



FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015



Vredeveld Haefner LLC

GRAND VALLEY METROPOLITAN COUNCIL

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to the Financial Statements	17-24
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	25
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – REGIS Fund	26
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Environmental Programs Fund	27
Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – REGIS Capital Fund	29



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INDEPENDENT AUDITORS' REPORT

January 18, 2016

Members of the Council Board
Grand Valley Metropolitan Council
Grand Rapids, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Grand Valley Metropolitan Council (the Council), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Grand Valley Metropolitan Council as of September 30, 2015, 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.

Specializing in services to governmental and nonprofit entities

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the budgetary comparison information on pages 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Uredaxeld Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

About the Council

Grand Valley Metropolitan Council (the Council) serves local units of government in the West Michigan area in different facets of transportation planning, environmental programs as well as with a Regional Geographic Information System Agency (REGIS). The Council was established in 1990 under Public Act 292 of the Michigan Public Acts of 1989. The Council is governed by a board appointed by participating municipalities.

Financial Highlights

GVMC

- The Council completed the 3-year Fiscal Transformation Effort. GVMC is now fiscally sustainable to provide continuation of services in case of unforeseen economic issues. Careful planning and budgeting continues to provide an increase in the fund balance.
- Staffing costs and fringes continued to be monitored; planned staffing levels are adequate for the current services being provided.
- The transportation improvement program resulted in 116 projects being obligated for a total federal amount of over \$93.9 million coming to the Council service area.
- GVMC continues to facilitate Governor Snyder's Regional Prosperity Initiative for West Michigan collaboration efforts.
- The Council served as the fiduciary agent for the Regional Ambulance Consortium composed of GVMC members.

REGIS

- A reorganization of the REGIS Agency took place which resulted in opportunities to increase and improve services for member units and enhance member involvement in critical strategic decisions.
- After completion of a "Comprehensive System Assessment", an overhaul of all REGIS systems commenced to enhance system performance, reliability and availability. This was the most significant technology/system upgrade in the history of REGIS.
- Anticipated losses in REGIS increased slightly due to agency reorganization, implementation of the capital improvements in the final month of the year and clearing of prior year's membership overpayment.
- Continuing to serve with increased collaboration the 19 member communities as a single source GIS provider.

Environmental

- Dramatically increased Environmental programs with several new grants and new service initiatives. Program income and expenses exceeded what was initially budgeted due to enhanced activity and program expansion.
- Successfully assisted all 22 member communities to renew their MS-4 permits and welcomed Grand Valley State University as a new member.
- Began coordination with the Transportation Department to lead the Clean Air Action initiative.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information (this management discussion and analysis and budget and actual schedules) 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 Council's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position 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 (earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Council that are principally supported by fees 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 Council currently has no business-type activities.

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 Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council only utilizes governmental 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 the Council'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 Council's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council adopts an annual appropriated budget for each of its funds. A budgetary comparison schedule has been provided for the General, REGIS, Environmental Programs, and REGIS Capital funds to demonstrate compliance with budgets.

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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information*. This is limited to this discussion and analysis and budget and actual schedules.

Government-wide Financial Analysis

The following table presents condensed information about the Council's financial position for the past two fiscal years. Net position increased \$352,934 during the year primarily as a result of increased charges for services and operating grants while containing costs. Total net position includes the investment in capital assets. Capital assets represent the capital assets held by the Council, net of related accumulated depreciation.

	<u>2015</u>	<u>2014</u>
Current and other assets	\$3,472,559	\$3,339,899
Capital assets	190,890	125,435
Total assets	<u>3,663,449</u>	<u>3,465,334</u>
Current and other liabilities	587,466	740,050
Long-term liabilities	43,270	45,505
Total liabilities	<u>630,736</u>	<u>785,555</u>
Net position		
Net investment in capital assets	190,890	125,435
Restricted for REGIS	932,585	1,034,280
Restricted for environmental programs	247,231	147,747
Unrestricted	1,662,007	1,372,317
Total net position	<u>\$3,032,713</u>	<u>\$2,679,779</u>

Income and Expenses

The Council's financial position improved during the year ended September 30, 2015 as a result of revenues exceeding expenses. A summary of revenues and expenses for the past two fiscal years is presented below.

	<u>2015</u>	<u>2014</u>
Program revenues		
Charges for services	\$1,278,576	\$1,256,366
Operating grants	1,464,504	1,047,199
General revenues		
Metro Council dues	267,548	293,948
Gain (loss) on disposal of asset	(8)	-
Unrestricted interest income	7,393	6,703
Total revenues	<u>3,018,013</u>	<u>2,604,216</u>
Functions/program expenses		
Transportation	1,178,332	873,762
Administration	446,249	445,006
REGIS	775,911	760,581
Environmental programs	264,587	165,349
Total expenses	<u>2,665,079</u>	<u>2,244,698</u>
Change in net position	352,934	359,518
Net position, beginning of year	<u>2,679,779</u>	<u>2,320,261</u>
Net position, end of year	<u>\$3,032,713</u>	<u>\$2,679,779</u>

Financial Analysis of the Government's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Council's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$2,885,093 an increase of \$285,244 from the prior year.

The general fund is the chief operating fund of the Council. At the end of the current fiscal year unassigned fund balance was \$1,701,339. The general fund reported an increase in fund balance of \$287,455.

The REGIS special revenue fund had total fund balance of \$695,036 at year-end. The REGIS special revenue fund reported a decrease in fund balance from the prior year.

The environmental programs special revenue fund had total fund balance of \$247,231 at year-end. The environmental special revenue fund reported an increase in fund balance from the prior year.

The REGIS capital projects fund had total fund balance of \$237,549 at year-end. The REGIS capital projects fund, fund balance was virtually unchanged from the prior year.

Budgetary Highlights

GVMC

General fund grant revenue from MDOT reflects the maximum amounts the Council could bill under the grants, but the actual costs the Council could bill was less. The Regional Prosperity Grant income was budgeted higher assuming the funds would be fully spent, but some carried over to the next fiscal year. Actual expenses through careful monitoring and wise spending resulted in expenses being less than budget with resulting overall revenue exceeding expenditures beyond budgeted amounts.

REGIS

As a result of the reorganization of REGIS, a refund of membership dues from prior year's overpayments, and implementation of the capital improvement program, the losses were greater than the budget. Other expenses were monitored tightly with changes being made in order to operate at peak efficiency and to begin the process of cost reduction management.

Environmental Programs

The budget for the Environmental Program was reflecting the known information at the time for grants. However, on a positive note, more grants were obtained during the fiscal year, Grand Valley State University joined the NPDES program, and revenues were well beyond the budget. With more revenue follows more expenses resulting in an overall increase.

Capital Asset and Long-Term Debt Activities

The Council's capital assets consist of furniture and equipment, vehicles and computer hardware and software. The primary additions to capital assets during the current year were for computer equipment. Additional information on capital assets can be found in Note 4 to the financial statements.

Debt activity consists of compensated absences payable. Additional information on long-term debt can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

GVMC

The Council is very mindful of the economic climate as well as the funding constraints at the state and federal levels which continue to affect the Council's members. The Council continues to provide high level services and increase those services without any increase to the members. The Council is dedicated to continue efforts to maximize revenue.

Membership dues for GVMC (and likewise all departments) were frozen at last year's levels. The Council's 3-year Fiscal Transformation Effort will for the first time see the integration of departments with significantly increased opportunities for interdepartmental cooperation between Transportation, REGIS and Environmental Programs.

REGIS

The Regis budget has been changed to reflect membership dues at the same level as the prior year. As a result of the reorganization, the overhead rate allocation is changing to a flat percentage based upon department wages, and a consolidation of expenses to minimize overall costs. The budget also includes additional capital expenditures on the REGIS systems which will provide a more robust and stable system. The goal also is to maintain 25% of anticipated expenditures in the fund balance and to maintain the Regis Capital Fund for unknown major expenditures. The Regis Board along with the GVMC Executive Committee continues to analyze opportunities for collaboration with other governmental GIS providers and to build synergy through enhanced collaboration.

Environmental Programs

As GVMC Environmental Programs continues to successfully participate in regional projects, requests for involvement and leadership will continue to expand. Tremendous potential exists to successfully grow environmental service opportunities. The budget for next year reflects these initiatives and the Council understands its responsibility to manage resources well in order to meet objectives. Sustainability of the program has been furthered assured by monitoring expenses so that the fund balance of the environmental department will grow in order to help provide services in case of unforeseen economic downturn.

Contacting the Council Management

This management discussion and analysis provides an overview of the current and prospective financial condition of the Council's operations and financial position. If there are questions concerning this report or if additional information is desired, please contact the Executive Director at Grand Valley Metropolitan Council, 678 Front Ave NW, Suite 200, Grand Rapids, MI 49504.

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BASIC FINANCIAL STATEMENTS

GRAND VALLEY METROPOLITAN COUNCIL

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 3,135,385
Accounts receivable	295,961
Prepaid items	41,213
Capital assets, net	<u>190,890</u>
Total assets	<u>3,663,449</u>
Liabilities	
Accounts payable and accrued expenses	375,096
Accrued compensation	62,473
Unearned revenue	149,897
Noncurrent liabilities	
Compensated absences	<u>43,270</u>
Total liabilities	<u>630,736</u>
Net position	
Invested in capital assets	190,890
Restricted for REGIS	932,585
Restricted for Environmental Programs	247,231
Unrestricted	<u>1,662,007</u>
Total net position	<u>\$ 3,032,713</u>

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

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GRAND VALLEY METROPOLITAN COUNCIL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities				
Transportation	\$ 1,178,332	\$ 294,609	\$ 1,346,284	\$ 462,561
Administration	446,249	8,166	2,649	(435,434)
REGIS	775,911	726,270	-	(49,641)
Environmental programs	<u>264,587</u>	<u>249,531</u>	<u>115,571</u>	<u>100,515</u>
Total governmental activities	<u>\$ 2,665,079</u>	<u>\$ 1,278,576</u>	<u>\$ 1,464,504</u>	<u>78,001</u>
General revenues				
Membership				267,548
Gain (loss) on disposal of asset				(8)
Interest earnings				<u>7,393</u>
Total general revenues				<u>274,933</u>
Change in net position				352,934
Net position, beginning of year				<u>2,679,779</u>
Net position, end of year				<u>\$ 3,032,713</u>

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

GRAND VALLEY METROPOLITAN COUNCIL

**GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

SEPTEMBER 30, 2015

	Special Revenue			Capital Projects	<u>Total</u>
	<u>General</u>	<u>REGIS</u>	<u>Environmental Programs</u>	<u>REGIS</u>	
Assets					
Cash and cash equivalents	\$ 1,899,100	\$ 766,941	\$ 231,880	\$ 237,464	\$ 3,135,385
Accounts receivable	255,705	2,634	37,537	85	295,961
Prepaid expenditures	<u>3,938</u>	<u>37,275</u>	<u>-</u>	<u>-</u>	<u>41,213</u>
Total assets	<u>\$ 2,158,743</u>	<u>\$ 806,850</u>	<u>\$ 269,417</u>	<u>\$ 237,549</u>	<u>\$ 3,472,559</u>
Liabilities and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 261,488	\$ 100,042	\$ 13,566	\$ -	\$ 375,096
Accrued compensation and benefits	42,081	11,772	8,620	-	62,473
Deferred revenue	<u>149,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,897</u>
Total liabilities	<u>453,466</u>	<u>111,814</u>	<u>22,186</u>	<u>-</u>	<u>587,466</u>
Fund balances					
Non-spendable					
Prepaid expenditures	3,938	37,275	-	-	41,213
Restricted					
REGIS	-	657,761	-	237,549	895,310
Environmental Programs	-	-	247,231	-	247,231
Unassigned	<u>1,701,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,701,339</u>
Total fund balances	<u>1,705,277</u>	<u>695,036</u>	<u>247,231</u>	<u>237,549</u>	<u>2,885,093</u>
Total liabilities and fund balances	<u>\$ 2,158,743</u>	<u>\$ 806,850</u>	<u>\$ 269,417</u>	<u>\$ 237,549</u>	<u>\$ 3,472,559</u>

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

GRAND VALLEY METROPOLITAN COUNCIL

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

Fund balances - total governmental funds	\$ 2,885,093
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	190,890
Certain liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	<u>(43,270)</u>
Net position of governmental activities	<u>\$ 3,032,713</u>

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

GRAND VALLEY METROPOLITAN COUNCIL

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue			Capital Projects	Total
	General	REGIS	Environmental Programs	REGIS	
Revenues					
Federal grants - transportation	\$ 1,052,311	\$ -	\$ -	\$ -	\$ 1,052,311
Federal grants - other	-	-	31,500	-	31,500
State and local grants	293,973	-	48,626	-	342,599
Membership and project fees	472,212	668,495	10,869	-	1,151,576
Other contributions	2,649	21,421	-	-	24,070
Donations	-	-	35,445	-	35,445
Charges for services	98,111	32,131	238,165	-	368,407
Interest income	7,393	3,149	497	1,074	12,113
Total revenues	<u>1,926,649</u>	<u>725,196</u>	<u>365,102</u>	<u>1,074</u>	<u>3,018,021</u>
Expenditures					
Current					
General government					
Salaries	701,485	344,533	139,446	-	1,185,464
Fringes	211,917	120,420	26,851	-	359,188
Grant specific and contractual costs	532,341	164,743	60,841	-	757,925
Professional fees	33,589	41,096	-	-	74,685
Legal services	60	6,695	-	-	6,755
Advertising	2,793	-	8,210	-	11,003
Insurance	9,223	6,287	8,039	-	23,549
Meeting expenditures	15,669	798	610	-	17,077
Dues and subscriptions	1,161	671	868	-	2,700
Equipment rental	2,261	799	-	-	3,060
Office supplies	4,310	7,048	1,719	-	13,077
Mileage	6,532	751	-	-	7,283
Postage	1,468	116	239	-	1,823
Printing	83	441	2,144	-	2,668
Electricity	3,062	7,573	380	-	11,015
Telephone	7,723	6,130	2,212	-	16,065
Professional development	1,535	827	5,708	-	8,070
Rent	59,301	43,155	7,640	-	110,096
Equipment	-	65,766	692	-	66,458
Repairs and maintenance	569	1,747	-	-	2,316
Pavement management vehicle	50,784	-	-	-	50,784
Miscellaneous	517	369	19	-	905
Capital outlay	811	-	-	-	811
Total expenditures	<u>1,647,194</u>	<u>819,965</u>	<u>265,618</u>	<u>-</u>	<u>2,732,777</u>
Revenues over (under) expenditures	<u>279,455</u>	<u>(94,769)</u>	<u>99,484</u>	<u>1,074</u>	<u>285,244</u>
Other financing sources (uses)					
Transfers in	8,000	-	-	-	8,000
Transfers out	-	(8,000)	-	-	(8,000)
Total other financing sources (uses)	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	287,455	(102,769)	99,484	1,074	285,244
Fund balances, beginning of year	<u>1,417,822</u>	<u>797,805</u>	<u>147,747</u>	<u>236,475</u>	<u>2,599,849</u>
Fund balances, end of year	<u>\$ 1,705,277</u>	<u>\$ 695,036</u>	<u>\$ 247,231</u>	<u>\$ 237,549</u>	<u>\$ 2,885,093</u>

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

GRAND VALLEY METROPOLITAN COUNCIL

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net changes in fund balances - total governmental funds	\$ 285,244
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	101,345
Deduct - depreciation expense	(35,882)
Deduct - net book value of disposed capital assets	(8)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in compensated absences	<u>2,235</u>
Change in net position of governmental activities	<u>\$ 352,934</u>

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

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GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Grand Valley Metropolitan Council (the "Council") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Grand Valley Metropolitan Council. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Council.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by member fees and intergovernmental revenues are reported in total. The Council has no business-type or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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. Member fees and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All individual governmental funds are reported as separate columns in the fund financial statements.

The Council reports the following major governmental funds:

The *General Fund* is the general operating fund of the Council. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *REGIS Fund* accounts for the accumulation and disbursement of resources for the Regional Geographic Information System activity.

The *Environmental Programs Fund* accounts for the accumulation and disbursement of resources for environmental programs.

The *REGIS Capital Projects Fund* accounts for the accumulation and disbursement of resources for the capital needs of the REGIS activity.

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Measurement Focus and Basis of Accounting

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. 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, except for reimbursement-based grants and interest which use a one year collection period. Grants and similar items are recognized as revenue when the related expenditure is recognized. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt and compensated absences which are recognized when due.

All governmental funds are accounted for on a spending or “flow of current financial resources” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available, spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of “available, spendable resources” during a period.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General, REGIS, Environmental Programs and REGIS Capital funds. The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Executive Director submits to the Council Board a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the funds.
5. The budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

6. Adoption and amendments of all budgets used by the Council are governed by Michigan Law. The appropriations ordinances are based on the projected expenditures budget of the various functions of the Council. Any amendment to the original budget must meet the requirements of Michigan Law. The Council amended its budget during the year. Any revisions that alter the expenditures at the function level within the fund must be approved by the Council Board.

Deposits and Investments

State statutes authorize the Council to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

The Council's investment policy is more restrictive than state requirements and allows for investment in only the investment vehicle identified in item g. above.

Accounts Receivable

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances are immaterial to the financial statements.

Capital Assets

Capital assets, which include furniture and fixtures, equipment, computers, and vehicles are reported in the 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 \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and fixtures	7-10
Equipment	7
Computers	5
Vehicles	5

Unearned Revenue

Funds report *unearned revenue* in connection with resources that have been received but not yet earned.

Compensated Absences

Under employee policy, employees have a vested right to receive payments for unused vacation benefits under formulas and conditions specified in the personnel procedures manual. Accumulated vacation time related to governmental funds is recorded on the statement of net position and not on the governmental fund balance sheets because it is not expected to be liquidated with expendable available financial resources.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund balance can only be committed or assigned by resolution of the Policy Board.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Membership Dues

The Council receives dues from local units of government in West Michigan who wish to participate in the Council. Dues are computed on a per capita basis based on the most recent population data. Dues revenue is recognized as revenue in the year for which it is levied.

Grants and Other Intergovernmental Revenues

Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures/expenses are incurred.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Transfers are used to contribute budgeted amounts from the REGIS fund to the general fund and REGIS capital projects fund.

Long-Term Obligations

In the government-wide financial statements the long-term debt is reported as a liability in the governmental activities statement of net position.

Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the Council carried commercial insurance to cover risks of losses. The Council has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

PA. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Council's actual expenditures and budgeted expenditures for the budgetary funds have been shown at the line item level while the legal level of budgetary control as set by the Board is at the function level. During the year ended September 30, 2015, the Council incurred expenditures in budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
Environmental Programs Fund			
General government	\$210,223	\$265,618	\$ (55,395)

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

3. DEPOSITS AND INVESTMENTS

The balance on the financial statements for cash and cash equivalents of \$3,135,385 consists of deposits in a bank of \$858,542 and funds held in the Kent County Public Funds Investment Pool of \$2,276,843.

The balance in the bank is in a financial institution located in Michigan. State policy limits the Council's depository options to financial institutions located in Michigan. All accounts are in the name of the Council and a specific fund or common account. They are recorded in Council records at fair value.

Deposit risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned. State law does not require, and the Council does not have, a policy for deposit custodial credit risk. As of year-end, the Council's bank balance consisted of an uninsured repurchase agreement. This balance was collateralized with securities held by the pledging financial institution's trust department but not in the Council's name.

Investment and deposit risk

Interest Rate Risk. Council policy limits allowable investments to the Kent County Investment Pool as indicated in Note 1, the summary of significant accounting policies. There is no stated maturity date for the Council's investment in the Kent County Investment Pool. At September 30, 2015, the balance of the Kent County Investment Pool consisted of the following:

<u>Investment</u>	<u>Percentage of Pool Total</u>	<u>Maturity in Years</u>
Government agency securities	20%	0-5
Certificates of deposits	52%	0-5
Deposits, money markets and other pools	28%	Not applicable

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. Council policy limits the allowable investments to investment in the Kent County Investment Pool. The investment in the Kent County Investment Pool is not rated as to risk. The Kent County Investment Pool is required to follow state law.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Council does not have a policy for investment custodial credit risk. Custodial credit risk associated with the investment in the Kent County Investment Pool cannot be determined because the investment does not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Council's investment policy does not have specific limits in excess of state law on concentration of credit risk. Excluding U.S. government guaranteed investments, mutual funds and pooled investments; no single investment exceeded 5% of total investments at September 30, 2015.

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance October 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2015</u>
Governmental activities				
Capital assets, being depreciated				
Furniture and fixtures	\$134,719	\$ -	\$ -	\$134,719
Equipment and vehicles	744,500	101,345	255,534	590,311
Total capital assets, being depreciated	879,219	101,345	255,534	725,030
Less accumulated depreciation for				
Furniture and fixtures	103,223	8,508	-	111,731
Equipment and vehicles	650,561	27,374	255,526	422,409
Total accumulated depreciation	753,784	35,882	255,526	534,140
Governmental activities capital assets, net	\$125,435	\$ 65,463	\$ 8	\$190,890

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

Governmental activities	
Transportation	\$11,827
Environmental program	503
REGIS	23,552
Total	<u>\$35,882</u>

5. LONG-TERM LIABILITIES

The following is a summary of the long-term liabilities transactions of the Council for the year.

	Balance October 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2015</u>	Due Within One Year
Governmental Activities					
Compensated absences payable	\$45,505	\$43,270	\$45,505	\$43,270	\$ -

6. LEASES

The Council leases office space under a lease agreement expiring June 30, 2019, with an option to renew for two additional five year terms. Rent expenditures for the office lease totaled \$109,455 for the year ended September 30, 2015.

GRAND VALLEY METROPOLITAN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

The following is a schedule of future minimum lease payments required under non-cancelable operating leases with remaining lease terms in excess of one year as of September 30, 2015:

<u>Year ending September 30</u>	<u>Amount</u>
2016	\$112,752
2017	116,112
2018	119,517
2019	<u>91,629</u>
Total	<u>\$440,010</u>

7. DEFINED CONTRIBUTION PENSION PLAN

The Council maintains the Grand Valley Metropolitan Council Defined Contribution Pension Plan which is administered through ICMA Retirement Corporation, and provides pension benefits to participating full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to contribute at least 3% of eligible wages. The Council contributes 9% of each participant's eligible wages to the plan. The plan provisions and contribution amounts were established and may be amended by the Council Board. The Council's total payroll for the year ended September 30, 2015 was \$1,187,913. The Council's contribution of \$104,525 was calculated using the base salary amount of \$1,187,913. Council employees made contributions to the plan totaling \$92,210, which was approximately 8% of covered payroll. The accrued retirement payable at September 30, 2015 was \$4,432.

8. CONTINGENCIES AND GRANTS

Under the terms of various federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Management has estimated and recorded a liability for balances payable under grant agreements.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND VALLEY METROPOLITAN COUNCIL

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants - transportation	\$ 1,259,511	\$ 1,259,511	\$ 1,052,311	\$ (207,200)
State and local grants	470,050	470,050	293,973	(176,077)
Membership and project fees	489,925	489,925	472,212	(17,713)
Contributions	1,500	1,500	2,649	1,149
Charges for service	32,000	32,000	98,111	66,111
Interest income	6,500	6,500	7,393	893
Total revenues	<u>2,259,486</u>	<u>2,259,486</u>	<u>1,926,649</u>	<u>(332,837)</u>
Expenditures				
Current				
General government				
Salaries	720,000	720,000	701,485	18,515
Fringes	216,141	216,141	211,917	4,224
Grant specific and contractual costs	800,250	800,250	532,341	267,909
Professional fees	58,500	58,500	33,589	24,911
Legal services	12,000	12,000	60	11,940
Advertising	5,000	5,000	2,793	2,207
Insurance	16,000	16,000	9,223	6,777
Meeting expenditures	25,000	25,000	15,669	9,331
Dues and subscriptions	5,000	5,000	1,161	3,839
Equipment rental	15,000	15,000	2,261	12,739
Office supplies	9,000	9,000	4,310	4,690
Mileage	20,000	20,000	6,532	13,468
Postage	6,000	6,000	1,468	4,532
Printing	8,000	8,000	83	7,917
Electricity	5,000	5,000	3,062	1,938
Telephone	12,500	12,500	7,723	4,777
Professional development	12,000	12,000	1,535	10,465
Rent	65,931	65,931	59,301	6,630
Repairs and maintenance	12,000	12,000	569	11,431
Pavement management vehicle	70,000	70,000	50,784	19,216
Miscellaneous	15,000	15,000	517	14,483
Capital outlay	35,000	35,000	811	34,189
Total expenditures	<u>2,143,322</u>	<u>2,143,322</u>	<u>1,647,194</u>	<u>496,128</u>
Revenues over (under) expenditures	116,164	116,164	279,455	163,291
Other financing sources (uses)				
Transfers in	8,000	8,000	8,000	-
Net changes in fund balance	124,164	124,164	287,455	163,291
Fund balance, beginning of year	<u>1,417,822</u>	<u>1,417,822</u>	<u>1,417,822</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,541,986</u>	<u>\$ 1,541,986</u>	<u>\$ 1,705,277</u>	<u>\$ 163,291</u>

GRAND VALLEY METROPOLITAN COUNCIL

**REGIS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Membership dues	\$ 701,742	\$ 701,742	\$ 668,495	\$ (33,247)
Other contributions	24,900	24,900	21,421	(3,479)
Charges for services	34,000	34,000	32,131	(1,869)
Interest income	3,150	3,150	3,149	(1)
Total revenues	<u>763,792</u>	<u>763,792</u>	<u>725,196</u>	<u>(38,596)</u>
Expenditures				
Current				
General government				
Salaries	336,944	336,944	344,533	(7,589)
Fringes	129,963	129,963	120,420	9,543
Contract services				
Software maintenance agreements	116,000	116,000	110,985	5,015
Software license	7,500	7,500	7,226	274
Other contractual services	37,000	37,000	46,532	(9,532)
Professional fees	71,900	71,900	41,096	30,804
Legal services	5,000	5,000	6,695	(1,695)
Advertising	1,500	1,500	-	1,500
Insurance	7,500	7,500	6,287	1,213
Meeting expenditures	1,500	1,500	798	702
Dues and subscriptions	2,000	2,000	671	1,329
Equipment rental	1,250	1,250	799	451
Office supplies	5,000	5,000	7,048	(2,048)
Mileage	750	750	751	(1)
Postage	500	500	116	384
Printing	1,000	1,000	441	559
Electricity	9,000	9,000	7,573	1,427
Telephone	7,000	7,000	6,130	870
Professional development	6,000	6,000	827	5,173
Rent	43,260	43,260	43,155	105
Equipment and furniture	47,000	47,000	65,766	(18,766)
Repairs and maintenance	2,000	2,000	1,747	253
Miscellaneous	9,000	9,000	369	8,631
Total expenditures	<u>848,567</u>	<u>848,567</u>	<u>819,965</u>	<u>28,602</u>
Revenues over (under) expenditures	(84,775)	(84,775)	(94,769)	(9,994)
Other financing sources (uses)				
Transfers out	-	-	(8,000)	(8,000)
Net changes in fund balance	(84,775)	(84,775)	(102,769)	(17,994)
Fund balance, beginning of year	<u>797,805</u>	<u>797,805</u>	<u>797,805</u>	<u>-</u>
Fund balance, end of year	<u>\$ 713,030</u>	<u>\$ 713,030</u>	<u>\$ 695,036</u>	<u>\$ (17,994)</u>

GRAND VALLEY METROPOLITAN COUNCIL

**ENVIRONMENTAL PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 1,500	\$ 1,500	\$ 31,500	\$ 30,000
State and local grants	21,377	21,377	48,626	27,249
Membership dues	16,000	16,000	10,869	(5,131)
Donations	10,000	10,000	35,445	25,445
Charges for services	189,825	189,825	238,165	48,340
Interest income	1,000	1,000	497	(503)
Total revenues	<u>239,702</u>	<u>239,702</u>	<u>365,102</u>	<u>125,400</u>
Expenditures				
Current				
General government				
Salaries	136,200	136,200	139,446	(3,246)
Fringes	26,301	26,301	26,851	(550)
Grant specific and contractual costs	500	500	60,841	(60,341)
Advertising	15,000	15,000	8,210	6,790
Insurance	7,372	7,372	8,039	(667)
Meeting expenditures	5,000	5,000	610	4,390
Dues and subscriptions	1,000	1,000	868	132
Office supplies	1,000	1,000	1,719	(719)
Postage	350	350	239	111
Printing	2,000	2,000	2,144	(144)
Electricity	-	-	380	(380)
Telephone	2,000	2,000	2,212	(212)
Professional development	10,000	10,000	5,708	4,292
Rent	-	-	7,640	(7,640)
Equipment and furniture	2,000	2,000	692	1,308
Miscellaneous	1,500	1,500	19	1,481
Total expenditures	<u>210,223</u>	<u>210,223</u>	<u>265,618</u>	<u>(55,395)</u>
Net changes in fund balance	29,479	29,479	99,484	70,005
Fund balance, beginning of year	<u>147,747</u>	<u>147,747</u>	<u>147,747</u>	<u>-</u>
Fund balance, end of year	<u>\$ 177,226</u>	<u>\$ 177,226</u>	<u>\$ 247,231</u>	<u>\$ 70,005</u>

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SUPPLEMENTARY INFORMATION

GRAND VALLEY METROPOLITAN COUNCIL

**REGIS CAPITAL
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 960	\$ 960	\$ 1,074	\$ 114
Expenditures				
Current				
Capital outlay	-	-	-	-
Net changes in fund balance	960	960	1,074	114
Fund balance, beginning of year	<u>236,475</u>	<u>236,475</u>	<u>236,475</u>	<u>-</u>
Fund balance, end of year	<u>\$ 237,435</u>	<u>\$ 237,435</u>	<u>\$ 237,549</u>	<u>\$ 114</u>