain taxpayer comments.
3. Prior to October 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 2 Summary of Significant Accounting Policies (Concluded)
Basis of Presentation (Concluded)
G. Budgetary Policies (Concluded)

6. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

H. Subsequent Events – The Township’s management evaluated subsequent events from December 31, 2018 through March 27, 2019, the date the financial statements were available to be issued.

Note 3 Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township’s actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At December 31, 2018, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized these depositories: Monroe Bank & Trust and Fifth Third Bank.

Interest rate risk. The Township’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 4 Deposits (Concluded)

Credit risk. The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

Concentration of credit risk. The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$9,126,210 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$356,735. In addition, the Township has deposits that are bank collateralized in the amount of \$8,148,063. The Township has uninsured and uncollateralized deposits of \$621,412. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

Note 5 Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

	Transfers Out			Total
	General Fund	Special Assessment Water District #67	Special Assessment Water District#68	
Transfers In:				
General Fund	\$0	\$4,052	\$62,685	\$66,737
Capital Projects Funds:				
Roads	300,000	0	0	300,000
Fire	75,000	0	0	75,000
Wry Road and Drainage Project	59,637	0	0	59,637
Total	\$434,637	\$4,052	\$62,685	\$501,374

The transfer from the Special Assessment Water District Funds to the General Fund was to close out the Special Assessment Water District Funds, as 2018 was the last year for collections. The transfer from the General Fund to the Roads Capital Projects Fund was for construction expenditures and future road projects. The transfer from the General Fund to the Fire Fund was to purchase new equipment. The transfer from General Fund to the Wry Road and Drainage Project Capital Projects Fund were for future expenditures.

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 6 Capital Assets

Capital asset activity for the fiscal year ended December 31, 2018, was as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Governmental Activities:				
Assets not being depreciated:				
Land	\$680,777	\$0	\$0	\$680,777
Capital assets being depreciated:				
Land improvements	2,900,279	0	0	2,900,279
Buildings and building improvements	3,136,340	0	0	3,136,340
Machinery and equipment	649,478	15,004	0	664,482
Vehicles	2,734,725	0	0	2,734,725
Roads	995,544	0	0	995,544
Water lines	1,142,320	0	0	1,142,320
	11,558,686	15,004	0	11,573,690
Total capital assets	12,239,463	15,004	0	12,254,467
Less accumulated depreciation for:				
Land improvements	(1,280,998)	(131,208)	0	(1,412,206)
Building and building improvements	(961,079)	(65,440)	0	(1,026,519)
Machinery and equipment	(482,883)	(10,999)	0	(493,882)
Vehicles	(1,387,011)	(93,443)	0	(1,480,454)
Roads	(497,771)	(49,777)	0	(547,548)
Water lines	(366,508)	(22,846)	0	(389,354)
	(4,976,250)	(373,713)	0	(5,349,963)
Total accumulated depreciation	(4,976,250)	(373,713)	0	(5,349,963)
Net capital assets	\$7,263,213	(\$358,709)	\$0	\$6,904,504

Depreciation expense was charged to governmental functions as follows:

General government	\$38,661
Public safety	125,398
Public works	72,624
Culture and recreation	<u>137,030</u>
 Total governmental activities	 <u>\$373,713</u>

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 7 Long-Term Debt

The following is a summary of long-term debt outstanding as of December 31, 2018:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<u>Special Assessment Bonds:</u>					
Water District #70	4.75-4.8%	11/08/05	05/01/07-2026	405,000	<u>\$165,000</u>

Changes in bond and loan principal during 2018 are summarized as follows:

	<u>Balance January 1, 2018</u>	<u>Addition</u>	<u>Retired</u>	<u>Balance December 31, 2018</u>	<u>Due In One Year</u>
Special Assessment Bonds Payable	<u>\$185,000</u>	<u>\$0</u>	<u>\$20,000</u>	<u>\$165,000</u>	<u>\$20,000</u>

The following is a schedule of remaining principal and interest requirements for the special assessment bonds as of December 31, 2018.

Water District #70 water main - \$405,000 bond issued dated November 8, 2005 by Monroe Charter Township.

<u>Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total</u>
	<u>May 1</u>	<u>November 1</u>	<u>May 1</u>	<u>Requirements</u>
2019	\$3,925	\$3,450	\$20,000	\$27,375
2020	3,450	2,975	20,000	26,425
2021	2,975	2,500	20,000	25,475
2022	2,500	2,025	20,000	24,525
2023	2,025	1,550	20,000	23,575
2024	1,550	1,075	20,000	22,625
2025	1,075	600	20,000	21,675
2026	<u>600</u>	<u>0</u>	<u>25,000</u>	<u>25,600</u>
	<u>\$18,100</u>	<u>\$14,175</u>	<u>\$165,000</u>	<u>\$197,275</u>

MONROE CHARTER TOWNSHIP

*Notes to Financial Statements
Year Ended December 31, 2018*

Note 7 Long-Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2018, are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Year Ending December 31,</u>			
2019	\$20,000	\$7,375	\$27,375
2020	20,000	6,425	26,425
2021	20,000	5,475	25,475
2022	20,000	4,525	24,525
2023	20,000	3,575	23,575
2024-2026	<u>65,000</u>	<u>4,900</u>	<u>69,900</u>
	<u>\$165,000</u>	<u>\$32,275</u>	<u>\$197,275</u>

Note 8 Operating Lease

The Township entered into operating leases with Ricoh for three copiers. The lease terms are for sixty (60) months each, ending in 2019. The following are the annual lease payment obligations:

<u>Year</u>	<u>Amount</u>
2019	<u>\$7,364</u>

Note 9 Property Taxes

The Township bills and collects its own property taxes and also taxes for the County of Monroe, Monroe Public Schools, Ida Public Schools, Monroe County Community College, and the Monroe County Intermediate School District. Collections are accounted for in the Tax Collection Agency Fund. On December 1, 2017, the Township levied 3.7911 mills for general operating due and payable on February 14, 2018. The valuation for real and personal property totaled \$393,194,228 which was based on December 31, 2017 assessments. During 2018, the Township received \$122,189 for administrative fees.

The taxes receivable of \$7,137,245 and the liability to the taxing authorities of \$8,781,406 reflected in the Tax Collection Agency Fund relate to the December 2018 tax bills. The Township's share of these taxes will be reflected as revenues in 2019.

Note 10 Employee's Pension Plan

The Township is a member of the Michigan Townships Association defined contribution plan administered by John Hancock Life Insurance Company, USA. All full time and permanent employees and all elected officials are eligible for participation upon employment with 100% vesting after two years of continuous employment. The Township, which contributes 10% of eligible wages, contributed \$97,816 in 2018. Employees may make voluntary contributions to the plan; they contributed \$5,712 in 2018. The Township has no liability beyond its own contribution. The covered payroll for the year was \$978,163 out of a total payroll of \$1,504,640. Plan provisions and contribution requirements are established and may be amended by the Township Board.

MONROE CHARTER TOWNSHIP

Notes to Financial Statements
Year Ended December 31, 2018

Note 11 Michigan Unemployment

On May 16, 1974, Governor Milliken signed into law enrolled Senate Bill 741, which is known as Act No. 104 of the Public Acts of 1974. The provisions of this Act subject political subdivisions to the Michigan Employment Security Act effective January 1, 1975. The Township has elected to make reimbursement payments rather than to pay contributions as a contributing employer. As of December 31, 2018, no reserve has been established for this contingent liability.

Note 12 Accumulated Compensated Absences

As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days at the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. The liability as of December 31, 2018, for banked sick days totaled approximately \$7,410. In the fund financial statements, these accounts are reported when paid.

Note 13 Joint Venture

Monroe Charter Township is a member of the Monroe Metropolitan Water Pollution Control System. Monroe Charter Township, Frenchtown Township, and the City of Monroe each appoint two members and the County of Monroe appoints one member to the joint venture's seven member governing board, which approves the annual budget. The following is the financial information of the joint venture, obtained from their financial report, as of June 30, 2018:

Total assets	\$69,183,744
Deferred outflows of resources	62,128
Total liabilities	45,356,826
Deferred inflows of resources	231,251
Total net position	23,657,795
Total revenues	10,070,547
Total expenses	8,091,265
Increase in system equity	1,979,282

The operations of the joint venture are performed by the employees of the City of Monroe. Therefore, the City is liable for all related employee commitments and is then reimbursed by the joint venture.

Monroe Charter Township's investment in the joint venture is based on the capacity of the treatment facilities. Monroe Charter Township's capacity of the treatment facilities is 23.798%.

Complete financial statements for the Monroe Metropolitan Water Pollution Control System can be obtained from the City of Monroe Finance Department, 120 East First Street, Monroe, MI 48161.

The change in the joint venture is shown in the Statement of Activities under business-type activities. During the current year, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. As a result, the financial statements now include a liability for the unfunded portion of the System's retiree healthcare costs. As a result of implementing this statement, the beginning net position of the System has been restated to \$21,678,513. The effect of this new accounting standard was a decrease in net position of \$6,267,278 to reduce the net OPEB asset of \$4,453,264 and to record the net OPEB liability of \$1,814,014.

MONROE CHARTER TOWNSHIP

Notes to Financial Statements
Year Ended December 31, 2018

Note 14 Tax Abatements

Monroe Charter Township entered into property tax abatement agreements with local businesses under the Industrial Facilities Tax Exemption, P.A. 198 of 1974, M.C.L. 207.551 et seq and the New Personal Property Exemption, P.A. 328 of 1998, M.C.L. 211.9f, as amended. Under these exemptions, localities may grant property tax abatements of a business’s property tax bill for the purpose of attracting or retaining businesses within their jurisdiction, and to any business located within or promising to relocate to the Township.

For the year ended December 31, 2018, the Township abated property taxes totaling approximately \$1,924 under these programs.

Also, the Township has payments in lieu of taxes, which are established under the State Housing Development Authority Act of 1966. Under this authority, housing developments pay a percentage of shelter rents, ranging from 0 to 4 percent. Two of these housing developments have been exempt since the year they were built; and, therefore, they do not have a taxable value. If one of the housing developments were on the Ad Valorem tax roll, the Township would receive approximately \$13,080 more in property taxes.

Note 15 Contract to Develop, Lease, and Return Property

The Township sold the Links of Lake Erie property on May 31, 2016 through an installment sale. The property was sold to Nazar Properties for \$300,000. The terms of the installment loan included a down payment to the township of \$30,000 as of May 31, 2016. The loan will accrue interest for five years at five percent. The Township will receive \$54,000 annual principal payments beginning January 1, 2017 and will continue through January 1, 2021. The Township will receive a balloon payment with all interest due on January 1, 2021 in the amount of \$35,714. The following is the annual installment receivable:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$54,000	\$0	\$54,000
2020	54,000	0	54,000
2021	54,000	35,714	89,714
	<u>\$162,000</u>	<u>\$35,714</u>	<u>\$197,714</u>

Note 16 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman’s compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

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REQUIRED SUPPLEMENTAL INFORMATION

MONROE CHARTER TOWNSHIP

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Revenues				
Taxes:				
Current tax collection	\$1,401,102	\$1,500,000	\$1,491,785	(\$8,215)
Payments in lieu of taxes	5,800	5,800	5,764	(36)
Property tax administrative fee	115,000	122,500	122,189	(311)
Trailer park taxes	8,500	8,500	8,117	(383)
	<u>1,530,402</u>	<u>1,636,800</u>	<u>1,627,855</u>	<u>(8,945)</u>
Licenses and permits:				
Business licenses and permits	89,000	105,000	102,730	(2,270)
Non-business licenses and permits	80,000	52,300	42,059	(10,241)
Elec/plumbing/mech permits	60,000	60,000	59,702	(298)
Monitoring fees	50,500	52,700	43,506	(9,194)
Zoning permit fees	3,500	4,000	3,646	(354)
	<u>283,000</u>	<u>274,000</u>	<u>251,643</u>	<u>(22,357)</u>
Grants:				
State shared revenue	1,224,012	1,270,521	1,270,521	0
Local community stabilization authority	48,000	52,112	50,120	(1,992)
Federal grant	2,500	2,500	1,843	(657)
Metro Act revenue	8,000	7,202	7,201	(1)
	<u>1,282,512</u>	<u>1,332,335</u>	<u>1,329,685</u>	<u>(2,650)</u>
Charges for services:				
Cost recovery fees	10,000	17,500	16,449	(1,051)
Fines and forfeits	1,500	1,500	808	(692)
Passport fees	6,000	8,500	8,125	(375)
Penalties and interest on tax	5,000	5,000	4,254	(746)
Planning commission fees	4,000	1,875	1,875	0
Zoning board of appeals fees	3,500	1,500	1,500	0
Weed mowing fees	6,500	6,500	5,345	(1,155)
	<u>36,500</u>	<u>42,375</u>	<u>38,356</u>	<u>(4,019)</u>
Interest	10,000	12,500	12,079	(421)
Other revenue	169,500	179,550	171,986	(7,564)
Total Revenues	3,311,914	3,477,560	3,431,604	(45,956)
Expenditures				
Legislative:				
Township board	98,118	86,018	83,121	2,897
General government:				
Supervisor	110,153	104,885	104,538	347
Elections	54,100	60,600	56,391	4,209
Finance	19,000	16,800	16,800	0
Assessor	173,455	164,465	154,929	9,536
Legal fees	98,500	98,500	69,714	28,786
Clerk	190,942	190,507	190,217	290
Board of review	2,500	1,200	1,150	50
Treasurer	147,248	150,104	147,605	2,499
Township hall and grounds	164,641	163,250	139,387	23,863
General administration	103,800	103,800	59,678	44,122
	<u>1,064,339</u>	<u>1,054,111</u>	<u>940,409</u>	<u>113,702</u>

MONROE CHARTER TOWNSHIP

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
Expenditures (Concluded)				
Public safety:				
Police department	\$133,000	\$133,000	\$102,988	\$30,012
Fire department	693,256	739,205	683,158	56,047
Building department	182,542	196,543	182,350	14,193
	<u>1,008,798</u>	<u>1,068,748</u>	<u>968,496</u>	<u>100,252</u>
Public works:				
Engineering	5,000	5,000	4,170	830
Roads and drains	70,500	28,612	27,712	900
Cemetery	21,000	21,000	5,494	15,506
	<u>96,500</u>	<u>54,612</u>	<u>37,376</u>	<u>1,730</u>
Culture and recreation:				
Parks and recreation	126,200	115,431	107,019	8,412
Community and economic development:				
Zoning enforcement	70,768	60,760	59,230	1,530
Other:				
Employee benefits:				
Health insurance	340,000	342,150	338,448	3,702
Life insurance	12,000	10,065	10,060	5
Vision insurance	5,000	4,510	4,507	3
Dental insurance	31,000	27,110	27,108	2
Short and long term disability	10,000	10,000	9,912	88
Firefighters supplemental insurance	5,000	5,000	4,965	35
Retirement	99,800	99,800	97,816	1,984
Social security	113,000	115,000	113,277	1,723
General insurance	85,254	87,795	87,194	601
Unemployment insurance	1,000	127	126	1
Contingency	50,000	9,665	0	9,665
	<u>752,054</u>	<u>711,222</u>	<u>693,413</u>	<u>17,809</u>
Total Expenditures	<u>3,216,777</u>	<u>3,150,902</u>	<u>2,889,064</u>	<u>261,838</u>
Excess (Deficiency) of Revenues Over Expenditures	95,137	326,658	542,540	215,882
Other Financing Sources (Uses)				
Operating transfer in	120,000	107,979	66,737	(41,242)
Operating transfer out	(215,137)	(434,637)	(434,637)	0
Total Other Financial Sources (Uses)	<u>(95,137)</u>	<u>(326,658)</u>	<u>(367,900)</u>	<u>(41,242)</u>
Net Change in Fund Balance	0	0	174,640	174,640
Fund Balance - Beginning of year	<u>1,435,425</u>	<u>1,654,228</u>	<u>1,654,228</u>	<u>0</u>
Fund Balance - End of year	<u>\$1,435,425</u>	<u>\$1,654,228</u>	<u>\$1,828,868</u>	<u>\$174,640</u>

MONROE CHARTER TOWNSHIP

*Central Sewer Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$10,000	\$20,000	\$26,570	\$6,570
Expenditures				
Public works:				
Other	0	0	0	0
Net Change in Fund Balance	10,000	20,000	26,570	6,570
Fund Balance - Beginning of year	2,428,706	2,439,213	2,439,213	0
Fund Balance - End of year	<u>\$2,438,706</u>	<u>\$2,459,213</u>	<u>\$2,465,783</u>	<u>\$6,570</u>

MONROE CHARTER TOWNSHIP

*Health and Safety Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Contributions	\$5,000	\$10,100	\$10,025	(\$75)
Other	10,000	13,425	9,533	(3,892)
Total Revenues	15,000	23,525	19,558	(3,967)
Expenditures				
Public safety:				
Capital outlay	131,000	131,000	65,825	65,175
Other	10,000	12,710	13,031	(321)
Total Expenditures	141,000	143,710	78,856	64,854
Excess (Deficiency) of Revenues Over Expenditures	(126,000)	(120,185)	(59,298)	60,887
Other Financing Sources				
Operating transfers in	0	75,000	75,000	0
Net Change in Fund Balance	(126,000)	(45,185)	15,702	60,887
Fund Balance - Beginning of year	890,238	884,728	884,728	0
Fund Balance - End of year	\$764,238	\$839,543	\$900,430	\$60,887

MONROE CHARTER TOWNSHIP

Roads Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$200	\$500	\$656	\$156
Expenditures				
Public works:				
Engineering	6,512	6,512	3,062	3,450
Paving and drainage	310,000	293,988	53,827	240,161
Total Expenditures	316,512	300,500	56,889	243,611
Excess (Deficiency) of Revenues Over Expenditures	(316,312)	(300,000)	(56,233)	243,767
Other Financing Sources				
Operating transfers in	156,500	300,000	300,000	0
Net Change in Fund Balance	(159,812)	0	243,767	243,767
Fund Balance - Beginning of year	159,812	394,022	394,022	0
Fund Balance - End of year	\$0	\$394,022	\$637,789	\$243,767

OTHER SUPPLEMENTAL INFORMATION

MONROE CHARTER TOWNSHIP

*Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2018*

	Special Revenue Funds		
	Street Lights	Water District #68	Water District #69
Assets			
Cash and cash equivalents	\$86,662	\$0	\$111,353
Receivables:			
Special assessments	0	0	13,238
Accounts and accrued interest	0	0	669
Total Assets	<u>\$86,662</u>	<u>\$0</u>	<u>\$125,260</u>
Total Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$11,759	\$0	\$0
Deferred Inflows of Resources			
Special assessments	0	0	10,590
Fund Balances			
Restricted for:			
Debt service	0	0	0
Assigned to:			
Streetlights	74,903	0	0
Public works	0	0	114,670
Township hall and technology improvements	0	0	0
Culture and recreation	0	0	0
Drains	0	0	0
Total Fund Balances	<u>74,903</u>	<u>0</u>	<u>114,670</u>
Total Liabilities and Fund Balances	<u>\$86,662</u>	<u>\$0</u>	<u>\$125,260</u>

Debt Service Fund	Capital Projects Funds				
Special Assessment Water District #67	Township Hall and Technology Improvements	Parks and Recreation	Wry Road and Drainage Project	Total Nonmajor Governmental Funds	
\$0	\$61,617	\$245,323	\$1	\$504,956	
0	0	0	0	13,238	
0	0	0	0	669	
<u>\$0</u>	<u>\$61,617</u>	<u>\$245,323</u>	<u>\$1</u>	<u>\$518,863</u>	
\$0	\$0	\$0	\$0	\$11,759	
0	0	0	0	10,590	
0	0	0	0	0	
0	0	0	0	74,903	
0	0	0	0	114,670	
0	61,617	0	0	61,617	
0	0	245,323	0	245,323	
0	0	0	1	1	
0	61,617	245,323	1	496,514	
<u>\$0</u>	<u>\$61,617</u>	<u>\$245,323</u>	<u>\$1</u>	<u>\$518,863</u>	

MONROE CHARTER TOWNSHIP

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2018*

	Special Revenue Funds		
	Street Lights	Water District #68	Water District #69
Revenues			
Special assessments	\$162,955	\$0	\$2,648
Interest and penalties	0	0	669
Other	0	0	0
Total Revenues	162,955	0	3,317
Expenditures			
General government	0	0	0
Public works	128,011	0	0
Culture and recreation	0	0	0
Debt service	0	0	0
Total Expenditures	128,011	0	0
Excess (Deficiency) of Revenues Over Expenditures	34,944	0	3,317
Other Financing Sources			
Operating transfers in	0	0	0
Operating transfers out	0	(62,685)	0
Net Change in Fund Balances	34,944	(62,685)	3,317
Fund Balances - Beginning of year	39,959	62,685	111,353
Fund Balances - End of year	\$74,903	\$0	\$114,670

Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
Special Assessment Water District #67	Township Hall and Technology Improvements	Parks and Recreation	Wry Road and Drainage Project	
\$0	\$0	\$0	\$0	\$165,603
0	0	0	0	669
0	0	0	0	0
0	0	0	0	166,272
0	1,250	0	0	1,250
0	0	0	64,800	192,811
0	0	4,677	0	4,677
46	0	0	0	46
46	1,250	4,677	64,800	198,784
(46)	(1,250)	(4,677)	(64,800)	(32,512)
0	0	0	59,637	59,637
(4,052)	0	0	0	(66,737)
(4,098)	(1,250)	(4,677)	(5,163)	(39,612)
4,098	62,867	250,000	5,164	536,126
\$0	\$61,617	\$245,323	\$1	\$496,514

MONROE CHARTER TOWNSHIP

*Street Light Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$166,000	\$172,000	\$162,955	(\$9,045)
Expenditures				
Public works:				
Street light utility bills	166,000	172,000	128,011	43,989
Net Change in Fund Balance	0	0	34,944	34,944
Fund Balance - Beginning of year	87,976	53,039	39,959	(13,080)
Fund Balance - End of year	<u>\$87,976</u>	<u>\$53,039</u>	<u>\$74,903</u>	<u>\$21,864</u>

MONROE CHARTER TOWNSHIP

*Water District #68 Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special assessments	\$838	\$0	\$0	\$0
Interest	40	0	0	0
Total Revenue	878	0	0	0
Expenditures				
Public works	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	878	0	0	0
Other Financing Sources				
Operating transfers out	0	(62,686)	(62,685)	1
Net Change in Fund Balance	878	(62,686)	(62,685)	1
Fund Balance - Beginning of year	62,687	62,686	62,685	(1)
Fund Balance - End of year	\$63,565	\$0	\$0	\$0

MONROE CHARTER TOWNSHIP

*Water District #69 Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$2,648	\$2,648	\$2,648	\$0
Interest	700	700	669	(31)
Total Revenues	3,348	3,348	3,317	(31)
Expenditures				
Public works	0	0	0	0
Net Change in Fund Balance	3,348	3,348	3,317	(31)
Fund Balance - Beginning of year	111,355	111,353	111,353	0
Fund Balance - End of year	<u>\$114,703</u>	<u>\$114,701</u>	<u>\$114,670</u>	<u>(\$31)</u>

MONROE CHARTER TOWNSHIP

*Township Hall and Technology Improvements Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
General government:				
Capital outlay	15,000	15,000	1,250	13,750
Net Change in Fund Balance	(15,000)	(15,000)	(1,250)	13,750
Fund Balance - Beginning of year	62,866	62,867	62,867	0
Fund Balance - End of year	\$47,866	\$47,867	\$61,617	\$13,750

MONROE CHARTER TOWNSHIP

*Parks and Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Culture and recreation:				
Capital outlay	100,000	100,000	4,241	95,759
Other	21,000	21,000	436	20,564
Total Expenditures	<u>121,000</u>	<u>121,000</u>	<u>4,677</u>	<u>116,323</u>
Excess (Deficiency) of Revenues Over Expenditures	(121,000)	(121,000)	(4,677)	(116,323)
Other Financing Sources				
Operating transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>	<u>120,000</u>
Net Change in Fund Balance	(241,000)	(241,000)	(4,677)	116,323
Fund Balance - Beginning of year	<u>242,845</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Fund Balance - End of year	<u>\$1,845</u>	<u>\$9,000</u>	<u>\$245,323</u>	<u>\$116,323</u>

MONROE CHARTER TOWNSHIP

*Wry Road and Drainage Project
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Public works:				
Drainage	<u>64,800</u>	<u>64,800</u>	<u>64,800</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(64,800)	(64,800)	(64,800)	0
Other Financing Sources				
Operating transfers in	<u>58,637</u>	<u>59,637</u>	<u>59,637</u>	<u>0</u>
Net Change in Fund Balance	(6,163)	(5,163)	(5,163)	0
Fund Balance - Beginning of year	<u>6,163</u>	<u>5,164</u>	<u>5,164</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$0</u></u>	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$0</u></u>

MONROE CHARTER TOWNSHIP

*Agency Funds
Combining Balance Sheet
Year Ended December 31, 2016*

	<u>Agency General</u>	<u>Tax Collection</u>	<u>Escrow Accounts</u>	<u>Totals</u>
Assets				
Cash	\$69,074	\$1,660,036	\$32,981	\$1,762,091
Receivables:				
Accounts	2,472	0	0	2,472
Taxes	<u>0</u>	<u>7,137,245</u>	<u>0</u>	<u>7,137,245</u>
 Total Assets	 <u>\$71,546</u>	 <u>\$8,797,281</u>	 <u>\$32,981</u>	 <u>\$8,901,808</u>
 Liabilities				
Due to other governmental units	\$69,486	\$15,875	\$0	\$85,361
Due to taxing authorities	0	8,781,406	0	8,781,406
Due to property owners	0	0	32,981	32,981
Due to other local units	<u>2,060</u>	<u>0</u>	<u>0</u>	<u>2,060</u>
 Total Liabilities	 <u>\$71,546</u>	 <u>\$8,797,281</u>	 <u>\$32,981</u>	 <u>\$8,901,808</u>

MONROE CHARTER TOWNSHIP

*Agency Funds
Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended December 31, 2018*

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
Assets				
Cash	\$2,473,780	\$14,090,704	\$14,802,393	\$1,762,091
Receivables:				
Accounts	3,816	2,472	3,816	2,472
Taxes	6,198,215	13,081,084	12,142,054	7,137,245
Total Assets	<u>\$8,675,811</u>	<u>\$27,174,260</u>	<u>\$26,948,263</u>	<u>\$8,901,808</u>
Liabilities				
Due to other governmental units	\$85,269	\$18,306,526	\$18,306,434	\$85,361
Due to taxing authorities	8,554,662	8,781,406	8,554,662	8,781,406
Due to property owners	32,700	45,870	45,589	32,981
Due to other local units	3,180	40,458	41,578	2,060
Total Liabilities	<u>\$8,675,811</u>	<u>\$27,174,260</u>	<u>\$26,948,263</u>	<u>\$8,901,808</u>

MONROE CHARTER TOWNSHIP

*Agency Funds
Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended December 31, 2018*

Agency - General

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Assets				
Cash	\$69,327	\$1,684,564	\$1,684,817	\$69,074
Accounts receivable	<u>3,816</u>	<u>2,472</u>	<u>3,816</u>	<u>2,472</u>
 Total Assets	 <u><u>\$73,143</u></u>	 <u><u>\$1,687,036</u></u>	 <u><u>\$1,688,633</u></u>	 <u><u>\$71,546</u></u>
Liabilities				
Due to other governmental units	\$69,963	\$1,646,578	\$1,647,055	\$69,486
Due to other local units	<u>3,180</u>	<u>40,458</u>	<u>41,578</u>	<u>2,060</u>
 Total Liabilities	 <u><u>\$73,143</u></u>	 <u><u>\$1,687,036</u></u>	 <u><u>\$1,688,633</u></u>	 <u><u>\$71,546</u></u>

Tax Collection Fund

Assets				
Cash	\$2,371,753	\$12,360,270	\$13,071,987	\$1,660,036
Taxes receivable	<u>6,198,215</u>	<u>13,081,084</u>	<u>12,142,054</u>	<u>7,137,245</u>
 Total Assets	 <u><u>\$8,569,968</u></u>	 <u><u>\$25,441,354</u></u>	 <u><u>\$25,214,041</u></u>	 <u><u>\$8,797,281</u></u>
Liabilities				
Due to other governmental units	\$15,306	\$16,659,948	\$16,659,379	\$15,875
Due to taxing authorities	<u>8,554,662</u>	<u>8,781,406</u>	<u>8,554,662</u>	<u>8,781,406</u>
 Total Liabilities	 <u><u>\$8,569,968</u></u>	 <u><u>\$25,441,354</u></u>	 <u><u>\$25,214,041</u></u>	 <u><u>\$8,797,281</u></u>

MONROE CHARTER TOWNSHIP

*Agency Funds
Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended December 31, 2018*

Escrow Accounts

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
Assets				
Cash	<u>\$32,700</u>	<u>\$45,870</u>	<u>\$45,589</u>	<u>\$32,981</u>
Liabilities				
Due to property owners:				
Bay Corrugated	\$3,793	\$0	\$0	\$3,793
Chirco/Somerset Park	60	907	906	61
Donaldson, Jack	0	10,830	3,579	7,251
Durochers	1,031	0	0	1,031
Fire Insurance 15% Withholding	12,262	4,461	12,262	4,461
Gerweck Nissan	336	3,064	1,844	1,556
Gross, William - Restaurant	1,491	0	1,250	241
Hoffman, David/Goldsmith, Phil	393	0	393	0
Kroger	4,855	0	4,855	0
MCCC	0	3,152	1,187	1,965
McFate Group	764	0	764	0
McGowan, Shaun	0	339	0	339
Molino, Curt	0	887	887	0
Musson, Chuck	240	0	0	240
Nature Center/Park Pavillion Rental Deposits	300	900	1,200	0
Oak Knoll	0	10,000	10,000	0
PT Unlimited/Paul VanAken	3,935	0	165	3,770
Peddler / Solicitor Bonds	0	500	500	0
Quaternity - Close & Sons	473	0	0	473
Standford Allen Chevrolet	1,693	0	0	1,693
Vanston/O'Brien, Inc.	1,000	10,830	5,797	6,033
Verizon Wireless	74	0	0	74
Total Liabilities	<u>\$32,700</u>	<u>\$45,870</u>	<u>\$45,589</u>	<u>\$32,981</u>

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MONROE CHARTER TOWNSHIP

*Index to Central Sewer and Water Districts
Year Ended December 31, 2017*

Sewer District

Central Sewer

Water Districts

#67 Drummonds Court Watermain

#68 LaPlaisance Road

#69 Goutz Road Watermain

#70 Hull Road Watermain

