

TRI-CITY FIRE DEPARTMENT

Report on Audit of Accounts

Year Ended June 30, 2017

TRI-CITY FIRE DEPARTMENT

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	1
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	2
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government Wide Financial Statements For The Year Ended June 30, 2017:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements For The Year Ended June 30, 2017:	
Balance Sheet - Governmental Fund	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Notes to the Financial Statements	12
Required Supplemental Information:	
Budgetary Comparison Schedule - General Fund	17

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INDEPENDENT AUDITORS' REPORT

Members of the Board
Tri-City Fire Department
Orchard Lake, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Tri-City Fire Department, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Tri-City Fire Department'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.

Auditors' 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 and each major fund of the Tri-City Fire Department, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

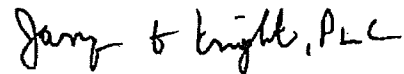
Members of the Board
Tri-City Fire Department

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and 17 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Very truly yours,



Certified Public Accountants

Bloomfield Hills, Michigan

September 20, 2017

TRI-CITY FIRE DEPARTMENT

June 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Tri-City Fire Department (the Fire Department) management's discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Fire Department's financial activity, identify changes in the Fire Department's financial position (its ability to address the next and subsequent years' challenges), identify significant variances from the approved budget, and identify individual fund issues or concerns.

Using this Annual Report

The Fire Department's annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Fire Department as a whole and present a longer-term view of the Fire Department's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Fire Department's operations in more detail than government-wide financial statements.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and Statement of Activities. They are designed to be corporate-like in that all governmental funds are consolidated into columns which add to a total for the primary government. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are also taken into account regardless of timing of cash being paid or received.

The Fire Department as a Whole

Net Position: The Fire Department's combined net position was \$1,109,053 and \$1,134,152 at the close of the years ended June 30, 2017 and 2016, respectively. This represents a decrease of \$25,099 or a 2.2% decrease from a year ago. This decrease is related to depreciation.

The following table reflects the condensed Statement of Net Position for the years ended June 30, 2017 and 2016:

Table 1
Statement of Net Position

	<u>Governmental Activities</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
ASSETS		
Current and other assets	\$ 230,100.57	\$ 232,280.68
Capital assets	<u>878,952.51</u>	<u>901,871.39</u>
Total assets	<u>\$1,109,053.08</u>	<u>\$1,134,152.07</u>
LIABILITIES AND NET POSITION		
Current and other liabilities	\$ _____	\$ _____
Total liabilities	\$ _____	\$ _____
Net position:		
Invested in capital assets, net of related debt	878,952.51	901,871.39
Unrestricted	<u>230,100.57</u>	<u>232,280.68</u>
Total net position	<u>\$1,109,053.08</u>	<u>\$1,134,152.07</u>
Total liabilities and net position	<u>\$1,109,053.08</u>	<u>\$1,134,152.07</u>

TRI-CITY FIRE DEPARTMENT

June 30, 2017

Unrestricted net position is net position that can be used to finance day to day operations. The investment in capital assets represents the Fire Department's capital assets that provide services to citizens; accordingly, these assets are not available for future spending.

The following table shows the changes in net position for the years ended June 30, 2017 and 2016:

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Program Revenue:		
Charges for services	\$ 903,501.96	\$ 890,150.12
General Revenue:		
Investment income	<u>2,235.88</u>	<u>1,897.53</u>
Total revenue	\$ 905,737.84	\$ 892,047.65
Program Expenses:		
Public safety	<u>930,836.83</u>	<u>917,844.94</u>
Total program expenses	\$ <u>930,836.83</u>	\$ <u>917,844.94</u>
Change in net position	\$ (25,098.99)	\$ (25,797.29)
Net position - beginning of year	<u>1,134,152.07</u>	<u>1,159,949.36</u>
Net position - end of year	<u>\$1,109,053.08</u>	<u>\$1,134,152.07</u>

As shown in the above table total revenues for the years ended June 30, 2017 and 2016 were \$905,738 and \$892,048, respectively, of which the majority of revenues were obtained from participating cities. Total expenses for the years ended June 30, 2017 and 2016 were \$930,837 and \$917,845, respectively, of which 97.1% and 97.0%, respectively, of the Fire Department's expenses related to the contract with West Bloomfield Township for operations.

The Fire Department Funds

The analysis of the Fire Department's major funds begins on page 9, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Fire Department as a whole. The Fire Department Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as assessments for services. The Fire Department's major fund for 2017 is the General Fund.

The General Fund is the main operating fund of the Fire Department. Total revenues for the years ended June 30, 2017 and 2016 were \$905,738 and \$892,048, respectively. Of this revenue, contributions from cities accounted for the majority of the total revenue. Total expenditures for the years were \$907,918 and \$894,926, respectively. This included \$903,502 paid to West Bloomfield Township for fire protection. At June 30, 2017 the unreserved fund balance of \$230,101 represented 25.3% of the total General Fund expenditures for the year.

General Fund Budgetary Highlights

Over the course of the year, the Fire Department Board did not amend the budget.

The Fire Department overall had a surplus to budget. The General Fund's fund balance decreased \$2,180. The decrease is primarily due to the Fire Department's operating expenses exceeding interest income.

TRI-CITY FIRE DEPARTMENT

June 30, 2017

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2017, the Fire Department had \$878,953 invested in land and buildings (net of accumulated depreciation). The Fire Department leases its assets to West Bloomfield Township for \$1.00, annually.

Long-Term Debt

The Fire Department's total indebtedness as of June 30, 2017 is none.

Economic Factors and Next Year's Budgets and Rates

The Fire Department's fiscal 2018 budget was prepared using various economic factors as follows:

Revenues

The Fire Department will assess participating City's the same amount that West Bloomfield charges for contracted services. The rate increase for fiscal 2018 is 1.5%.

Expenditures

The contracted services from West Bloomfield will increase 1.5%. Per the contract the increase is the greater of 1.5% or the most recent inflation rate up to 4%.

The fiscal 2018 General Fund budget expects a deficit of approximately \$2,150. The projected General Fund fund balance at June 30, 2018 is approximately \$227,951 which represents approximately 25% of the General Fund expenditures for the year.

Request for Information

This financial report is intended to provide citizens, taxpayers, customers, and investors with a general overview of the Fire Department's finances and to show the Fire Department's accountability for the money it receives. If you have any questions or concerns about this report or need additional information, contact the Fire Department, at the Tri-City Fire Department, 3300 Orchard Lake Road, Orchard Lake, Michigan 48324.

TRI-CITY FIRE DEPARTMENT
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Fund Types
	General Fund
ASSETS	
Cash and cash equivalents	\$ 230,100.57
Capital assets, net:	
Non-depreciable	225,000.00
Depreciable	653,962.51
	\$ 878,962.51
 Total assets	 \$1,109,053.08
LIABILITIES AND NET POSITION	
Accounts payable	\$ -
 Total liabilities	 \$ -
Net position:	
Invested in capital assets	878,962.51
Unrestricted	230,100.57
	\$1,109,053.08
 Total liabilities and net position	 \$1,109,053.08

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

TRI-CITY FIRE DEPARTMENT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government					
Governmental activities:					
Public safety	\$ 930,836.83	\$903,501.96	\$ -	\$ -	\$ (27,334.87)
Total governmental activities	\$ 930,836.83	\$903,501.96	\$ -	\$ -	\$ (27,334.87)
Total primary government	\$ 930,836.83	\$903,501.96	\$ -	\$ -	\$ (27,334.87)
General revenues:					
Interest income					2,235.88
Total general revenues					\$ 2,235.88
Change in net position					\$ (25,098.99)
Net position - July 1, 2016					1,134,152.07
Net position - June 30, 2017					\$1,109,053.08

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

TRI-CITY FIRE DEPARTMENT

BALANCE SHEET
GOVERNMENTAL FUND

June 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 230,100.57
Total assets	<u>\$ 230,100.57</u>
LIABILITIES AND FUND BALANCES	
Accounts payable	\$ -
Total liabilities	\$ -
Fund balances:	
Unassigned	<u>230,100.57</u>
Total fund balances	<u>\$ 230,100.57</u>
Total liabilities and fund balances	<u>\$ 230,100.57</u>
 Total governmental fund balances	 \$ 230,100.57
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and are not reported in the governmental funds:	
Governmental capital assets	1,370,943.87
Less accumulated depreciation	<u>(491,991.36)</u>
	<u>\$ 878,952.51</u>
Net position of governmental activities	<u>\$1,109,053.08</u>

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

TRI-CITY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND

For the Year Ended June 30, 2017

	General Fund
Revenues:	
Charges for services:	
Assessments for fire protection.	\$ 903,501.96
Interest income.	2,235.88
Total revenues	\$ 905,737.84
Expenditures:	
Current:	
Public safety.	907,917.95
Total expenditures	\$ 907,917.95
Excess of revenues over (under) expenditures	\$ (2,180.11)
Fund balance, beginning of year.	232,280.68
Fund balance, end of year.	\$ 230,100.57

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

TRI-CITY FIRE DEPARTMENT

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

For the Year Ended June 30, 2017

Net change in fund balances - total governmental fund	\$ (2,180.11)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Expenditures for capital assets	-
Less current year depreciation.	<u>(22,918.88)</u>
	<u>\$ (22,918.88)</u>
Change in net position of governmental activities	<u>\$ (25,098.99)</u>

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

TRI-CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE A - Summary of Significant Accounting Policies:

The accounting policies of the Tri-City Fire Department conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Tri-City Fire Department.

Reporting Entity

Based on the Tri-City Fire Protection Agreement adopted November 1, 1968 the Tri-City Fire Department provides fire protection for the Michigan communities of Keego Harbor, Orchard Lake Village and Sylvan Lake. The three cities contribute equally towards funding the fire department's annual expenditures. The governing body of the Tri-City Fire Department is made up of two members from each city. The fire protection agreement is an annual agreement and can be renewed by the governing bodies of each of the cities. Any city may withdraw from this agreement as of the last day of the term or at any time upon not less than six months notice. Each city is obligated to pay to the Tri-City Fire Department an amount equal to one-third of the total approved annual budget of the Tri-City Fire Department.

As of July 1, 2003 Tri-City Fire Department contracted with West Bloomfield Township to provide full-time fire protection and Advanced Life Support. The participating cities agree to pay the Township through the Fire Board, who will in turn pay the Township on behalf of the cities.

The initial term of this agreement shall be for 8 (eight) years. Provided that the three cities and Fire Board are not in default, the term shall be automatically extended for up to 4 (four) additional and separate 5 (five) year terms.

Quarterly payments are payable on the first day of July, October, January and April. Beginning July 1, 2012 the annual increases are the greater of 1.5% or the most recent inflation rate up to 4%. For the year ended June 30, 2017 the Fire Department paid West Bloomfield Township \$903,502.

The Fire Board is leasing the real property to the Township for \$1.00, annually.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

TRI-CITY FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE A - Summary of Significant Accounting Policies (continued):

Revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to finance expenditures of the period. All other revenue items are considered to be available only when cash is received by the government.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue.

Governmental Funds:

The Fire Department reports the following major governmental fund:

General Fund

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

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

Deposits are carried at cost and consist of investments in short-term investments, generally pooled investment funds. The carrying value of deposits, which includes pooled investment funds, is separately displayed on the balance sheet as "cash and cash equivalents".

Capital Assets

Capital assets, which include land and buildings are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the assets. Assets are depreciated on an individual basis for equipment and buildings.

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

	<u>Years</u>
Buildings	50

Fund Equity

Governmental funds report nonspendable fund balance for amount that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board (the government's highest level of decision-making authority). A formal resolution of the Board is required to establish, modify, or rescind a fund balance commitment. The Fire Department reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board has delegated the authority to assign fund balance to the Chairman or Treasurer. Unassigned fund balance is the residual classification for the General Fund.

TRI-CITY FIRE DEPARTMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE A - Summary of Significant Accounting Policies (continued):

Fund equity (cont.)

The Board has adopted a minimum fund balance policy in which the fund balance of the General Fund will be no less than \$225,000. If the General Fund balance falls below the minimum range, the Board may take action to preserve the minimum fund balance.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE B - Expenditures Over Budget:

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at year end. The Fire Department's appropriation resolution is generally passed during the preceding year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The Board Chairman has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next year.

The budget document presents information by fund, function, department and line items. The legal level (the level at which expenditures may not legally exceed appropriations) of budgetary control adopted by the board is at the department (activity) level.

The Fire Department Board must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. The Board Chairman can transfer appropriations between line items within a department or activity without governing body approval.

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

P.A. 2 of 1968 as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Tri-City Fire Department did not incur expenditures in certain budgeted funds which were significantly in excess of the amounts appropriated.

NOTE C - Deposits and Investments:

Michigan Compiled Laws, Section 129.91, authorizes the Fire Department to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Fire Department is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States

TRI-CITY FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE C - Deposits and Investments (continued):

government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Fire Board has designated various banks for the deposit of Fire Department funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authorities as listed above, except repurchase agreement, bankers acceptances, state or local obligations and commercial paper. Tri-City Fire Department's investment policy is in accordance with statutory authority and the investment policy of the Fire Department.

The Fire Board participates in the county investment pool. The pool is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The pool is managed as a 2(a)7 fund with net asset value maintained at \$1. Fair value of the position in the pool is the same as value of the pool shares. The pool has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly. The City has the ability to withdraw its investment at any time without penalty.

The Department's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned to it. The Department does not have a deposit policy for custodial credit risk. At year end, the Department had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Department evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Department does not have a policy for custodial credit risk. At year end, the Department had no securities were uninsured and unregistered, held by the counterparty, or by its trust department or agent but not in the Department's name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Department's investment policy does restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity, to a maximum of five years. At year end, the average maturities of investments are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Investment Pool - Oakland County	\$ 226,280	484 days

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Department has no investment policy that would further limit its investment choices. As of year end, the Department had no investments. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>
Investment Pool - Oakland County	\$ 226,280	Not Rated

TRI-CITY FIRE DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE D - Capital Assets:

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 225,000.00	\$ _____	\$ _____	\$ 225,000.00
Capital Assets Being Depreciated:				
Buildings	\$1,145,943.87	\$ _____	\$ _____	\$1,145,943.87
Subtotal	<u>\$1,145,943.87</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$1,145,943.87</u>
Less Accumulated Depreciation for:				
Buildings	\$ 469,072.48	\$ 22,918.88	\$ _____	\$ 491,991.36
Subtotal	<u>\$ 469,072.48</u>	<u>\$ 22,918.88</u>	<u>\$ _____</u>	<u>\$ 491,991.36</u>
Net Capital Assets Being Depreciated	<u>\$ 676,871.39</u>	<u>\$(22,918.88)</u>	<u>\$ _____</u>	<u>\$ 653,952.51</u>
Governmental Activities - Total Capital Assets - Net of Depreciation	<u>\$ 901,871.39</u>	<u>\$(22,918.88)</u>	<u>\$ _____</u>	<u>\$ 878,952.51</u>

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

Governmental Activities:	
Public Safety	<u>\$22,918.88</u>

NOTE E - Risk Management:

The Fire Department is exposed to various risks of loss related to general liability, errors and omissions, property and crime, vehicle liability, vehicle physical damage, fire legal liability, employee injuries, and fire fighters' accidental death. The West Bloomfield Fire Department insures the Fire Department for all the above liabilities.

NOTE F - Subsequent Events:

Management has evaluated subsequent events through September 20, 2017, the date on which the financial statements were available to be issued and determined no further items for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

TRI-CITY FIRE DEPARTMENT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

For the Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Charges for services:				
Assessments for fire protection	\$ 903,502.00	\$ 903,502.00	\$ 903,501.96	\$ (0.04)
Interest income	2,000.00	2,000.00	2,235.88	235.88
Total revenues	\$ 905,502.00	\$ 905,502.00	\$ 905,737.84	\$ 235.84
Expenditures:				
Current:				
Public safety:				
Contracted services - fire protection	903,502.00	903,502.00	903,501.96	0.04
General administration	2,050.00	2,050.00	1,715.99	334.01
Professional fees	2,700.00	2,700.00	2,700.00	-
Total public safety	\$ 908,252.00	\$ 908,252.00	\$ 907,917.95	\$ 334.05
Total expenditures	\$ 908,252.00	\$ 908,252.00	\$ 907,917.95	\$ 334.05
Excess of revenues over (under) expenditures . .	\$ (2,750.00)	\$ (2,750.00)	\$ (2,180.11)	\$ 569.89
Fund balance, beginning of year	232,280.68	232,280.68	232,280.68	-
Fund balance, end of year	\$ 229,530.68	\$ 229,530.68	\$ 230,100.57	\$ 569.89