

BRIDGEPORT CHARTER TOWNSHIP
SAGINAW COUNTY, STATE OF MICHIGAN

FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
YEAR-END DECEMBER 31, 2018

TOWNSHIP OFFICIALS – As of DECEMBER 31, 2018

Township Board

Supervisor	August Tausend
Clerk	Darlene Miller
Treasurer	James Second Jr.
Trustee	Darrell Thayer
Trustee	Calvin Williams
Trustee	Heather Wilson
Trustee	Jennifer Gutierrez

Other Officers and Officials

Township Manager	Rose Licht
Accounting Supervisor	Ron Rachwitz

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Members:
American Institute of C.P.A.'s
Michigan Association of C.P.A.'s

INDEPENDENT AUDITOR'S REPORT

To Management and the Township Board
Bridgeport Charter Township

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township, as of December 31, 2018, and the respective changes in financial position

and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Township implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the Township to report its net OPEB obligation and associated deferred outflows of resources, deferred inflows of resources, and other postemployment benefits expense. The Township has restated their January 1, 2018 net position accordingly. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedules, the Municipal Employees Retirement System Schedules and other post-employment benefit schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bridgeport Charter Township's financial statements. The Nonmajor Governmental Funds Balance Sheet and Statement of Revenues and Expenditures, Downtown Development Authority Schedules, and the Schedule of Indebtedness, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Nonmajor Governmental Funds Balance Sheet and Statement of Revenues and Expenditures, Downtown Development Authority Schedules, and the Schedule of Indebtedness 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

QUAST, JANKE AND COMPANY



Certified Public Accountants, P.C.
May 30, 2019

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

This section of Bridgeport Charter Township annual Financial Report presents the Management Discussion and Analysis (MD&A) of the Township's financial activities during the fiscal year ended December 31, 2018. It is intended to be read as part of the Township's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded liabilities at December 31, 2018, by \$15,574,205. Of this amount \$ 3,442,308 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$ 217,602
- As the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$2,293,748 an increase of \$50,289 from the prior year.
- At the end of the current fiscal year, the General Fund's unassigned fund balance was \$ 606,391. Total fund balance for the General Fund was \$ 1,891,738.
- The Township's total debt decreased by \$ 39,543 and DDA debt decreased by 85,000.

USING THIS REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

- **Management's Discussion and Analysis** introduces the basic financial statements and provides an analytical overview of the Township's financial activities.
- **Government-Wide Financial Statements** consists of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Township as a whole and represent an overall view of the Township's finances.
- **Fund Financial Statements** tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report the Township's operations in more detail than the government-wide statements by providing information about the major funds.
- **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- **Required Supplementary Information**, other than management's discussion and analysis, provides information about the required budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of employer's contributions to Municipal Employees Retirement Systems of Michigan, and Other Post-Employment Benefits Schedules.

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- ***Other Supplementary Information*** provides detailed information about the Nonmajor Governmental Funds, DDA Component Unit and the Indebtedness Schedule.

REPORTING THE TOWNSHIP AS A WHOLE

The Statement of Net Position, the Statement of Activities, are Government-Wide Statements that report information about the Township as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the Township's finances is: Is the Township as a whole better or worse off as a result of the year's activities? The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private sector companies. The two statements report the Township's net position, which is the difference between assets and liabilities, as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. Additional factors such as changes in the Township's property tax base and the condition of the Township's infrastructure are also important in making this decision. The following paragraphs are intended to assist in making this overall assessment.

REPORTING THE TOWNSHIP'S MAJOR ACTIVITIES

In the Statement of Net Position and the Statement of Activities, we have divided the Township into two kinds of activities:

- **Governmental Activities** - Most of the Township 's basic services are reported here, such as public safety, public works, community and economic development, general government, recreation and culture, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- **Business-Type Activities** - This activity includes the Water and Sewer Fund. These activities are financed primarily by user charges.

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

The fund financial statements provide detailed information about individual, significant funds, not the Township as a whole. Some funds are required to be established by State law and by bond covenants. The Township can establish other funds to control and manage money for particular purposes (such as construction or street projects) and to show that it is properly using certain revenues (such as tax increment financing revenues). The Township has three kinds of funds: governmental, proprietary and fiduciary.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

Governmental Funds

The Governmental Funds account for most of the Township's basic services. They focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include the General Fund; Special Revenue Funds such as Refuse, Fire and Police Debt Service Fund and Capital Projects. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed, short-term view of the Township's general government operations and the basic 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. The financial statements required for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary Funds

Proprietary Funds account for the Township's enterprise funds. These funds report services for which the Township charges customers for the service it provides. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the Proprietary Fund and the Business-Type Activities included in the Government-Wide Statement is the detail and additional information, such as cash flows, provided in the Proprietary Fund statements. The Proprietary Funds which include the Water and Sewer Funds are considered to be major funds of the Township. The Township is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The Township uses an Internal Service Fund to accumulate and allocate costs internally of equipment among the Township's various functions. Because Internal Service Funds predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government wide financial statements. The financial statements required for Proprietary Funds include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position and a Statement of Cash Flows.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Township programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to Proprietary Funds. The Township's Fiduciary Funds are presented in the Fiduciary Fund Statement of Assets and Liabilities. Because by definition these assets are being held for the benefit of a third party, pension participants and other local governments, and cannot be used to address activities or obligations of the government, these funds are not incorporated into the Government-Wide Statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

GOVERNMENT- WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The following analysis shows the Township's total net position at December 31, 2018.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current Assets	\$ 3,256,624	\$ 3,181,615	\$ 6,813,818	\$ 6,459,215	\$ 10,070,442	\$ 9,640,830
Capital Assets	<u>3,059,602</u>	<u>2,561,213</u>	<u>9,348,280</u>	<u>9,625,759</u>	<u>12,407,882</u>	<u>12,186,972</u>
Deferred outflows of resources	<u>498,929</u>	<u>498,929</u>	<u>371,490</u>	<u>371,490</u>	<u>870,419</u>	<u>870,419</u>
Total Assets and deferred outflows of resources	<u>6,815,155</u>	<u>6,241,757</u>	<u>16,533,588</u>	<u>16,456,464</u>	<u>23,348,743</u>	<u>22,698,221</u>
LIABILITIES						
Current liabilities	597,929	577,302	161,864	123,119	759,793	700,421
Long-term liabilities	<u>4,306,478</u>	<u>2,133,947</u>	<u>2,701,130</u>	<u>1,872,814</u>	<u>7,007,608</u>	<u>4,006,761</u>
Total Liabilities	4,904,407	2,711,249	2,862,994	1,995,933	7,767,401	4,707,182
NET POSITION						
Net invested in capital assets	2,404,602	2,521,670	9,348,280	9,625,759	11,752,882	12,147,429
Restricted	379,015	557,798	-	-	379,015	557,798
Unrestricted	<u>(876,960)</u>	<u>451,040</u>	<u>4,319,268</u>	<u>4,834,772</u>	<u>3,442,308</u>	<u>5,285,812</u>
Total Net Position	<u>\$ 1,906,657</u>	<u>\$ 3,530,508</u>	<u>\$ 13,667,548</u>	<u>\$ 14,460,531</u>	<u>\$ 15,574,205</u>	<u>\$ 17,991,039</u>

The largest portion of the Township's net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. That is resources needed to repay the debt normally must be provided from other resources since selling capital assets to pay debt is rare.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Total unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements is \$3,442,308 and \$5,285,812 respectively.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

The following analysis provides the changes in the net position for the Township's governmental and business-type activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
PROGRAM REVENUES:						
Charges for services	\$ 677,378	\$ 676,959	\$ 2,931,798	\$ 2,894,311	\$ 3,609,176	\$ 3,571,270
Operating grants and contributions	85,253	87,674	167,481	81,243	252,734	168,917
Capital grants and contributions	60,000	38,282	-	-	60,000	38,282
GENERAL REVENUES:						
Property taxes	1,535,596	1,531,612	-	-	1,535,596	1,531,612
State shared revenue	901,024	873,956	-	-	901,024	873,956
Unrestricted investment earnings	7,778	1,913	23,967	14,776	31,745	16,689
Gain on sale of capital assets	(38,181)	-	-	-	(38,181)	-
Insurance recoveries	-	5,868	-	-	-	5,868
Miscellaneous revenue	337,573	337,287	-	-	337,573	337,287
TOTAL REVENUE	3,566,421	3,553,551	3,123,246	2,990,330	6,689,667	6,543,881
PROGRAM EXPENSES:						
General government	664,944	741,982	-	-	664,944	741,982
Public safety	1,593,167	1,559,351	-	-	1,593,167	1,559,351
Public works	1,014,042	1,058,767	-	-	1,014,042	1,058,767
Community & economic	90,925	86,831	-	-	90,925	86,831
Recreation and cultural	183,865	216,622	-	-	183,865	216,622
Interest on long term debt	850	2,537	-	-	850	2,537
Water & Sewer	-	-	2,924,272	3,067,559	2,924,272	3,067,559
TOTAL EXPENSES	3,547,793	3,666,090	2,924,272	3,067,559	6,472,065	6,733,649
Change in net position	18,628	(112,539)	198,974	(77,229)	217,602	(189,768)
Net position - beg of the yr	1,888,029	3,643,047	13,468,574	14,537,760	15,356,603	18,180,807
Net position - end of the year	\$ 1,906,657	\$ 3,530,508	\$ 13,667,548	\$ 14,460,531	\$ 15,574,205	\$ 17,991,039

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As Bridgeport Charter Township completed its year, its governmental funds reported a total fund balance of \$ 2,293,748 which is less than the \$2,243,459 total fund balance at December 31, 2017. The Township's major governmental funds include the General Fund, Refuse Collection Fund, and the Fire Fund.

General Fund

The general fund is the main operating fund of the Township and accounts for all activities not required to be reported in other funds. Most general governmental activities of the Township, which are financed by property tax levies, state shared revenues, and other unrestricted revenues are reported in the general fund. The General Fund highlights include:

- Ending fund balance was \$ 1,891,738 compared to the prior year ending fund balance of \$ 1,835,984.
- Increase in fund balance of \$ 55,754

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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- Revenues decreased \$ 9,552
- Total expenditures increased \$ 20,922
- Drains decreased \$121,937
- Unforeseen expenditures for relocation of government offices \$99,965

Refuse Collection Fund

The Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation. The fund balance decreased by \$156,651 for the year. The current year deficit was less than the budgeted deficit of \$171,058 and more than the prior deficit of \$115,627.

Fire Fund

The Fire Fund accounts for the revenue and expenditures with the government's fire operation. The Fire Fund again ended the year with a deficit fund balance. For the year the fund ended with an excess which reduced the deficit fund balance by \$78,630. As of year-end 2018 the deficit balance was \$4,744. Deficit to be eliminated in 2019.

INDIVIDUAL MAJOR BUSINESS-TYPE FUND ANALYSIS

As Bridgeport Charter Township completed its year, its Business-Type Funds reported total net position of \$ 13,587,266, which is more than the \$ 13,468,574 total net position at December 31, 2017.

- Sewer Fund net position increased by \$ 265,269.
- Water Fund net position decreased by \$ 146,577.
- Internal Service Fund net position decreased by \$ 9,131.

BUDGETARY HIGHLIGHTS

Prior to the beginning of any year, the Township's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Township acts to amend its budget to reflect changes in these original assumptions, facts and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year. The budget was amended several times during the year. Unfortunately, several expenditures in budgeted funds were in excess of the amounts budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Township's investment in capital assets, including land, buildings and improvements, equipment, water systems, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to citizens. Capital assets for governmental activities totaled \$ 2,993,400 (net of accumulated depreciation) at December 31, 2018. Capital assets for business-type activities totaled \$ 9,375,494 (net of

BRIDGEPORT CHARTER TOWNSHIP
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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

accumulated depreciation) at December 31, 2018. The notes to the financial statements contain more detailed information about the Township's capital assets.

The schedule of indebtedness included as other supplementary information contains the detail of all outstanding debt for the year. The GO drain bonds were paid off in full by the end of 2018. DDA development bond debt was reduced by \$85,000 leaving a balance of \$275,000 to be paid off thru 2021. The Township entered into a land contract agreement for building to replace the governmental center, the agreement matures in 2020 with a balance due of \$655,000.

ECONOMIC FACTORS

Elected and appointed officials must consider many factors in the preparation and adoption of the annual budget. One of the many factors affecting the budget is the State of Michigan fiscal health, because a significant source of revenue for the General Fund is state shared revenue, a portion which is subject to state legislative approval. The consequences of the amount of state shared revenue received by the township are and will be dependent upon the economic condition of the State of Michigan. Property tax values are another significant factor in township revenues and often difficult to consistently determine due to changes in property values.

NEW BUSINESSES IN THE TOWNSHIP

- Love's Travel Center at 6560 Dixie Highway including a Hardees.
- Insta-Glam Salon & Beauty Shop at 6971 Junction in the Help Restoration Building.
- Bomic Real Estate at 6161 Dixie Highway.
- Baker Auto at 4515 Dixie Hwy.
- Frankenmuth Credit Union at 5540 Dixie Hwy.

THE FOLLOWING BUSINESSES DID UPGRADES AND/OR EXPANSIONS

- McDonald's had an interior makeover at 6331 Dixie Hwy.
- Schoen Holdings is building a third storage building at 5526 Dixie Highway.
- Faith Lutheran Church is in the process of lower level alterations at 4241 Williamson Road.
- Help Restoration doubled the amount of parking at 6971 Junction Road.
- Night Flight Fireworks moved and renovated 6383 Dixie Highway.
- Bridgeport Gun Club made interior alterations to the kitchen and bar spaces at 3265 Roselle Road.

DOWNTOWN DEVELOPMENT AUTHORITY - (D.D.A.)

- Bill Wheeler became our D.D.A. Coordinator along with maintaining his position as our Parks and Recreation Director.

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DIXIE HIGHWAY RECONSTRUCTION PROJECT

Plans are underway for the Dixie Highway Reconstruction Project. The DDA has committed funds in amount of \$400,000.00.

- Resurfacing of I-75 to Airport Road will be resurfaced this year (2019).
- Reconstruction of Airport to Junction will be reconstructed in 2020.

CASS RIVER TRAILHEAD PROJECT

- The Cass River Trailhead project wrapped up at 4422 Williamson Road next to our Historic Bridge. A new pavilion and overlook on the Cass River were built. Renovation took place of the Historic Bridgeport Oil and Gas building converting it into public restrooms.

BUILDING DEPARTMENT

- Building permits were pulled consisting of new construction, decks, additions, demos, garages, pole buildings, etc., along with 90 Electrical permits, 85 Mechanical permits, and 54 Plumbing permits.

FIRE DEPARTMENT

Our Fire Department has provided over 75 years of outstanding service to our community.

- Assistant Fire Chief Dave Smigiel took over as Fire Chief when Pat Nelson retired.
- Our personnel responded to 1,221 emergency response calls.
- They committed a total of 7,622 hours serving our community. (Consisting of 5,594 hours of incident response, 1,452 hours of training, and 563 community events.)
- Completed 126 fire inspections and 179 code enforcement activities.
- Delivered CPR training to 46 people outside our own personnel.
- Delivered fire safety programs to 600 children.
- Obtained a new rescue boat to better facilitate access to the Cass River.
- Completed water rescue certification training.
- Acquired a 4x4 UTV through the DNR
- Completed implementation of a mutual aid box alarm system.
- Completed review of MIOSHA standards for compliance.

POLICE DEPARTMENT

- Our Police Department had 7,669 recorded CAD 911 events in 2018. (That number only represents the number of calls into Central Dispatch. It does not include the incidents that our Officers handled through our office and did not go through 911.)

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- Based on the recorded CAD events, each officer handled an average of approximately 959 events through 911.
- 617 were crimes against persons including homicide, abduction, criminal sexual conduct, robbery, simple assault, felonious assault, threats/intimidations, etc.
- 337 were crimes against property. Includes burglary, larceny, fraud, forgery, motor vehicle theft, embezzlement, damage to property, shoplifting, etc.
- 1,572 were traffic offenses. Includes driving while under the influence, driving while suspended, traffic crashes, etc.
- 192 were other criminal. These consist of drug offenses, weapons offenses, etc.
- 4,951 were general assistance. Includes medical calls, assist to fire department, assist to other police agencies, family troubles, neighbor disputes, barking/loose dogs, etc.
- Officers obtained 64 felony warrants and 53 misdemeanor warrants through the Saginaw County Prosecutor's office.
- Officers issued 605 traffic citations.

PARKS AND RECREATION – (P&R) ACTIVITIES THROUGH OUT THE YEAR

- Annual Easter egg hunt.
- Great Lakes Rendezvous and Walk through Time.
- Youth baseball/softball and adult co-ed softball.
- Great Lakes Bay Miracle League.
- Placed new signage at three of our community parks.
- Community Road Rally.
- K.E.Y. Classes (Keep Educating Yourself).
- "Come Out and Play" Kid Venture Summer Camp.
- Recycle program sponsored by Dr. Pepper/Snapple Group.
- Pound Fit.
- Yoga.
- Walking Club.

- Hoffman Canoe and Kayak Park experienced some minor set-backs with design issues and was not able to open in 2018. Corrections are being made and plans are to open the handicap accessible site this summer.

- We had a group of volunteers from Frankenmuth Bible Church perform a "serve Bridgeport" Day and they came to perform several tasks for not only the Parks and Recreation department but for the whole community with over 200 volunteers participating in the clean-up day.

WATER DEPARTMENT & D.P.W.

- We purchased 254,908,000 gallons of water from the City of Saginaw.
- A new watermain was installed around the Love facility on the Dixie Hwy.
- Handled 2,467 work orders.
- Handled 44 repair orders.
- Miss Dig Staking request totaled 1,322.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

GOVERNMENTAL CENTER BUILDING

- We were forced to vacate our Governmental Center building at 6206 Dixie Highway on Friday, April 6, 2018, when employees began feeling nauseous. It was discovered methane gases were coming into the building. We moved into the former United Pentecostal Church at 6740 Dixie Hwy. The old Governmental Center building is having the hazardous materials removed such as asbestos and demolition of the building will take place over the next several weeks. We are meeting with architects to determine the best fit for our employees and property owners such as renovate and add on to the church we are in today or build new.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to present citizens, taxpayers, customers, investors, creditors and other interested parties with a general overview of the Township's finances and operating activities. If you have any questions or require additional information, please contact Bridgeport Charter Township, 6206 Dixie Highway, Bridgeport, MI 48722.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business -Type Activities	Total	
ASSETS:				
Cash and cash equivalents	\$ 1,047,497	\$ 3,336,412	\$ 4,383,909	\$ 341,087
Investments	253,066	2,535,362	2,788,428	10,232
Receivables				
Taxes	1,267,367	19,106	1,286,473	195,722
Customers	17,426	581,863	599,289	-
Special assessments	37,701	-	37,701	-
Due from other units of government	187,407	-	187,407	-
Internal balances	230,204	133,439	363,643	1,221
Due from component unit	12,217	-	-	-
Inventories	3,452	127,831	131,283	-
Prepaid items	200,287	79,805	280,092	8,625
Capital assets not being depreciated	645,667	125,098	770,765	176,987
Capital assets being depreciated	2,413,935	9,223,182	11,637,117	520,251
Total Assets	6,316,226	16,162,098	22,478,324	1,254,125
Deferred outflow of resources				
Deferred amount relating to net pension liability	494,838	368,444	863,282	17,356
Total assets and deferred outflow of resources	6,811,064	16,530,542	23,341,606	1,271,481
LIABILITIES:				
Checks written against future deposits	\$ 42,412	\$ -	\$ 42,412	\$ -
Accounts payable	140,942	85,839	226,781	301
Accrued and other liabilities	50,933	76,025	126,958	5,506
Due to primary government	363,642	-	363,642	12,217
Due to other governmental units	-	-	-	-
Noncurrent liabilities				
Due within one year	-	-	-	90,000
Due in more than one year	747,400	28,800	776,200	187,000
Net pension liability	1,539,614	1,452,697	2,992,311	16,407
Net other post employment obligation	2,019,464	1,219,633	3,239,097	23,087
Total Liabilities	4,904,407	2,862,994	7,767,401	334,518
NET POSITION:				
Net investment in capital assets	\$ 2,404,602	\$ 9,348,280	\$ 11,752,882	\$ 697,238
Restricted for debt service	-	-	-	-
Restricted for public safety	243,987	-	243,987	-
Restricted for refuse collection	120,298	-	120,298	-
Restricted for drug enforcement	14,431	-	14,431	-
Restricted for building inspections	299	-	299	-
Unrestricted	(876,960)	4,319,268	3,442,308	239,725
Total Net Position	\$ 1,906,657	\$ 13,667,548	\$ 15,574,205	\$ 936,963

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General government	\$ 664,944	\$ 109,971	\$ 85,253	\$ -	\$ (469,720)	\$ -	\$ (469,720)	\$ -
Public safety	1,593,167	44,309	-	-	(1,548,858)	-	(1,548,858)	-
Public works	1,014,042	493,317	-	-	(520,725)	-	(520,725)	-
Community and economic development	90,925	-	-	-	(90,925)	-	(90,925)	-
Recreational and cultural	183,865	29,781	-	60,000	(94,084)	-	(94,084)	-
Interest on long-term debt	850	-	-	-	(850)	-	(850)	-
Total Governmental Activities	3,547,793	677,378	85,253	60,000	(2,725,162)	-	(2,725,162)	-
BUSINESS-TYPE ACTIVITIES								
Sewer	1,308,427	1,439,502	167,481	-	-	298,556	298,556	-
Water	1,615,845	1,492,296	-	-	-	(123,549)	(123,549)	-
Total Business-Type Activities	2,924,272	2,931,798	167,481	-	-	175,007	175,007	-
Total Primary Government	\$ 6,472,065	\$ 3,609,176	\$ 252,734	\$ 60,000	(2,725,162)	175,007	(2,550,155)	-
COMPONENT UNIT:								
Downtown Development Authority	\$ 302,058							(302,058)
GENERAL REVENUES:								
Property taxes					1,535,596	-	1,535,596	402,067
State shared revenues					901,024	-	901,024	-
Unrestricted investment income					7,778	23,967	31,745	124
Gain (Loss) on sale of capital assets					(38,181)	-	(38,181)	-
Insurance recoveries					-	-	-	-
Miscellaneous					337,573	-	337,573	206,919
Total General Revenues					2,743,790	23,967	2,767,757	609,110
Change in Net Position					18,628	198,974	217,602	307,052
Net Position - Beginning of Year					3,530,508	14,460,531	17,991,039	648,689
Prior Period Adjustment					(1,642,479)	(991,957)	(2,634,436)	(18,778)
Net Position - Beginning of Year (restated)					1,888,029	13,468,574	15,356,603	629,911
Net Position - End of Year					\$ 1,906,657	\$ 13,667,548	\$ 15,574,205	\$ 936,963

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENTAL FUNDS BALANCE SHEET
December 31, 2018

	SPECIAL REVENUE FUNDS				TOTAL
	GENERAL	REFUSE COLLECTION	FIRE	NONMAJOR GOVERNMENTAL	
ASSETS:					
Cash and cash equivalents	\$ 606,035	\$ -	\$ 217,222	\$ 224,240	\$ 1,047,497
Investments	138,060	40,926	-	-	178,986
Receivables					
Taxes	783,620	282,359	109,450	91,938	1,267,367
Customers	17,426	-	-	-	17,426
Special assessments	-	-	-	37,701	37,701
Due from other units of government	181,266	-	-	6,141	187,407
Due from other funds	230,204	-	-	-	230,204
Due from component unit	12,217	-	-	-	12,217
Prepaid items	130,567	45,895	-	1,574	178,036
TOTAL ASSETS	\$ 2,099,395	\$ 369,180	\$ 326,672	\$ 361,594	\$ 3,156,841
LIABILITIES:					
Checks written against future deposits	\$ -	\$ 22,183	\$ -	\$ -	\$ 22,183
Accounts payable	33,253	104,936	2,525	92	140,806
Accrued and other liabilities	46,027	-	-	4,906	50,933
Due to other funds	-	-	166,312	63,891	230,203
Due to other units of government	-	-	-	-	-
Advances from other funds	-	-	133,439	-	133,439
TOTAL LIABILITIES	\$ 79,280	\$ 127,119	\$ 302,276	\$ 68,889	\$ 577,564
DEFERRED INFLOWS OF RESOURCES:					
Grants	\$ -	-	-	-	-
Property Taxes	128,377	-	29,140	-	157,517
Special assessments	-	75,868	-	52,144	128,012
Total deferred inflows of resources	\$ 128,377	\$ 75,868	\$ 29,140	\$ 52,144	\$ 285,529
FUND BALANCES:					
Nonspendable for:					
Prepaid items	\$ 130,567	\$ 45,895	\$ -	\$ 1,574	\$ 178,036
Restricted for public safety	-	-	-	243,987	243,987
Restricted for debt service	-	-	-	-	-
Restricted for refuse collection	-	120,298	-	-	120,298
Restricted for drug enforcement	-	-	-	14,431	14,431
Restricted for building inspection	299	-	-	-	299
Committed for cemetery	16,108	-	-	-	16,108
Committed for fire safety	337,500	-	-	-	337,500
Committed for road improvements	311,131	-	-	-	311,131
Committed for government center	339,742	-	-	-	339,742
Committed for equipment pool	150,000	-	-	-	150,000
Committed for MERS pension	-	-	-	-	-
Committed for bond payment	-	-	-	-	-
Unassigned (deficit)	606,391	-	(4,744)	(19,431)	582,216
Total Fund Balances	\$ 1,891,738	\$ 166,193	\$ (4,744)	\$ 240,561	\$ 2,293,748
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,099,395	\$ 369,180	\$ 326,672	\$ 361,594	\$ 3,156,841

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENTAL FUNDS
 RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	2,293,748
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 therefore are not reported in the governmental funds		3,009,870
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.		285,529
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Accrued interest		-
Compensated absences		(92,400)
Net other post-employment benefit obligation		-
Deferred outflows of resources		
Deferred outflow of resources resulting from net pension liability		494,838
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.		(655,000)
Net pension liability		(1,539,614)
Net OPEB liability		(2,019,464)
Internal service funds are included as part of governmental activities		129,150
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	1,906,657

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2018

	Special Revenue Funds				
	GENERAL	REFUSE COLLECTION	FIRE	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES:					
Taxes	\$ 1,183,641	\$ -	\$ 189,747	\$ 162,208	\$ 1,535,596
Licenses and permits	109,971	-	-	-	109,971
Federal grants	-	-	-	-	-
State revenue sharing	901,024	-	-	-	901,024
Other state grants	85,253	-	-	60,000	145,253
Local contributions	10,937	-	-	-	10,937
Charges for services	29,781	493,317	-	-	523,098
Fines and forfeitures	37,362	-	-	6,947	44,309
Interest income	7,294	484	-	-	7,778
Rental income	14,042	-	-	-	14,042
Other revenue	196,653	41	-	39,232	235,926
	\$ 2,575,958	\$ 493,842	\$ 189,747	\$ 268,387	\$ 3,527,934
Total Revenues					
EXPENDITURES:					
Current					
General government	748,446	-	-	-	748,446
Public safety	1,220,664	-	59,238	148,618	1,428,520
Public works	378,549	650,493	-	-	1,029,042
Community and economic development	84,452	-	-	-	84,452
Recreation and culture	135,563	-	-	3,306	138,869
Other functions	1,369	-	-	-	1,369
Capital outlay	-	-	51,879	30,232	82,111
Debt service - principal	-	-	-	42,183	42,183
Debt service - interest and fiscal charges	-	-	-	1,202	1,202
	\$ 2,569,043	\$ 650,493	\$ 111,117	\$ 225,541	\$ 3,556,194
Total Expenditures					
DEFICIENCY OF REVENUES OVER EXPENDITURES	6,915	(156,651)	78,630	42,846	(28,260)
OTHER FINANCING SOURCES (USES):					
Transfer from other funds	94,058	-	-	34,168	128,226
Transfer to other funds	(47,100)	-	-	(4,458)	(51,558)
Insurance recoveries	-	-	-	-	-
Sale of fixed assets	1,881	-	-	-	1,881
	48,839	-	-	29,710	78,549
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	55,754	(156,651)	78,630	72,556	50,289
FUND BALANCE BEGINNING OF YEAR	1,835,984	322,844	(83,374)	168,005	2,243,459
FUND BALANCE END OF YEAR	\$ 1,891,738	\$ 166,193	\$ (4,744)	\$ 240,561	\$ 2,293,748

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GOVERNMENTAL FUNDS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	50,289
<p>Amounts reported for governmental activities in the statement of activities are different because -</p>		
<p>Governmental funds report capital outlays as expenditures while in the statement of activities, these costs are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense		(255,263)
Capital outlay		703,920
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>		
Special assessments		-
Grants		-
Property Taxes		20,422
<p>Expenses are recorded when incurred in the statement of activities</p>		
Accrued interest		352
Compensated absences		(14,600)
<p>The statement of net position reports the net pension liability and deferred outflows and deferred inflows of resources related to the net position liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions</p>		
Net change in net pension liability		203,652
Net change in the deferred outflow of resources related to the net pension liability		(4,091)
Net other post employment obligation		(64,105)
<p>Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.</p>		
Repayments of long-term debt		42,183
Land contract obligation		(655,000)
Internal service funds are also included as governmental activities		<u>(9,131)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u><u>18,628</u></u>

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2018

	Business-Type Activities			Governmental
	Major Enterprise Funds			Activities
	Sewer Fund	Water Fund	Total	Internal Service Funds
<u>ASSETS:</u>				
Current Assets:				
Cash and cash equivalents	\$ 1,256,739	\$ 2,079,673	\$ 3,336,412	\$ -
Investments	1,717,083	818,279	2,535,362	74,080
Accounts receivable				
Taxes	11,134	7,972	19,106	-
Customers	290,028	291,835	581,863	-
Inventory	-	127,831	127,831	3,452
Prepaid items	47,072	32,733	79,805	22,251
Total Current Assets	<u>3,322,056</u>	<u>3,358,323</u>	<u>6,680,379</u>	<u>99,783</u>
Noncurrent Assets:				
Advanced to other funds	-	133,439	133,439	-
Capital assets not being depreciated	123,988	1,110	125,098	-
Capital assets being depreciated	3,609,893	5,613,289	9,223,182	49,732
Total Noncurrent Assets	<u>3,733,881</u>	<u>5,747,838</u>	<u>9,481,719</u>	<u>49,732</u>
Total Assets	<u>7,055,937</u>	<u>9,106,161</u>	<u>16,162,098</u>	<u>149,515</u>
Deferred outflows of resources				
Deferred amount relating to net pension liability	254,621	113,823	368,444	-
Total asset and deferred outflows of resources	<u>7,310,558</u>	<u>9,219,984</u>	<u>16,530,542</u>	<u>149,515</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Checks written against future deposits	-	-	-	20,229
Accounts payable	22,932	62,907	85,839	136
Accrued expenses	16,962	59,063	76,025	-
Total Current Liabilities	<u>39,894</u>	<u>121,970</u>	<u>161,864</u>	<u>20,365</u>
Noncurrent Liabilities:				
Compensated absences	15,200	13,600	28,800	-
Net pension liability	990,028	462,669	1,452,697	-
Post employment benefit obligation	695,870	523,763	1,219,633	-
Total Noncurrent Liabilities	<u>1,701,098</u>	<u>1,000,032</u>	<u>2,701,130</u>	<u>-</u>
Total Liabilities	<u>1,740,992</u>	<u>1,122,002</u>	<u>2,862,994</u>	<u>20,365</u>
<u>NET POSITION:</u>				
Net investment in capital assets	3,733,881	5,614,399	9,348,280	49,732
Unrestricted	1,835,685	2,483,583	4,319,268	79,418
Total Net Position	<u>\$ 5,569,566</u>	<u>\$ 8,097,982</u>	<u>\$ 13,667,548</u>	<u>\$ 129,150</u>

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2018

	Business-Type Activities			Governmental Activities Internal Service
	Major Enterprise Funds			
	Sewer Fund	Water Fund	Total	
OPERATING REVENUES:				
Customer fees	\$ 1,384,152	\$ 1,474,631	\$ 2,858,783	\$ -
Billing to other funds	-	-	-	93,201
Connection fees	55,350	-	55,350	-
Other revenue	-	17,665	17,665	-
Total Operating Revenues	1,439,502	1,492,296	2,931,798	93,201
OPERATING EXPENSES:				
Personnel service	515,344	346,287	861,631	-
Supplies	44,574	815,799	860,373	18,183
Contractual services	71,535	19,402	90,937	17,065
Repairs and maintenance	211,771	63,607	275,378	36,127
Utilities	118,105	2,715	120,820	7,151
Other expenses	49,191	33,786	82,977	12,010
Depreciation	297,907	334,249	632,156	18,191
Total Operating Expenses	1,308,427	1,615,845	2,924,272	108,727
Operating Income	131,075	(123,549)	7,526	(15,526)
NONOPERATING REVENUES (EXPENSES):				
State grant	167,481	-	167,481	-
Interest Income	19,621	4,346	23,967	242
Gain (loss) on sale of assets	-	-	-	6,153
Insurance recovery	-	-	-	-
Interest expense	-	-	-	-
Total Nonoperating Revenues (Expenses)	187,102	4,346	191,448	6,395
Income (Loss) before contributions	318,177	(119,203)	198,974	(9,131)
Capital contributions	-	-	-	-
Change in Net Position	318,177	(119,203)	198,974	(9,131)
Net Position Beginning of Year	5,817,357	8,643,174	14,460,531	138,281
Prior Period Adjustment	(565,968)	(425,989)	(991,957)	-
Net Position - Beginning of Year (restated)	5,251,389	8,217,185	13,468,574	138,281
Net Position End of Year	\$ 5,569,566	\$ 8,097,982	\$ 13,667,548	\$ 129,150
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities			(5,355)	
Change in Net Position of Business-Type Activities			\$ 193,619	

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	Business-Type Activities			Internal Service Funds Equipment
	Major Enterprise Funds		Total	
	Sewer	Water		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 1,439,502	\$ 1,492,296	\$ 2,931,798	\$ -
Receipts from interfund users	-	-	-	93,201
Cash payments to suppliers for goods and services	(495,176)	(857,658)	(1,352,834)	(94,976)
Cash payments to employees for services	(592,305)	(309,306)	(901,611)	-
Net cash provided (used) by operating activities	<u>352,021</u>	<u>325,332</u>	<u>677,353</u>	<u>(1,775)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:				
Receipt of advances to other funds	-	56,148	56,148	-
Insurance recovery	-	-	-	-
State grant	167,481	-	167,481	-
Net cash provided (used) by noncapital financing activities	<u>167,481</u>	<u>56,148</u>	<u>223,629</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions	-	-	-	-
Purchases/construction of capital assets	(203,091)	(151,495)	(354,586)	(10,169)
Proceeds from sale of capital assets	-	-	-	14,601
Net cash provided (used) by capital and related financing activities	<u>(203,091)</u>	<u>(151,495)</u>	<u>(354,586)</u>	<u>4,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of investments	(19,621)	(605,960)	(625,581)	(243)
Interest on investments	19,621	4,346	23,967	242
Net cash provided (used) by investing activities	<u>-</u>	<u>(601,614)</u>	<u>(601,614)</u>	<u>(1)</u>
Net change in cash and cash equivalents	<u>316,411</u>	<u>(371,629)</u>	<u>(55,218)</u>	<u>2,656</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>993,236</u>	<u>2,478,676</u>	<u>3,471,912</u>	<u>(22,885)</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,309,647</u>	<u>\$ 2,107,047</u>	<u>\$ 3,416,694</u>	<u>\$ (20,229)</u>
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Income (loss) from operations	\$ 131,075	\$ (123,549)	\$ 7,526	\$ (15,526)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation expense	297,907	334,249	632,156	18,191
Non cash changes related to net pension liability	(128,851)	(60,259)	(189,110)	-
Non cash changes related to net OPEB liability	22,089	16,626	-	-
Change in assets and liabilities:				
Receivables (net)	3,147	(6,105)	(2,958)	-
Inventories	-	82,231	82,231	1,305
Prepaid items	1,389	(1,423)	(34)	(4,023)
Deferred outflows	-	-	-	-
Checks written against future deposits	-	-	-	(2,656)
Accounts payable	(13,306)	1,525	(11,781)	(1,722)
Accrued and other liabilities	863	49,663	50,526	-
Long term liabilities	572,857	5,000	577,857	-
Net Cash Provided (Used) in Operating Activities	<u>\$ 887,170</u>	<u>\$ 297,958</u>	<u>\$ 1,146,413</u>	<u>\$ (4,431)</u>

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
December 31, 2018

	<u>Delinquent Tax Fund</u>	<u>Current Tax Fund</u>	<u>Total Fiduciary Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 142,885	\$ 165,367	\$ 308,252
Receivables			0
Taxes	<u>34,725</u>	<u>0</u>	<u>34,725</u>
Total Assets	<u>\$ 177,610</u>	<u>\$ 165,367</u>	<u>\$ 342,977</u>
LIABILITIES:			
Accrued and other liabilities	\$ 0	\$ 0	\$ 0
Due to other funds	0	25,839	25,839
Due to other units of government	<u>177,610</u>	<u>139,528</u>	<u>317,138</u>
Total Liabilities	<u>\$ 177,610</u>	<u>\$ 165,367</u>	<u>\$ 342,977</u>

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

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A: DESCRIPTION OF REPORTING ENTITY:

Bridgeport Charter Township is located in Saginaw County and operates under an elected 7-member Board (4 Trustees Township Supervisor, Clerk and Treasurer) and provides services to its residents in many areas. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B: REPORTING ENTITY:

Financial Reporting Entity

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations as component units within the Township's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Township holds the corporate powers of the organization
- the Township appoints a voting majority of the organization's board
- the Township is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Township
- there is fiscal dependency by the organization on the Township

Discretely Presented Component Unit

The Downtown Development Authority (the DDA) is reported in a separate column to emphasize that it is legally separate from the Township. The members of the Governing Board of the Downtown Development Authority are appointed by the Township Board, the budgets and expenditures of the Downtown Development Authority must be approved by the Township Board. The Township also has the ability to significantly influence operations of the Downtown Development Authority. The Downtown Development Authority does not issue any other form of financial statements except as contained in the Bridgeport Charter Township annual financial statements.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

C: BASIS OF PRESENTATION:

Government-Wide Statements

The *government-wide financial statements* (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Township and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The *statement of activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for Governmental Funds, Proprietary Funds, and Fiduciary Funds. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Major Government Funds

General Fund –

General Fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Refuse Collection Fund –

The Refuse Collection Fund accounts for the revenue and expenditures for the Township's refuse collection operation.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fire Fund –

The Fire Fund accounts for the revenue and expenditures for the Township's fire protection.

Downtown Development Authority Fund –Discretely present component unit

The Downtown Development Authority Fund is used to account for revenues and expenditures related to the economic development, neighborhood revitalization, historic preservation, and capital improvements within its district, funded by various grants and mileage increases.

Major Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues of the sewer and water funds and the internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for sewer and water funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Water Fund –

Water Fund is used to account for the provision of water to the residents of the Township. Activities of the fund include administration, operation and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt. Costs are financed through charges to customers.

Sewer Fund –

Sewer Fund is used to account for the revenue and expenses for the operation of a sewer system for the residents of the Township. Activities of the fund include administration, operation and maintenance of the sewer lines and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt. Costs are financed through charges to customers.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Internal Service Funds accounts for major machinery and equipment purchases and maintenance provided to other departments of the government on a cost reimbursement basis.

Fiduciary Funds

Fiduciary, or Trust and Agency, Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Delinquent Tax Fund –

This accounts for property taxes owed to other units and the Township that are not collected within the normal collection period.

Tax Collection Fund –

Tax Collection Fund is an agency fund to account for collection of property taxes of other local units.

Nonmajor Special Revenue Funds

The nonmajor special revenue funds account for the proceeds of specific revenue sources separate accounting because of legal or regulatory provisions or administrative requirements. These include the Sidewalk, Police, Parks and Recreation, and Drug Enforcement.

The Williamson Debt Service Fund accounts for the accumulation of resources for, and payment of governmental activities principal, interest and related cost.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D: MEASUREMENT FOCUS/BASIS OF ACCOUNTING:

Measurement focus refers to what is being measured; *basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. *Basis of accounting* relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements, the proprietary fund and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, sales taxes, franchise fees, licenses, and interest income associated with the current fiscal period and have been so recognized. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government are recognized when received.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

E: ASSETS, LIABILITIES AND NET POSITION OR EQUITY:

Deposits and investments –

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables –

In general, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes –

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2018 taxable valuation of the government totaled \$ 217,154,742, on which ad valorem taxes consisted of 4.7332 mills for operating purposes. This resulted in \$ 1,027,812 for general operating expenses. The Bridgeport Charter Township Downtown Development Authority captured taxes totaling \$292,190.

Inventories and prepaid items –

Inventories are valued at cost, on a first-in, first-out basis. Inventories in the Water Fund are comprised of meters and parts. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Township follows the consumption method, and they therefore are capitalized as prepaid items in both entity-wide and fund financial statements.

Capital Assets–

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

Plant, property and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40-60 years
Building Improvements	15-30 years
Water and sewer lines	50-75 years
Machinery and equipment	3-7 years
Vehicles	3-5 years

Compensated absences –

It is the Township's policy to permit employees to accumulate earned but unused vacation and personal time benefits. All personal time must be used prior to the use of any accrued vacation leave. Any unused personal time is paid out at the end of the 12-month period during which they could have been used. Upon resignation, any unused personal time is compensated at 50% of the personal leave hours remaining at the time of termination. Vacation pay and personal time benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred outflows of resources -

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The Township reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension expense. Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees in the plan. The Township also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Long-term obligations –

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions –

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported to MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other post-employment benefits –

The Township receives an actuarial-based calculation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of the year underpaid amount, if any.

Deferred inflows of resources –

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The Township reports deferred inflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension expense.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Changes in assumptions and experience differences relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.

Fund equity –

In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Township's highest level of decision-making, its Board of Trustees. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Trustees.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Trustees, finance committee, or the Township Supervisor. The Board of Trustees has granted the finance committee and Township Supervisor the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

Net Position Flow Assumption – Sometimes a government will fund outlays for a particular purpose from both restricted and unrestricted net position. In order to calculate the amounts to report as restricted or unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township's policy is to consider restricted funds spent first.

Fund Balance Flow Assumption - When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Contingent liabilities –

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

F: CHANGE IN ACCOUNTING PRINCIPLE:

Adoption of New Accounting Pronouncement

The Governmental Accounting Standards Board issued Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* (GASB 75). The new standard, which the City adopted for the year ended December 31, 2018, requires a change in the way the Township reports its post-employment obligation (OPEB). Under the previous requirement (GASB No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*), only a portion of the obligation was reported. Under the new standard, the liability includes the full portion of the Township's net unfunded OPEB to more comprehensively and comparably measure the annual costs of other post-employment benefits. In accordance with the standard, the Township has reported a net change in its OPEB liability of \$2,653,214 as a cumulative effect of a change in accounting principle adjustment to unrestricted net position as of January 1, 2018 as detailed below.

	Governmental Activities	Business-Type Activities	Component Unit
Beginning of year, as previously reported Net Position	\$ 3,530,508	\$ 14,460,531	\$ 648,689
Net OPEB Obligation (old standard)	312,881	188,961	3,577
Net OPEB Obligation (new standard)	(1,955,360)	(1,180,918)	(22,355)
Beginning of year, as restated Net Position	\$ 1,888,029	\$ 13,468,574	\$ 629,911

G: UPCOMING ACCOUNTING AND REPORTING CHANGES:

Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for the fiscal year ending December 31, 2019.

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The criteria generally is on (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

G: UPCOMING ACCOUNTING AND REPORTING CHANGES (continued):

benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. The requirements of this Statement are effective for the fiscal year ending December 31, 2019.

GASB Statement No. 87, *Leases*, will be effective for fiscal years beginning after December 15, 2019. The objective of this standard is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The standard will require the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, is effective for reporting periods beginning after June 15, 2018 and increases government's debt disclosures and applies to all debt. Some additional disclosures include unused lines of credit, collateral pledged as security, and terms specified in debt agreements related to significant 1) events of default with finance-related consequences, 2) significant termination events with finance-related consequences, and 3) significant subjective acceleration clauses.

The Township is evaluating the impact the above GASBs will have on its financial reporting.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A: BUDGETARY INFORMATION:

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to September 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to November 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township Clerk is authorized to transfer budgeted amounts between line items within an

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued):

activity; however, any revisions that alter the total expenditures of an activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

B: DEFICIT FUND BALANCE

The Township has accumulated a deficit unassigned fund balance in the Sidewalks Fund of \$19,431 and in the Fire Fund of \$4,744. The government expects to eliminate these deficits through budgeting and future operations. The Township will file the required deficit elimination plan for Sidewalk Fund and Fire Fund.

NOTE 3. DEPOSITS AND INVESTMENTS:

At year end, the government's deposits and investments were reported in the basic financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 1,047,497	\$ 253,066	\$ 1,300,563
Business-type activities	3,336,412	2,535,362	5,871,774
Total primary government	4,383,909	2,788,428	7,172,337
Fiduciary funds	308,252	-	308,252
Component unit	341,087	10,232	351,319
Total	\$ 5,033,248	\$ 2,798,660	\$ 7,831,908

The breakdown of deposits for the Township is as follows:

	Primary Government	Fiduciary Funds	Component Unit	Total
Bank deposits (checking and savings accounts, money markets and certificate of deposit)	\$ 7,172,337	\$ 308,252	\$ 351,319	\$ 7,831,908
Insured deposits	(743,927)	-	-	(743,927)
Total uninsured	\$ 6,428,410	\$ 308,252	\$ 351,319	\$ 7,087,981

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 3. DEPOSITS AND INVESTMENTS (continued):

Credit risk – State statutes and the Township’s investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; banker’s acceptance of United States Banks; commercial paper rated within the three highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Concentration of credit risk – The Township minimizes credit risk by investing only in the safer types of securities, pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with whom the Township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized. Not more than 50% of any fund may be invested in commercial paper at any time.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Township’s deposits may not be returned to them. The Township’s deposit policy limits use to twelve (12) banks. As of December 31, 2018, \$ 7,087,981 of the Township’s bank balance of \$ 7,831,908 was exposed to custodial credit risk because it was uninsured and uncollateralized.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 4. CAPITAL ASSETS:

Capital asset activity of the primary government for the year ended December 31, 2018 was as follows:

	<u>Balance Jan 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec 31</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 452,047	\$ -	\$ -	\$ 452,047
Construction in progress	<u>193,620</u>	<u>-</u>	<u>-</u>	<u>193,620</u>
Total capital assets not being depreciated	<u>645,667</u>	<u>-</u>	<u>-</u>	<u>645,667</u>
Capital assets being depreciated				
Land improvements	1,712,130	26,048	-	1,738,178
Infrastructure	65,171	-	-	65,171
Building, additions and improvements	1,760,683	669,492	(1,026,455)	1,403,720
Machinery and equipment	1,253,436	18,637	-	1,272,073
Vehicles	<u>1,460,209</u>	<u>39,974</u>	<u>(42,839)</u>	<u>1,457,344</u>
Total capital assets being depreciated	<u>6,251,629</u>	<u>754,151</u>	<u>-</u>	<u>5,936,486</u>
Less accumulated depreciation for				
Land improvements	722,520	54,986	-	777,506
Infrastructure	65,171	-	-	65,171
Building, additions and improvements	1,643,576	20,303	(986,393)	677,486
Machinery and equipment	1,070,520	28,753	-	1,099,273
Vehicles, furniture and equipment	<u>834,296</u>	<u>169,412</u>	<u>(34,391)</u>	<u>969,317</u>
Total accumulated depreciation	<u>4,336,083</u>	<u>273,454</u>	<u>-</u>	<u>3,588,753</u>
Net capital assets being depreciated	<u>\$ 1,915,546</u>	<u>\$ 480,697</u>	<u>\$ -</u>	<u>\$ 2,347,733</u>
Governmental activities capital assets, net	<u>\$ 2,561,213</u>	<u>\$ 480,697</u>	<u>\$ 0</u>	<u>\$ 2,993,400</u>

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 4. CAPITAL ASSETS (continued):

Business – type activities:

Capital assets not being depreciated

Land	\$ 29,110	\$ -	\$ -	\$ 29,110
Construction in progress	<u>120,852</u>	<u>95,988</u>	<u>120,852</u>	<u>95,988</u>
Total capital assets not being depreciated	<u>149,962</u>	<u>-</u>	<u>-</u>	<u>149,962</u>
Capital assets being depreciated				
Machinery and equipment	4,532,752	207,392	-	4,740,144
Water system	13,369,195	121,362	-	13,490,557
Sewer system	<u>8,671,529</u>	<u>50,787</u>	<u>-</u>	<u>8,722,316</u>
Total capital assets being depreciated	<u>26,573,476</u>	<u>379,541</u>	<u>-</u>	<u>26,953,017</u>
Less accumulated depreciation for				
Machinery and equipment	3,256,143	132,272	-	3,388,415
Water system	7,789,086	293,592	-	8,082,678
Sewer system	<u>6,050,100</u>	<u>206,292</u>	<u>-</u>	<u>6,256,392</u>
Total accumulated depreciation	<u>17,095,329</u>	<u>632,156</u>	<u>-</u>	<u>17,727,485</u>
Net capital assets being depreciated	<u>9,478,147</u>	<u>(252,615)</u>	<u>-</u>	<u>9,225,532</u>
Business-type capital assets, net	<u>\$ 9,628,109</u>	<u>\$ (252,615)</u>	<u>\$ -</u>	<u>\$ 9,375,494</u>

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 4. CAPITAL ASSETS (continued):

Capital asset activity of the component unit for the year ended December 31, 2018 was as follows:

Component unit	<u>Balance Jan 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec 31</u>
Capital assets not being depreciated				
Land	\$ 176,988	\$ -	\$ -	\$ 176,988
Construction in progress	<u>32,360</u>	<u>-</u>	<u>32,360</u>	<u>-</u>
Total capital assets not being depreciated	<u>209,348</u>	<u>-</u>	<u>32,360</u>	<u>176,988</u>
Capital assets being depreciated				
Land improvements	<u>185,527</u>	<u>371,668</u>	<u>-</u>	<u>557,195</u>
Less accumulated depreciation for Land improvements	<u>23,757</u>	<u>13,187</u>	<u>-</u>	<u>36,944</u>
Net capital assets being depreciated	<u>161,770</u>	<u>358,481</u>	<u>-</u>	<u>520,251</u>
Component unit capital assets, net	<u>\$ 371,118</u>	<u>\$ (358,481)</u>	<u>\$ -</u>	<u>\$ 697,239</u>

Depreciation expense was charged to programs as follows:

Governmental activities

General Fund	\$ 54,691
Public safety	153,129
Public works	14,582
Community and economic development	12,763
Recreation and culture	<u>38,289</u>
Total governmental activities	<u>273,454</u>

Business-type activities

Sewer	297,907
Water	<u>334,249</u>
Total business-type activities	<u>632,156</u>
Total primary government	<u>\$ 905,610</u>

Component Unit

Economic Development	<u>\$ 13,187</u>
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BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The composition of inter-fund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
General	Fire	\$ 166,312
General	Nonmajor Funds	63,891
		<u>\$ 230,203</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The detail for interfund transfers is as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	Amount
Nonmajor Funds	General Fund	\$ 4,458
Nonmajor Funds	Nonmajor Funds	22,516
		<u>\$ 26,974</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the Township must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 6. LONG-TERM DEBT:

The government issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the General, Sewer and Water Funds.

On December 19, 2018 the Township entered into a land contract agreement with a private entity to purchase their building in the amount of \$655,000. The agreement is due in monthly installments beginning in January 2019 of \$2,500 interest only, with a balloon payment of \$655,000 due in June 2020.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 6. LONG-TERM DEBT (continued):

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Secured	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
GOVERNMENTAL ACTIVITIES										
Bonds and notes payable										
General obligation bonds										
1988 Drain Bonds	\$ 825,000	2018	6.00%	\$39,543 - \$42,182	Secured	\$ 39,543	\$ 0	\$ 39,543	\$ 0	\$ 0
Land Contract	655,000	2020	4.50%	\$655,000	Secured	0	655,000	0	655,000	0
Compensated absences						\$ 77,800	14,600	0	92,400	0
Total governmental activities						\$ 117,343	\$ 669,600	\$ 39,543	\$ 747,400	\$ 0
BUSINESS-TYPE ACTIVITIES										
Compensated absences										
						\$ 39,000	\$ 0	\$ 10,200	\$ 28,800	\$ 0
COMPONENT UNITS										
General obligation bonds										
Downtown development bonds										
series 2002	\$ 1,365,000	2022	4.38% - 4.75%	\$80,000 - \$95,000	Secured	\$ 360,000	\$ 0	\$ 85,000	\$ 275,000	\$ 90,000
Compensated absences						\$ 4,900	0	700	4,200	0
Total component units						\$ 364,900	\$ 0	\$ 85,700	\$ 279,200	\$ 90,000

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of above totals for governmental activities.

Annual debt service requirements to maturity for the above obligations are as follows:

Government Activities		
Years Ending December 31	Principal	Interest
2019	\$ -	\$ 30,000
2020	655,000	15,000
Total	\$ 655,000	\$ 45,000
Component Unit		
Years Ending December 31	Principal	Interest
2019	\$ 90,000	\$ 10,888
2020	95,000	6,162
2021	90,000	2,314
Total	\$ 275,000	\$ 19,364

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims from these risks have not exceeded insurance coverage for the year ended December 31, 2018.

NOTE 8. DEFINED BENEFIT PENSION PLAN:

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

Benefits provided include plans with multipliers ranging from 2.00% to 2.50%. Vesting periods range from 6 to 10 years. Normal retirement age is 60 with early retirement ranging from 50 to 55 years with ranges of 15 to 30 years of service. Final average compensation is calculated based on 3 years. Member contributions range from 0% to 3.13%.

Employees Covered by Benefit Terms

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	25
Active Employees	<u>37</u>
Total	<u>98</u>

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued):

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 7.79% to 11.59% of payroll, depending upon the employee's plan.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salaries increases 3.75%; 3) Investment rate of return 7.75%, net of investment expense, including inflation.

Mortality rates used were based on a 50% male and 50% female blend of the following mortality tables: RP-2014 Healthy Annuitant Mortality Tables, RP-2014 Employee Mortality Tables, RP-2014 Juvenile Mortality Tables, and RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	57.5%	5.02%
Global Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued):

Discount Rate

The discount rate used to measure the total pension liability is 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability during the measurement year were as follows:

Total Pension Liability	
Service cost	\$ 173,066
Interest on the total pension liability	698,310
Experience differences	(98,567)
Changes in actuarial assumptions	0
Other changes	(1)
Benefits payments and refunds	<u>(500,569)</u>
Net change in total pension liability	272,239
Total pension liability - beginning	<u>8,892,627</u>
Total pension liability - ending (a)	<u>\$ 9,164,866</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 405,640
Employee contributions	47,464
Pension plan net investment income	729,213
Benefit payments and refunds	(500,569)
Pension plan administrative expense	<u>(11,531)</u>
Net change in plan fiduciary net position	670,217
Plan fiduciary net position - beginning	<u>5,485,931</u>
Plan fiduciary net position - ending (b)	6,156,148
Net pension liability (a-b)	<u>\$ 3,008,718</u>
Plan fiduciary net position as a percentage of total pension liability	67.17%
Covered employee payroll	\$ 1,780,483
Net pension liability as a percentage of covered employee payroll	168.98%

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued):

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability (NPL)		\$ 3,008,718	
Change in NPL	\$ 1,049,927	-	\$ (888,262)
Net Pension Liability	\$ 4,058,645	\$ 3,008,718	\$ 2,120,456

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2018, the employer recognized pension expense of \$ 640,212. The employer reported deferred outflows related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>	<u>Total to amortize</u>
Differences in Experience	\$ -	200,826	\$ (200,826)	\$ (200,826)
Differences in Assumptions	104,007	-	104,007	104,007
Excess Investment Returns	<u>541,514</u>	<u>-</u>	<u>541,514</u>	<u>541,514</u>
Subtotal	645,521	200,826	444,695	444,695
Contributions Subsequent to the Measurement Date*	<u>435,943</u>		<u>435,943</u>	<u>-</u>
Total	<u>\$ 1,081,464</u>		<u>\$ 880,638</u>	<u>\$ 444,695</u>

*The amount reports as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2018.

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	
2018	231,712
2019	88,407
2020	66,035
2021	<u>58,547</u>
	<u>\$ 444,695</u>

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB):

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in 2015.

GASB Statement No. 75 establishes standards for the measurement, recognition and display of other postemployment benefits (OPEB) and related liabilities and note disclosures in other plans in which the Township participates. GASB No. 75 was effective for the Township for the year beginning January 1, 2018. Current year expenditures include the current year "pay-as-you-go" amount and the recognition of the current year net change in total OPEB liability in the governmental activities, sewer and water funds. The changes in financial reporting as a result of this statement are outlined below.

Plan Description

The Township's Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Township. Substantially all of the Township's employees may become eligible for those benefits when the employee becomes eligible for the Michigan Employees' Retirement System, and retires from the Township. The Township will pay 50% per month toward the cost of health insurance premiums for the employee and their spouse. Upon reaching the age of 65, the provided benefits are reduced to a Medicare supplement program.

Plan Membership

As December 31, 2018, the OPEB plan consisted of:

Retires and survivors	11
Active plan member	17
Total	<u>28</u>

Funding Policy and Progress

The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). The Township has made no contributions in advance. For the year-ended December 31, 2018 the Township contributed \$31,140 for insurance premiums.

OPEB Plan Investments

As of December 31, 2018, there were no investments held by the plan.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

Net OPEB Liability

Total OPEB liability	\$3,262,185
OPEB plan fiduciary net position	0
Net OPEB liability	\$3,262,185
Plan fiduciary net position as a percentage of the Total OPEB liability	0.00%

Actuarial methods and assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	29 years, closed
Discount rate	3.00% - based on the 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of July 30, 2018
Salary increases	3.50%
Investment rate of return	3.00%
Retirement age	60
Mortality	RP-2014 Employee and Healthy Annuitant Tables with a 50/50 male and female blend
Healthcare cost trend rate	Pre-65: 8.5% gradually decreasing .25% per year to an ultimate rate of 4.5% Post 65: 7.0% gradually decreasing .25% per year to an ultimate rate of 4.5%

Discount Rate - The discount rate used to measure the total OPEB liability was 3.00%. Because the covered group is closed to new entrants and the City continues to make benefit payments on a pay-as-you-go basis, assets will theoretically not be depleted, and no cross-over point will occur so the average rate above is used for the discount rate. As long as benefits are paid from general operating funds, those benefits ought to be discounted at the municipal bond rate and a lower discount rate would result in a higher liability.

December 31, 2018 is the first year of required compliance with GASB 75, so there is no required discount rate change to disclose.

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

The total OPEB liability was updated to December 31, 2018 using the alternative measurement method.

Total Pension Liability

Service cost	\$ 154,573
Interest on the total pension liability	96,610
Differences between expected and actual experience and changes in assumptions	(116,490)
Benefits payments and refunds	<u>(31,140)</u>
Net change in total OPEB liability	103,553
Total OPEB liability - beginning	<u>3,158,632</u>
Total OPEB liability - ending	<u>\$ 3,262,185</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%
Covered employee payroll	\$ 967,003
Net pension liability as a percentage of covered employee payroll	337.35%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB Liability	\$ 3,674,115	\$ 3,262,185	\$ 2,886,544

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (7.50%)	Current Discount Rate (8.50%)	1% Increase (9.50%)
Net OPEB Liability	\$ 2,772,908	\$ 3,262,185	\$ 3,874,317

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued):

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense as follows:

	OPEB Expense
Service Cost	\$ 154,573
Interest on the total OPEB Liability	96,610
Experience (gains)/losses and Changes in assumptions	(116,490)
Employee contributions	-
Benefit payments	(31,140)
Investment earnings	-
Administrative expense	-
Other changes	-
Total OPEB expense	\$ 103,553

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of	Deferred Inflows of
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Total	\$ -	\$ -

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	
2019	\$ -
2020	-
2021	-
2022	-

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

Note 10. TAX ABATEMENTS:

Effective for year ended December 31, 2018, the Township is required to disclose tax abatements as required by GASB Statement 77, Tax Abatements. The Township enters into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Act PA Act 198 of 1974 (Industrial Facilities Exemption). Under the Act localities may grant property tax abatements of up to 50 percent of a business property bill for the purpose of attracting or retaining businesses within the jurisdictions. Property taxes abated under this program for the township amounted to \$1,595.

Note 11. FIXED ASSET IMPAIRMENT:

During 2018, the Township's Governmental Center located at 6206 Dixie Highway encountered methane gas leaks that made it unsafe to occupy. The building was built on a landfill in 1980 and has also encountered settling issues since 1994. The Township conducted studies on fixing both issues and October 2018 determined the costs to fix the settling and gas leak issues were too costly. The Township moved to a temporary location and in early 2019 demolished the Governmental Center located at 6206 Dixie Highway. The net book value and remediation costs totaled \$78,820.

REQUIRED SUPPLEMENTAL INFORMATION

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Taxes				
Property taxes	\$ 1,033,700	\$ 1,086,700	\$ 1,078,007	\$ (8,693)
Other taxes	5,400	5,383	12,839	7,456
Administration fees	89,000	89,000	92,795	3,795
Licenses and permits	59,310	110,193	109,971	(222)
Federal grants	-	-	-	-
State revenue sharing	831,000	891,268	901,024	9,756
State grants	88,100	84,778	85,253	475
Local contributions	15,000	10,000	10,937	937
Charges for services	27,700	28,000	29,781	1,781
Fines and forfeitures	47,600	39,008	37,362	(1,646)
Interest income	800	1,950	7,294	5,344
Rental income	32,500	14,800	14,042	(758)
Other revenue	230,585	220,385	196,653	(23,732)
Sale of fixed assets	100	1,900	1,881	-
Insurance recoveries	4,000	4,000	-	(4,000)
Transfer in	140,600	97,035	94,058	(2,977)
Total Revenues	2,605,395	2,684,400	2,671,897	(12,484)
EXPENDITURES:				
General Government				
Township board	36,095	121,095	129,519	(8,424)
Supervisor	13,729	13,729	14,749	(1,020)
Manager	90,110	97,110	97,569	(459)
Accounting	40,883	44,883	43,064	1,819
Clerk	10,455	10,455	10,362	93
Audit	8,000	8,000	5,125	2,875
Board of review	815	815	744	71
Treasurer	71,261	72,261	54,501	17,760
Assessor	82,140	86,140	85,948	192
Elections	26,413	26,413	28,387	(1,974)
Buildings & grounds	254,612	119,012	92,777	26,235
Attorney	20,000	6,000	4,737	1,263
Building inspections	151,002	155,720	149,693	6,027
Cemetery	30,863	30,863	31,271	(408)
Total general government	836,378	792,496	748,446	44,050
Public safety				
Police	838,222	839,222	802,099	37,123
Fire department	464,033	464,033	418,565	45,468
Total public safety	1,302,255	1,303,255	1,220,664	82,591
Public works				
Department of public works	133,608	133,608	121,897	11,711
Drains	31,500	31,500	17,935	13,565
Highways, streets, and bridges	90,460	131,460	130,064	1,396
Street lighting	124,000	124,000	108,653	15,347
Total public works	379,568	420,568	378,549	42,019
Community and economic development				
Planning	44,629	47,929	46,823	1,106
Zoning	40,219	40,219	37,629	2,590
Total community and economic development	84,848	88,148	84,452	3,696
Recreation and culture				
Parks and recreation	150,826	136,233	135,563	670
Other functions				
Tax tribunal refunds	5,000	5,000	1,369	3,631
Bond Principal				
Capital outlays	-	8,516	-	-
Transfers out				
	100,200	56,777	47,100	9,677
Total expenditures	2,859,075	2,810,993	2,616,143	194,850
Excess (deficiency) of revenues over expenditures	(253,680)	(126,593)	55,754	182,347
FUND BALANCE - BEGINNING OF YEAR	1,835,984	1,835,984	1,835,984	213,394
FUND BALANCE - END OF YEAR	\$ 1,582,304	\$ 1,709,391	\$ 1,891,738	\$ 182,347

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

REFUSE COLLECTION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ 495,125	\$ 495,125	\$ 493,317	\$ (1,808)
Interest income	100	100	484	384
Other revenue	20	20	41	21
Total Revenues	495,245	495,245	493,842	(1,403)
EXPENDITURES:				
Current				
Public works	666,303	666,303	650,493	15,810
Total Expenditures	666,303	666,303	650,493	(15,810)
Excess (deficiency) of revenues over expenditures	(171,058)	(171,058)	(156,651)	14,407
FUND BALANCE - BEGINNING OF YEAR	322,844	322,844	322,844	-
FUND BALANCE - END OF YEAR	\$ 151,786	\$ 151,786	\$ 166,193	\$ 14,407

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

FIRE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES:				
Taxes	\$ 189,315	\$ 189,315	\$ 189,747	\$ 432
Federal grant	9,500	9,500	-	(9,500)
Total Revenues	198,815	198,815	189,747	(9,068)
EXPENDITURES:				
Current				
Public safety	247,884	247,884	59,238	188,646
Capital outlay	64,400	64,400	51,879	12,521
Total Expenditures	312,284	312,284	111,117	(201,167)
Excess (deficiency) of revenues over expenditures	(113,469)	(113,469)	78,630	192,099
FUND BALANCE - BEGINNING OF YEAR	(83,374)	(83,374)	(83,374)	-
FUND BALANCE - END OF YEAR	\$ (196,843)	\$ (196,843)	\$ (4,744)	\$ 192,099

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

Required Supplementary Information
OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER'S OPEB CONTRIBUTIONS
Year Ended December 31, 2018

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Actuarial Determined Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	316,549
Contributions in relation to the actuarially determined contribution		0	0	0	0	0	0	0	0	31,140
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	285,409
Covered Employee Payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	967,003
Contributions as a percentage of covered employee payroll										3.22%

Notes to Schedule

This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Actuarially determined contribution rates are calculated as of June 30, each year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	29 years, closed
Discount rate	3.00% - based on the 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of July 30, 2018
Salary increases	3.50%
Investment rate of return	3.00%
Retirement age	60
Mortality	RP-2014 Employee and Healthy Annuitant Tables with a 50/50 male and female blend
Healthcare cost trend rate	Pre-65: 8.5% gradually decreasing .25% per year to an ultimate rate of 4.5% Post 65: 7.0% gradually decreasing .25% per year to an ultimate rate of 4.5%

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

SCHEDULE OF CHANGES IN NET - OPEB LIABILITY AND RELATED RATIOS
 LAST TEN FISCAL YEARS
December 31, 2018

	December 31 2018
Total Pension Liability	
Service cost	\$ 154,573
Interest on the total pension liability	96,610
Differences between expected and actual experience and changes in assumptions	(116,490)
Other changes	0
Benefits payments and refunds	(31,140)
Net change in total pension liability	103,553
Total pension liability - beginning	3,158,632
Total pension liability - ending (a)	\$ 3,262,185
 Plan Fiduciary Net Position	
Employer contributions	\$ 31,140
Employee contributions	0
Pension plan net investment income (loss)	0
Benefit payment and refunds	(31,140)
Pension plan administrative expense	0
Net change in plan fiduciary net position	0
Plan fiduciary net position - beginning	0
Plan fiduciary net position - ending (b)	0
Net pension liability (a-b)	\$ 3,262,185
 Plan fiduciary net position as a percentage of total pension liability	0.00%
Covered employee payroll	\$ 967,003
Net pension liability as a percentage of covered employee payroll	337.35%

Notes: GASB Statement No. 75 was implemented for the fiscal year ended December 31, 2018 and does not require retroactive implementation.
 Data will be added as information is available until 10 years of such data is available

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2018

	<u>December 31</u>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 173,066	\$ 164,609	\$ 168,143	\$ 148,505
Interest on the total pension liability	698,310	693,340	628,773	624,238
Experience differences	(98,567)	0	83,461	0
Changes in actuarial assumptions	0	(295,532)	416,034	0
Other changes	(1)	1	19,650	0
Benefits payments and refunds	<u>(500,569)</u>	<u>(508,472)</u>	<u>(505,952)</u>	<u>(472,908)</u>
Net change in total pension liability	272,239	53,946	810,109	299,835
Total pension liability - beginning	<u>8,892,627</u>	<u>8,838,681</u>	<u>8,028,572</u>	<u>7,728,737</u>
Total pension liability - ending (a)	<u>\$ 9,164,866</u>	<u>\$ 8,892,627</u>	<u>\$ 8,838,681</u>	<u>\$ 8,028,572</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 405,640	\$ 522,711	\$ 296,343	\$ 281,787
Employee contributions	47,464	34,949	31,641	29,772
Pension plan net investment income (loss)	729,213	553,728	(76,105)	314,640
Benefit payment and refunds	(500,569)	(508,472)	505,952	(472,908)
Pension plan administrative expense	<u>(11,531)</u>	<u>(10,935)</u>	<u>(11,190)</u>	<u>(11,538)</u>
Net change in plan fiduciary net position	670,217	591,981	(265,263)	141,753
Plan fiduciary net position - beginning	<u>5,485,931</u>	<u>4,893,950</u>	<u>5,159,213</u>	<u>5,017,460</u>
Plan fiduciary net position - ending (b)	<u>6,156,148</u>	<u>5,485,931</u>	<u>4,893,950</u>	<u>5,159,213</u>
Net pension liability (a-b)	<u>\$ 3,008,718</u>	<u>\$ 3,406,696</u>	<u>\$ 3,944,731</u>	<u>\$ 2,869,359</u>
Plan fiduciary net position as a percentage of total pension liability	67.17%	61.69%	55.37%	64.26%
Covered employee payroll	\$ 1,780,483	\$ 1,648,064	\$ 1,658,214	\$ 1,440,621
Net pension liability as a percentage of covered employee payroll	168.98%	206.71%	237.89%	199.18%

Notes: GASB Statement No. 68 was implemented for the fiscal year ended December 31, 2015 and does not require retroactive implementation.
Data will be added as information is available until 10 years of such data is available

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

MICHIGAN EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN
 SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY
Year Ended December 31, 2018

<u>Fiscal year ending December 31</u>	<u>Total pension liability</u>	<u>Plan net position</u>	<u>Net pension liability</u>	<u>Plan net position as a % of total pension liability</u>	<u>Covered payroll</u>	<u>Net pension liability as a % of covered payroll</u>
2015	\$ 8,028,572	\$ 5,159,213	\$ 2,869,359	64.26%	\$ 1,440,621	199.18%
2016	8,838,681	4,893,950	3,944,731	55.37%	1,658,214	237.89%
2017	8,892,627	5,485,931	3,406,696	61.69%	1,648,064	206.71%
2018	9,164,866	6,156,148	3,008,718	67.17%	1,780,483	168.98%

Note: GASB Statement No. 68 was implemented for the fiscal year ended December 31, 2015 and does not require retroactive implementation.
 Data will be added as information is available until 10 years of such data is available.

OTHER SUPPORTING INFORMATION

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2018

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Sidewalks	Police	Parks and Recreation	Drug Enforcement	Williamson Debt Service	
Assets:						
Cash and cash equivalents	\$ 28,285	\$ 181,524	\$ -	\$ 14,431	\$ -	\$ 224,240
Receivables	-	-	-	-	-	-
Taxes	-	91,938	-	-	-	91,938
Special Assessments	37,701	-	-	-	-	37,701
Due from other units of government	6,141	-	-	-	-	6,141
Prepaid Items	-	1,574	-	-	-	1,574
Total Assets	\$ 72,127	\$ 275,036	\$ -	\$ 14,431	\$ -	\$ 361,594
Liabilities:						
Checks written against future deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	92	-	-	-	92
Accrued and other liabilities	-	4,906	-	-	-	4,906
Due to other funds	63,891	-	-	-	-	63,891
Total Liabilities	63,891	4,998	-	-	-	68,889
Deferred inflows of resources						
Grants	-	-	-	-	-	-
Special assessments	27,666	24,478	-	-	-	52,144
Total Deferred Inflows of Resources	\$ 27,666	\$ 24,478	\$ -	\$ -	\$ -	\$ 52,144
Fund Balances						
Non-spendable for:						
Prepaid items	\$ -	\$ 1,574	\$ -	\$ -	\$ -	\$ 1,574
Restricted for:						
Police safety	-	243,987	-	-	-	243,987
Drug enforcement	-	-	-	14,431	-	14,431
Debt Service	-	-	-	-	-	-
Unassigned (deficit)	(19,431)	-	-	-	-	(19,431)
Total Fund Balances	(19,431)	245,561	-	14,431	-	240,561
Total liabilities, deferred inflows of resources, and fund balances	\$ 72,126	\$ 275,037	-	14,431	-	\$ 361,594

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2018

	Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
	Sidewalks	Police	Parks and Recreation	Drug Enforcement	Williamson Debt Service	
REVENUES:						
Taxes	\$ -	\$ 157,752	\$ -	\$ -	\$ 4,456	\$ 162,208
Other state grants	-	-	60,000	-	-	60,000
Local contributions	-	-	-	-	-	-
Fines and forfeitures	-	-	-	6,947	-	6,947
Other revenue	39,212	-	-	-	20	39,232
Total Revenues	39,212	157,752	60,000	6,947	4,476	268,387
EXPENDITURES:						
Current						
Public safety	-	147,944	-	674	-	148,618
Recreational and cultural	-	-	3,306	-	-	3,306
Capital outlay	-	4,106	26,126	-	-	30,232
Debt service:						
Principal retirement	-	-	-	-	42,183	42,183
Interest and fiscal charges	-	-	-	-	1,202	1,202
Total Expenditures	-	152,050	29,432	674	43,385	225,541
Excess (deficiency) of revenues over expenditures	39,212	5,702	30,568	6,273	(38,909)	42,846
OTHER FINANCING SOURCES						
Transfers in	-	-	22,517	-	11,651	34,168
Transfers out	-	-	-	-	(4,458)	(4,458)
Total Other Financing Sources (Uses)	-	-	22,517	-	7,193	29,710
NET CHANGE IN FUND BALANCE	39,212	5,702	53,085	6,273	(31,716)	72,556
FUND BALANCE - BEGINNING OF YEAR	(58,643)	239,859	(53,085)	8,158	31,716	168,005
FUND BALANCE - END OF YEAR	\$ (19,431)	\$ 245,561	\$ -	\$ 14,431	\$ -	\$ 240,561

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

DOWNTOWN DEVELOPMENT AUTHORITY FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
REVENUES:				
Taxes	\$ 365,000.00	\$ 365,000.00	\$ 404,001.00	\$ 39,001.00
Interest income	50.00	50.00	124.00	74.00
Other revenue	<u>15,000.00</u>	<u>182,500.00</u>	<u>206,919.00</u>	<u>24,419.00</u>
Total revenues	<u>380,050.00</u>	<u>547,550.00</u>	<u>611,044.00</u>	<u>63,494.00</u>
EXPENDITURES:				
Current				
Public safety	-	-	-	-
Recreation and culture	-	-	-	-
Community and economic development	224,900.00	224,900.00	205,134.00	19,766.00
Capital outlay	-	340,000.00	339,308.00	692.00
Debt service				
Principal retirement	85,000.00	85,000.00	85,000.00	-
Interest and fiscal charges	<u>15,550.00</u>	<u>15,550.00</u>	<u>15,293.00</u>	<u>257.00</u>
Total expenditures	<u>325,450.00</u>	<u>665,450.00</u>	<u>644,735.00</u>	<u>20,715.00</u>
Transfers Out	54,600.00	54,600.00	77,116.00	(22,516.00)
NET CHANGE IN FUND BALANCE	-	(172,500.00)	(110,807.00)	61,693.00
FUND BALANCE - BEGINNING OF YEAR	<u>634,666.00</u>	<u>634,666.00</u>	<u>634,666.00</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 634,666.00</u>	<u>\$ 462,166.00</u>	<u>\$ 523,859.00</u>	<u>\$ 61,693.00</u>

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

DOWNTOWN DEVELOPMENT AUTHORITY FUND
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - Total component unit funds \$ (110,807)

Total change in net position reported for component unit activities
 are different because:

Component unit funds report capital outlays as expenditures. However, in the statement of activities the cost of those
 assets are allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(13,187)
Capital outlay	339,308

Revenues in the statement of activities that do not provide current financial resources are not report as revenue
 in the funds.

Grants	(13,849)
Property taxes	15,783

Expenses are recorded when incurred in the statement of activities

Accrued interest	(91)
Compensated absences	3,600

The statement of net position reports the net pension liability and deferred outflows and deferred inflows of resources
 related to the net pension liability and pension expense. However, the amount recorded on the governmental funds
 equals actual pension contributions

Net change in net pension liability	2,170
Net change in the deferred outflow of resources related to the net pension liability	(143)
Net change in other post employment benefit obligations	(732)

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in
 fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not
 affect the statement of activities. Similarly, repayment of principal is an expenditure in the component unit funds
 but reduces the liability in the statement of net position.

Repayment of long-term debt	85,000
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Change in net position of component unit activities \$ 307,052

BRIDGEPORT CHARTER TOWNSHIP
Saginaw County, Michigan

OTHER SUPPLEMENTARY INFORMATION
 SCHEDULE OF INDEBTEDNESS
December 31, 2018

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Component Unit						
Downtown Development Bonds						
Series 2002	4.500%	2019	90,000	6,560	4,328	100,888
Amount of issue - \$1,365,000	4.600%	2020	95,000	4,328	1,834	101,162
	4.700%	2021	90,000	1,834	240	92,074
			\$ 275,000	\$ 12,722	\$ 6,402	\$ 294,124