ROBINSON TOWNSHIP

OTTAWA COUNTY, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2005

KIEKOVER, SCHOLMA & SHUMAKER, PC
Certified Public Accountants
Zeeland, Michigan

Michigan Deptartment of Treasury
496 (2-04)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type	Local Government Name	County
☐ City ☑ Township ☐ Village ☐ Other	Robinson Township	Ottawa

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3/31/05	7/14/05	9/14/05

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

☐ Yes ☑ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☐ Yes ☑ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☑ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ Yes ☑ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ Yes ☑ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ Yes ☑ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

☐ Yes ☑ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

☐ Yes ☑ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ Yes ☑ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)			
Kiekover, Scholma & Shumaker, PC			
Street Address	City	State	ZIP
205 East Main Street	Zeeland	MI	49464
Accountant Signature		Date	
Kiekover, Scholma & Shumaker, PC		9/14/05	

Robinson Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended March 31, 2005

TABLE OF CONTENTS

Page

Independent Auditor's Report I

Management's Discussion and Analysis II

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Assets 1

Statement of Activities 2

Governmental Funds Financial Statements

Balance Sheet 3

Statement of Revenue, Expenditures and Changes in Fund Balances 4

Reconciliation of the Statement of Revenue, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities 5

Notes to Financial Statements 6

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 15

Budgetary Comparison Schedule – Fire Operating Fund 17

Kiekover, Scholma & Shumaker, PC
Certified Public Accountants and Consultants

Calvin Scholma
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David Nienhuis
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INDEPENDENT AUDITOR'S REPORT

July 14, 2005

Township Board
Robinson Township, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Robinson Township, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Robinson Township, Michigan's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Robinson Township, Michigan, as of March 31, 2005 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4C, the township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of April 1, 2005.

The management's discussion and analysis and budgetary comparison information, as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Kiekover, Scholma & Shumaker, PC

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Management's Discussion and Analysis

As management of Robinson Township, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here in conjunction with the Township's financial statements that follow this section.

Financial Highlights

- The assets of Robinson Township exceeded its liabilities at the close of the most recent fiscal year by $2,097,952 (*net assets*). Of this amount, $635,119 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations to citizens and creditors.

- The Township's total net assets increased by $81,738. This is reflected in a net increase in capital assets of $93,125, while restricted net assets increased by $36,759 and unrestricted net assets decreased by 48,146.

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $905,571, a decrease of $2,298 in comparison with the prior year. Approximately 65.8% of this total amount, $595,296, is *available for spending* at the Township's discretion (*unreserved fund balance*).

- At the end of the current fiscal year, unreserved fund balance for the general fund was $595,296 or 71% of total general fund expenditures and transfers out.

- The Township's total debt decreased by $17,180 (13.4%) during the current fiscal year. This is the result of the Township making its required scheduled contractual obligation water system payments to Grand Haven Charter Township.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected state shared revenues, franchise fees and accrued interest payable).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and recreation and culture. The Township has no business-type activities.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains two (2) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Fire Operating Fund, both of which are considered to be major funds.

The Township adopts an annual appropriated budget for its General Fund and Fire Operating Fund. Budgetary comparison schedules have been provided herein to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary funds. Proprietary funds are used to report *business-type activities.* The Township has no business-type activities and therefore no proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Township has no fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9-14 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* presenting the budgetary comparisons for the Township's General Fund and Fire Operating Fund found on pages 15-17 of this report.

Government-wide Financial Analysis

Net Assets - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Robinson Township, assets exceeded liabilities by $2,097,952 at the close of the most recent fiscal year.

The largest portion of the Township's net assets (55%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, water and sewer systems and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net assets (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($635,119) may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets.

Since this is the first year the Township has presented government-wide financial statements, comparisons to the prior year have not been presented. In future years, when prior year information is available, a comparative analysis of government-wide data will be included.

TABLE 1 - Robinson Township's Net Assets

	Govemmental Activities 2005
Current and other assets	$ 1,041,020
Capital assets	1,263,698
Total assets	2,304,718
Long-term debt outstanding	111,140
Other liabilities	95,626
Total liabilities	206,766
Net assets:	
Invested in capital assets, net of related debt	1,152,558
Restricted	310,275
Unrestricted	635,119
Total net assets	$ 2,097,952

Change in Net Assets – As shown in Table 2 (changes in net assets) the Township's total revenues were approximately $1,100,000 for the current year, of which 41.5% was obtained from property taxes. Charges for services accounted for another 15.2% of the total, State shared revenues 35.6 %, and capital grants and contributions another 5.5%. The balance of the Township's revenues was primarily derived from interest earnings and other sources. The total cost of all programs and services for the year ended March 31, 2005 was approximately $1,018,000. Township expenses cover a wide range of services. For the current fiscal year, about 46.7% of the Township's expenses related to general government services, 30.0% related to public safety, 11.0% related to public works, 7.4% related to community and economic development, and 4.1% recreation and culture.

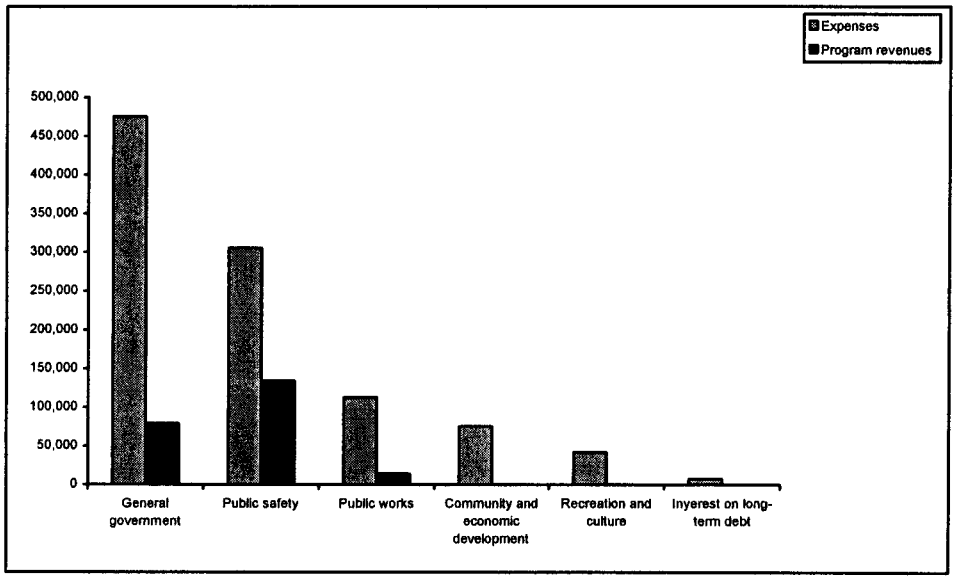
Net assets increased by $81,738 for the Township's governmental activities.

The following analysis highlights the changes in net assets for the year ended March 31, 2005.

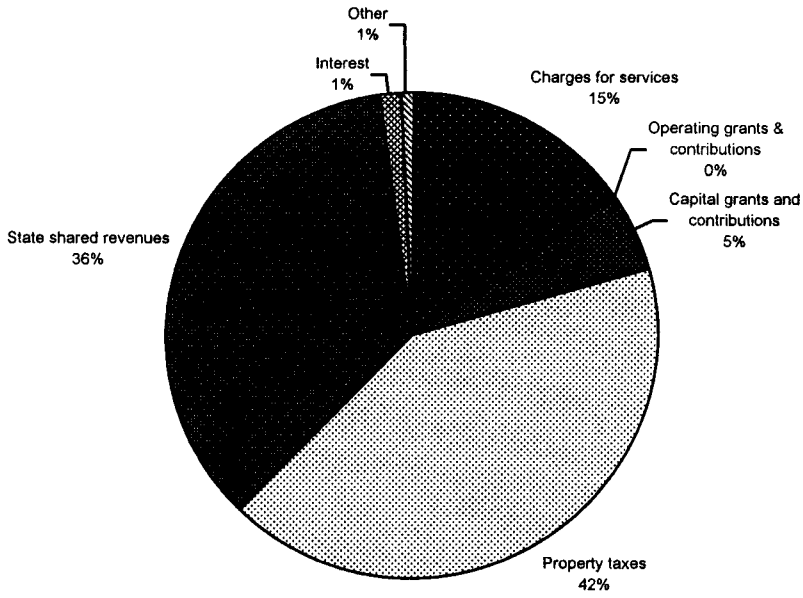
TABLE 2 - Robinson Township's Changes in Net Assets

	Governmental Activities 2005
Program revenues	
Charges for services	$ 166,684
Operating grants and contributions	-
Capital grants and contributions	60,240
General revenues	
Property taxes	455,964
State shared revenues	391,702
Interest	14,348
Other	10,635
Total revenues	1,099,573
Program expenses	
General government	475,192
Public safety	305,416
Public works	112,416
Community and economic development	75,502
Recreation and culture	41,896
Interest on long-term debt	7,413
Total expenses	1,017,835
Change in Net Assets	$ 81,738

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Township's Funds

Governmental Funds - Our analysis of the Township's major funds begins on page 3, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, grants, contributions or capital projects. The Township's major funds for the year ended March 31, 2005 consist of the General Fund and Fire Operating Fund.

The General Fund is the main operating fund of the Township. Total General Fund revenues and other financing sources for fiscal year 2005 increased by $48,200 or 6.5%, to $795,745, compared to the prior year. Property tax revenues increased by $14,165 or 7.9%. State shared revenues increased by $1,988 or .5%. Licenses and permits revenues increased by $24,702 or 20.8%. All other General Fund revenue sources increased by $7,345.

General Fund expenditures increased in fiscal year 2005 by $81,743 or 10.9%, to $834,802. The most significant changes occurred in the categories of General Government and Public Works. General Government reflected higher costs for legal services, election wages, and new assessor software. Public Works reflected higher costs mainly due to the past winter's flood related issues.

The March 31, 2005 fund balance of the General Fund is $595,296 which is all unreserved. This is a decrease of $39,057 from the prior year. The $595,296 unreserved fund balance is approximately 71% of fiscal year 2005 expenditures and operating transfers to other funds which amounted to $834,802

The Fire Operating Fund is used to account for special taxes levied, grants and other revenues restricted for fire department operating and capital acquisitions. Total Fire Operating Fund revenues and other sources increased by $61,724 or 24.5% compared to the prior fiscal year. Property tax revenues increased by $15,796 or 6.4%. In addition the Township received federal grants in fiscal year 2005 totaling $48,690 for the acquisition of fire department equipment.

Fire Operating Fund expenditures decreased in fiscal year 2005 by $88,590 or 24.2%. This is mainly a result of significantly lower capital expenditures in fiscal year 2005.

The March 31, 2005 fund balance of the Fire Operating Fund is $310,275 which is all reserved for fire operating purposes. This is an increase of $36,759 from the prior year. The $310,275 fund balance is approximately 112% of fiscal year 2005 expenditures which amounted to $276,988.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. Budgeted amendments were made to reflect increased costs for Township Board and Planning Commission professional services and legal fees, increased costs in the Elections, Assessor and Township Hall and Water System activities. Total General Fund expenditures were $21,948 below the final budget and $77,552 more than the original budget. The General Fund's fund balance decreased by $39,057 compared to a budgeted decrease of $95,240.

Capital Assets and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2005 amounted to $1,263,698 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, and vehicles. The total increase in the Township's investment in capital assets for the current fiscal year was $75,945 (6.4%) for governmental activities.

Major capital asset events during the current fiscal year included the following:

- $126,600 expended for fire department equipment
- $9,500 expended for new assessor and tax collection software
- $7,500 expended for new mower equipment
- $6,700 expended for township park improvements

Additional information on the Township's capital assets can be found in note 3C on page 12 of this report.

Robinson Township's Capital Assets
(net of depreciation)

	Governmental Activities	
	2005	2004
Land	$ 165,189	$ 165,189
Construction in progress	-	-
Buildings and improvements	282,611	293,101
Land improvements	325,563	330,463
Machinery and equipment	162,765	60,921
Office furniture and equipment	9,870	3,810
Vehicles	317,700	334,269
Infrastructure	-	-
Total	$ 1,263,698	$ 1,187,753

Long-term debt. At March 31, 2005, the Township had total installment debt outstanding of $111,140.

Robinson Township's Outstanding Debt
Contractual Obligations to Grand Haven Charter Township

	Governmental Activities	
	2005	2004
1989 Contract - 144th Main	$ 18,284	$ 21,170
1989 Contract - Transmission system	7,584	7,952
1989 Contract - Treatment plant allocation	16,621	18,788
1998 Contract amendment - 144th Miain	68,651	80,410
Total	$ 111,140	$ 128,320

Total outstanding debt decreased by $17,180 during the current year as a result of the Township making its required scheduled debt payments of $17,180 while incurring no new debt during the year.

Additional information on the Township's long-term debt can be found in Note 3E on page 13 of this report.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2005 calls for a no change in the overall property tax rate except for any reductions required by Proposal A. The state-wide tax reform act limits the growth in taxable value on any property to the lesser of inflation or 5%. Because some properties increase in value by less than inflation, the mathematical result is that the total taxable value for the Township will grow less than inflation, before considering new property additions.

The Township continues to be challenged by a reduction in State Shared Revenues and has budgeted slightly lower revenues from this source in fiscal year 2006.

Requests for Information

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions regarding this report or need additional information, we welcome you to contact the Township office.

Basic
Financial Statements

Robinson Township, Michigan
STATEMENT OF NET ASSETS
March 31, 2005

	Governmental Activities
ASSETS	
Cash and investments	$ 865,790
Receivables:	
Accounts	13,113
Special assessments	7,368
Due from other governments	121,469
Prepaid items	33,280
Capital assets	1,263,698
Total Assets	2,304,718
LIABILITIES	
Accounts payable and accruals	70,731
Accrued liabilities	5,352
Accrued payroll	9,393
Deposits	10,150
Noncurrent liabilities:	
Due within one year	18,288
Due in more than one year	92,852
Total Liabilities	206,766
NET ASSETS	
Invested in capital assets, net of related debt	1,152,558
Restricted for fire operating	310,275
Unrestricted	635,119
Total Net assets	$ 2,097,952

See Notes to Financial Statements

Robinson Township, Michigan
STATEMENT OF ACTIVITIES
Year Ended March 31, 2005

Function/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary Government:				
Governmental Activities:				
General government	$ 475,192	$ 79,181	$ -	$ (396,011)
Public safety	305,416	85,337	48,690	(171,389)
Public works	112,416	2,166	11,550	(98,700)
Community and economic development	75,502	-	-	(75,502)
Recreation and culture	41,896	-	-	(41,896)
Interest on long-term debt	7,413	-	-	(7,413)
Total Governmental Activities	$ 1,017,835	$ 166,684	$ 60,240	(790,911)

General revenues:	
Property taxes	455,964
State shared revenues	391,702
Interest	14,348
Other	10,635
Total General Revenues	872,649
Change in Net Assets	81,738
Net Assets - Beginning	2,016,214
Net Assets - Ending	$ 2,097,952

See Notes to Financial Statements

Robinson Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2005

	General	Fire Operating	Total Governmental Funds
ASSETS			
Cash and investments	$ 570,354	$ 295,436	$ 865,790
Receivables:			
Accounts	3,913	-	3,913
Special assessments	7,368	-	7,368
Due from other governments	74,778	18,084	92,862
Prepaid items	33,280	-	33,280
Total Assets	$ 689,693	$ 313,520	$ 1,003,213
LIABILITIES			
Accounts payable	$ 67,486	$ 3,245	$ 70,731
Accrued payroll	9,393	-	9,393
Deposits	10,150	-	10,150
Deferred revenue	7,368	-	7,368
Total Liabilities	94,397	3,245	97,642
FUND BALANCES			
Reserved for fire operating	-	310,275	310,275
Unreserved - general fund			
Designated for parks	15,000	-	15,000
Designated for infrastructure	216,301	-	216,301
Undesignated	363,995	-	363,995
Total Fund Balances	595,296	310,275	905,571
Total Liabilities and Fund Balances	$ 689,693	$ 313,520	

Amount reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	1,263,698
Franchise fees receivable are not available to pay for current expenditures and are therefore not reported in the funds	9,200
State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures and are therefore not reported in the funds	28,607
Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures and are therefore deferred in the funds	7,368
Interest accrued on outstanding notes payable is not reported in the funds	(5,352)
Long term liabilities are not due and payable in the current period and are therefore not reported in the funds	(111,140)
Net Assets of Governmental Activities	$ 2,097,952

See Notes to Financial Statements

Robinson Township, Michigan
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended March 31, 2005

	General	Fire Operating	Total Governmental Funds
Revenues:			
Taxes	$ 192,774	$ 263,190	$ 455,964
Licenses and permits	143,456	-	143,456
Federal grants	-	48,690	48,690
State shared revenues	395,643	-	395,643
Charges for services	9,201	-	9,201
Interest	12,481	1,867	14,348
Special assessments	15,328	-	15,328
Other	26,862	-	26,862
Total Revenues	795,745	313,747	1,109,492
Expenditures:			
Current:			
General government	448,421	-	448,421
Public safety	108,343	276,988	385,331
Public works	139,405	-	139,405
Community and economic development	73,110	-	73,110
Recreation and culture	36,821	-	36,821
Other	28,702	-	28,702
Total Expenditures	834,802	276,988	1,111,790
Net Change in Fund Balances	(39,057)	36,759	(2,298)
Fund Balances - April 1, as restated	634,353	273,516	907,869
Fund Balances - March 31	$ 595,296	$ 310,275	$ 905,571

See Notes to Financial Statements

Robinson Township, Michigan
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended March 31, 2005

Net change in fund balances-Total Governmental Funds	$	(2,298)
Amounts reported for the governmental activities in the statement of activities are different because:		
Govenmental funds report capital outlays as expenditures; in the statement of activites these costs are allocated over their estimated useful lives as depreciation:		
Current year capital outlays capitalized - general capital assets		150,349
Current year depreciation expense on capitalized assets		(74,404)
Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources		
State shared revenues		(3,941)
Special assessment revenues		(5,978)
Repayments of notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		17,180
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due		830
Change in net assets of governmental activities	$	81,738

See Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Robinson Township 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 Robinson Township:

A. Reporting Entity

Robinson Township is governed by an elected five-member board of trustees. The accompanying financial statements present the township and its component units, entities for which the township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Unit. The township has no blended component units.

Discretely Presented Component Unit. The township has no discretely presented component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities (the township has no business-type activities) which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable (the township has no legally separate component units).

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

Separate financial statements are provided for the governmental funds. The township's two individual governmental funds, which are considered major funds, are reported as separate columns in these fund financial statements.

C. 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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Those revenues susceptible to accrual (that is, when they become both measurable and available to finance expenditures of the fiscal period) are property taxes, special assessments, licenses, interest revenue, and charges for services. Other revenue is recorded when received.

The township reports the following major governmental funds:

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

Fire Operating (Special Revenue) Fund - The Fire Operating Fund accounts for resources of special taxes levied, grants, and other revenues that are restricted for fire department operating and capital acquisitions.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

As a general rule, the effect of the inter-fund activity has been eliminated from the government-wide financial statements.

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, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

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.

D. Assets, Liabilities, and Net Assets or Equity

1. *Bank Deposits and Investments.*

The township maintains separate cash accounts for each of its various funds as well maintaining a pooled cash account to facilitate the management of cash.

The township's investment policies are governed by state statutes, formal board policy, and administrative procedures. Permissible investments include obligations of the U.S. Treasury and its agencies, Michigan financial institution certificates of deposits and accounts, commercial paper with prescribed ratings, U.S. government repurchase agreements, and mutual funds and investment pools consisting of any of the above. Attorney General's Opinion No. 6168 states that public funds may not be deposited in institutions located in states other than Michigan. The township's deposits are in accordance with statutory authority.

Investments are recorded at fair value.

2. *Receivables and Payables.*

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

3. *Inventories and Prepaid Items.*

Inventories do not consist of material amounts. The cost of inventoriable supplies has been recorded as an expenditure at the time of purchase. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. General infrastructure assets acquired prior to April 1, 2004, are not reported in the basic financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $2,500 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

Included in capital assets are the township's investment in roads and drains within the township that are recorded as intangible assets (shared road improvements and flowage rights). Although paid for by the township, Michigan law makes these assets property of the County (along with the responsibility to maintain them).

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

Assets	Years
Buildings and improvements	10-40
Land improvements	10-30
Machinery and equipment	5-15
Office furniture and equipment	3-10
Vehicles	5-25
Roads and sidewalks	15-25

6. Compensated Absences.

It is the township's policy to permit employees to accumulate earned but unused vacation pay benefits. If material, all vacation pay is accrued in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations at year end.

7. Long-Term Obligations.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

8. Fund Equity.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

E. Property Taxes

Property taxes are levied on each December 1 (lien date and due date) on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge through February 14. The township continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. Taxes returned to the county treasurer are subject to penalty and interest. The county's policy has been to pay the township for all delinquent real property taxes returned. The township continues to collect delinquent personal property taxes.

The township's 2004 ad valorem tax is levied and collectible on December 1, 2004 and it is the township's policy to recognize revenue from this levy in the year ended March 31, 2005, when proceeds of this levy are budgeted and made available for the financing of operations.

The 2004 taxable valuation of the township totaled $162,657,391, on which taxes levied consisted of .9294 mills for general operating purposes and 1.6182 mills for fire operating purposes. This resulted in $151,153 for general operating purposes and $263,190 for fire operating purposes.

The above amounts are recognized in the General Fund and Fire Operating Fund as tax revenue.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principle 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 revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

Before March 31, the proposed budget is presented to the Township Board for review. The Board holds public hearings and a final budget must be prepared and adopted no later than March 31. Appropriated budgets are amended from time to time throughout the course of the year by supplementary resolutions approved by the Board of Trustees. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered spent once the goods are delivered or the services rendered.

For the General Fund the appropriated budget is prepared by function and activity. The legal level of budgetary control adopted by the governing body for the General Fund is the activity level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. For the Fire Operating Fund the appropriated budget is prepared on a line item basis. The legal level of budgetary control adopted by the governing body for the Fire Operating Fund is the line item level. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations as compared to budget for the General Fund and Fire Operating Fund is included in the required supplemental information.

B. State Construction Code Act

The township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The township accounts for the activity of its building inspection department within its General Fund. Following is a summary of the cumulative deficit and activity for the year ended March 31, 2005:

Surplus (deficit) - April 1, 2004		$ (85,941)
Charges for services	$ 85,337	
Building inspection expenditures	89,230	(3,893)
Surplus (deficit) - March 31, 2005		$ (89,834)

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit 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 local unit 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 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 governing body has designated several banks for the deposit of township funds. The investment policy adopted by the township in accordance with Public Act 196 of 1997 has authorized investment in all of the State statutory authority as listed above.

The township's deposits and investment policy are in accordance with statutory authority.

At year-end, the township's deposits and investments totaling $865,790 were all reported in the Governmental Activities category.

The breakdown between deposits and investments is as follows:

Bank Deposits (checking and savings accounts, certificates of deposit)	$ 830,905
Investments in bank governmental units investment pools	34,885
Total	$ 865,790

The bank balance of the township's deposits is $835,981 of which $215,369 is covered by federal depository insurance and $620,612 is uninsured and uncollateralized. The township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the township evaluates each financial institution with which it deposits township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments are categorized into these three categories of credit risk:

(1) Insured or registered, or securities held by the township or its agent in the township's name.

(2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the township's name.

(3) Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the township's name.

At year end, the township's investment balances totaled $34,885 and were held in bank governmental units investment pools that are not subject to categorization.

B. Receivables

Receivables as of year-end for the township's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Fire Operating	Total
Receivables:			
Accounts	$ 3,913	$ -	$ 3,913
Special assessments	7,368	-	7,368
Intergovernmental	74,778	18,084	92,862
Gross receivables	86,059	18,084	104,143
Allowance for uncollectibles	-	-	-
Net Total Receivables	$ 86,059	$ 18,084	$ 104,143

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned
Special assessments	$ 7,368	$ -

C. Capital Assets

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

Governmental Activities	Beginning Balance	Increases	Decreases	Completed Construction	Ending Balance
Capital Assets Not Being Depreciated					
Land	$ 165,189	$ -	$ -	$ -	$ 165,189
Construction in progress	-	-	-	-	-
Subtotal	165,189	-	-	-	165,189
Capital Assets Being Depreciated					
Building and improvements	441,575	3,746	-	-	445,321
Land improvements	341,858	6,736	-	-	348,594
Machinery and equipment	133,395	120,409	-	-	253,804
Office furniture and equipment	39,348	9,490	-	-	48,838
Vehicles	523,757	9,968	-	-	533,725
Infrastructure	-	-	-	-	-
Subtotal	1,479,933	150,349	-	-	1,630,282
Less Accumulated Depreciation for					
Buildings and improvements	(148,474)	(14,236)	-	-	(162,710)
Land improvements	(11,395)	(11,636)	-	-	(23,031)
Machinery and equipment	(72,474)	(18,565)	-	-	(91,039)
Office furniture and equipment	(35,538)	(3,430)	-	-	(38,968)
Vehicles	(189,488)	(26,537)	-	-	(216,025)
Infrastructure	-	-	-	-	-
Subtotal	(457,369)	(74,404)	-	-	(531,773)
Net Capital Assets Being Depreciated	1,022,564	75,945	-	-	1,098,509
Governmental Activities Total Capital Assets - Net of Depreciation	$ 1,187,753	$ 75,945	$ -	$ -	$ 1,263,698

Depreciation expense was charged to programs of the township as follows:

Governmental Activities	
General government	$ 18,636
Public safety	42,693
Community and economic development	276
Recreation and culture	12,799
Total Governmental Activities	$ 74,404

Construction Commitments-The township had a construction commitment as of March 31, 2005 totaling approximately $55,000 for the installation of a fire hydrant.

D. Interfund Receivables, Payables and Transfers

At December 31, 2004, there were no interfund balances. There were no interfund transfers during the year ended March 31, 2005.

E. Long-Term Debt

The township has entered agreements with Grand Haven Charter Township to pay for the construction of portions of water systems serving residents of Robinson Township. All Robinson Township residents accessing the system are billed by and are customers of the Grand Haven Township water system.

The agreements also require Grand Haven Charter Township to reimburse Robinson Township for the debt service portion of water rate charges paid by Robinson Township residents to Grand Haven Charter Township. Such reimbursements received by Robinson Township amounted to $3,464 in the year ended March 31, 2005.

Contractual obligation activity under these agreements for the township can be summarized as follows:

	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities						
Contractual Obligations due						
Grand Haven Charter Township:						
1989 Contract - 144th Main, interest rate of 8%, due 7-1-2009	$ 44,961	$ 21,170	$ -	$ (2,886)	$ 18,284	$ 3,116
1989 Contract - Transmission system, interest rate of 5%, due 7-1-2018	11,600	7,952	-	(368)	7,584	387
1989 Contract - Treatment Plant allocation, interest rate of 7.07%, due 7-1-2010	37,661	18,788	-	(2,167)	16,621	2,320
1998 Contract amendment - 144th Main, interest at 6%, due 7-1-2009	129,681	80,410	-	(11,759)	68,651	12,465
Total Governmental Activities		$ 128,320	$ -	$ (17,180)	$ 111,140	$ 18,288

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

Year Ended March 31	Governmental Activities	
	Principal	Interest
2006	$ 18,288	$ 7,135
2007	19,469	5,955
2008	20,727	4,697
2009	22,067	3,357
2010	21,880	1,928
2011-2015	5,992	1,332
2016-2019	2,717	348
Total	$ 111,140	$ 24,752

F. Restricted Assets

The township has no restricted assets at March 31, 2005.

NOTE 4. OTHER INFORMATION

A. 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 township has purchased full multi-peril insurance and workers compensation coverage. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

B. Defined Contribution Pension Plan

The Township provides pension benefits to all employees meeting eligibility requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For non-elected eligible employees, the township contributes 8% of eligible earnings and plan participants are also required to contribute 8% of eligible earnings, as defined by the plan document. The township contributes 20% of eligible earnings for the elected trustees. The township contributed $21,744 for the year ended March 31, 2005. Plan provisions and contribution requirements are established and may be amended by the Township Board.

C. Change in Accounting Policy

In the year ended March 31, 2005, the township implemented GASB Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

Management's discussion and analysis;

Basic Financial Statements
Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, including capital and infrastructure assets
Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;
Notes to the financial statements;

Required supplementary information, which requires budgetary comparison schedules to be presented.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The township has elected to implement the general provisions of the Statement, and to not implement the retroactive reporting of infrastructure in the current year.

D. Prior Period Adjustment

In the government fund financial statements, fund balance at April 1, 2004 has been adjusted. The adjustment resulted because a receivable for state shared revenue received within 60 days of the end of the current fiscal year had not been recorded in prior years. The effect of this adjustment increased fund balance (general fund) at April 1, 2004 by $51,846. Had state shared revenue received within 60 days of the end of the current fiscal year been accrued in prior years, the change in fund balance for the year ended March 31, 2004 would have decreased by $4,787.

	General Fund	Total Governmental Funds
Fund balance at March 31, 2004, as originally reported	$ 582,507	$ 856,023
Effect of prior period adjustment	51,846	51,846
Fund balance at March 31, 2004, as restated	$ 634,353	$ 907,869

Required
Supplementary Information

Robinson Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE - GENERAL FUND
Year Ended March 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ 187,000	$ 187,000	$ 192,774	$ 5,774
Licenses and permits	146,300	146,300	143,456	(2,844)
State shared revenues	390,000	390,000	395,643	5,643
Charges for services	4,910	4,910	9,201	4,291
Interest	4,600	4,600	12,481	7,881
Special assessments	5,150	5,150	15,328	10,178
Other	23,550	23,550	26,862	3,312
Total Revenues	761,510	761,510	795,745	34,235
Expenditures:				
Current:				
General Government:				
Township Board	91,200	122,100	138,060	(15,960)
Supervisor	15,000	15,000	15,083	(83)
Elections	10,000	17,600	14,807	2,793
Assessor	41,000	47,800	48,411	(611)
Clerk	20,000	20,000	17,719	2,281
Board of Review	800	800	297	503
Treasurer	30,000	30,000	30,196	(196)
Township hall	150,000	157,500	164,980	(7,480)
Cemetery	19,000	19,000	18,868	132
Total General Government	377,000	429,800	448,421	(18,621)
Public Safety:				
Sheriff	8,000	8,000	9,098	(1,098)
Liquor law enforcement	1,650	1,650	1,350	300
Fire department	9,200	9,200	8,665	535
Building inspection	86,000	86,000	89,230	(3,230)
Total Public Safety	104,850	104,850	108,343	(3,493)
Public Works:				
Public works-other	40,000	40,000	45,427	(5,427)
Drains	2,400	2,400	1,477	923
Roads	58,000	58,000	57,200	800
Refuse collection/disposal	7,000	9,700	9,634	66
Water system	-	35,000	25,667	9,333
Total Public Works	107,400	145,100	139,405	5,695

Robinson Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE - GENERAL FUND
Year Ended March 31, 2005

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Community and Economic Development:				
Planning Commission	30,000	39,000	38,732	268
Zoning	45,000	45,000	32,279	12,721
Zoning Board of Appeals	2,000	2,000	2,099	(99)
Total Community and Economic Development	77,000	86,000	73,110	12,890
Recreation and Culture:				
Township park	40,000	40,000	27,371	12,629
Recreation program	10,000	10,000	9,450	550
Total Recreation and Culture	50,000	50,000	36,821	13,179
Other:				
Retirement contribution	33,000	33,000	21,744	11,256
Payroll taxes	8,000	8,000	6,958	1,042
Total other	41,000	41,000	28,702	12,298
Total Expenditures	757,250	856,750	834,802	21,948
Net Change in Fund Balances	4,260	(95,240)	(39,057)	56,183
Fund Balances - April 1, as restated	634,353	634,353	634,353	-
Fund Balances - March 31	$ 638,613	$ 539,113	$ 595,296	$ 56,183

Robinson Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - FIRE OPERATING FUND
Year Ended March 31, 2005

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 260,000	$ 260,000	$ 263,190	$ 3,190
Federal grants	-	-	48,690	48,690
Interest	-	-	1,867	1,867
Total Revenues	260,000	260,000	313,747	53,747
Expenditures:				
Current:				
Public Safety:				
Salaries-officers	4,200	4,200	-	4,200
Salaries training	40,370	40,370	36,386	3,984
Fire fighter pension	21,000	21,000	17,628	3,372
Office supplies	1,550	1,550	1,053	497
Association dues	2,000	2,000	986	1,014
Medical supplies	2,000	2,000	465	1,535
Phone/pagers	11,000	11,000	10,943	57
Fuel	4,500	9,000	8,420	580
Insurance	21,000	23,350	23,346	4
Utilities	6,800	6,800	6,919	(119)
Maintenance/repairs	13,000	13,000	14,528	(1,528)
Maintenance/building and grounds	2,600	2,600	1,574	1,026
Maintenance/apparatus	25,000	25,000	17,105	7,895
Maintenance/radio	3,000	3,000	2,959	41
Compressor/air repair	5,000	5,000	4,086	914
Fire prevention	9,000	9,000	8,882	118
Hydrant rental	1,600	1,600	144	1,456
Miscellaneous	-	-	1,246	(1,246)
Training school/inspection	13,880	13,880	1,705	12,175
Capital outlay	72,500	93,950	118,613	(24,663)
Total expenditures	260,000	288,300	276,988	11,312
Net Change in Fund Balances	-	(28,300)	36,759	65,059
Fund Balances - April 1	273,516	273,516	273,516	-
Fund Balances - March 31	$ 273,516	$ 245,216	$ 310,275	$ 65,059