

GILMORE TOWNSHIP
Isabella County, Michigan

Financial Statements

For the Year Ended March 31, 2018



SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

**Gilmore Township
Isabella County, Michigan**

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SMITH & KLACZKIEWICZ, PC
CERTIFIED PUBLIC ACCOUNTANTS

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A VETERAN OWNED BUSINESS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Gilmore Township
Isabella County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate fund information of *Gilmore Township*, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate fund information of *Gilmore Township*, as of March 31, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 6) and budgetary comparison schedules (pages 21 through 23) 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.

Smith + Klaczynski PC

Saginaw, Michigan

July 9, 2018

MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis of Gilmore Township’s financial performance provides an overview of the financial activities for the year ended March 31, 2018. Please read it in conjunction with the Township’s financial statements.

Financial Highlights

- Net position for the Township was \$765,751 for the year ended March 31, 2018.
- The Township’s revenues totaled \$410,984 for the year ended March 31, 2018, while expenses totaled \$533,322 for the year ended March 31, 2018.

Using This Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township’s finances.

Reporting the Township as a Whole

One of the most important questions asked about the Township’s finances is “Is the Township, as a whole, better off or worse as a result of the year’s activities”? The Statement of Net Position and Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expense are taken into account regardless of when cash is received or paid. These two statements report the Township’s net position and changes in it. You can think of the Township’s net position – the difference between assets and liabilities – as one way to measure the Township’s financial health, or financial position. Over time, increases - decreases in the Township’s net position are one indicator of whether its financial health is improving or deteriorating.

Reporting the Township’s Most Significant Funds

The Township’s fund financial statements provide detail information about the General fund, Fire fund and Rubbish Collection fund. Some funds are required to be established by State law. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain assessments, grants and other sources of revenue. Each of these funds used by the Township are governmental funds.

- Governmental funds – The Township’s activities are reported in governmental fund, which focus on how money flows into and out of the General, Fire and Rubbish Collection funds and the balances remaining at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial

assets that can readily be converted to cash. The governmental fund statements provide a detail short-term view of the Township's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the notes to the financial statements.

Township-Wide Financial Analysis

The Statement of Net Position provides the perspective of the Township as a whole. The following provides a summary of the Township's net position as of March 31, 2018.

Current and other assets	\$ 757,620
Capital assets not being depreciated	4,500
Capital assets being depreciated	<u>16,013</u>
Total assets	<u>778,133</u>
Current liabilities	<u>12,382</u>
Net position:	
Net investment in capital assets	20,513
Unrestricted	<u>745,238</u>
Total net position	<u>\$ 765,751</u>

This analysis focuses on net position. The Township's net position was \$765,751 at March 31, 2018. Capital assets totaling \$20,513 is calculated as the original cost to acquire the assets, less depreciation. For the year ended March 31, 2018 the Township had no debt financing related to capital assets.

The \$745,238 in unrestricted net position represents the accumulated results of all past years' operations.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities, as summarized below. This shows the changes in net position for the year ended March 31, 2018.

Revenues:	
Program revenues	
Charges for service	\$ 112,373
Operating grants	66,033
General revenues	
Property taxes	110,521
State revenue sharing	119,260
Investment income	<u>2,797</u>
Total revenues	410,984
Expenses	<u>533,322</u>
Increase (decrease) in net position	(122,338)
Net position at beginning of year	<u>888,089</u>
Net position at end of year	<u>\$ 765,751</u>

Budgetary Highlights

The General, Fire and Rubbish Collection Fund's budgets for revenues and expenditures remained relatively consistent between the original and final amended budgets.

Capital Assets

At March 31, 2018, the Township had a net investment of \$20,513 in a broad range of capital assets, including land, buildings, furniture and equipment and improvements. This amount represents a net decrease (including additions and disposals) of \$1,803 or 8.1% from the prior year.

More detailed information is presented in the notes to the financial statements on page 19.

Factors Expected to Have an Effect on Future Operations

The Township's elected officials considered many factors when settling the budget for the fiscal year 2018/2019. The Township expects revenue from assessments and property taxes to remain consistent with the hope of a continue increase in revenue sharing. Expenditures related to current operations are expected to remain consistent in the upcoming fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Gilmore Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Gilmore Township Treasurer, Patricia Marshall at (989) 644-2112 or the Clerk, Tom Gibbs at (989) 588-7052.

Gilmore Township
Statement of Net Position
March 31, 2018

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	\$ 636,575
Due from other governmental units	18,848
Investments	102,197
Total current assets	757,620
Noncurrent assets	
Capital assets	
Assets not being depreciated	4,500
Assets being depreciated, net	16,013
Total noncurrent assets	20,513
Total assets	778,133
Liabilities	
Accounts payable	2,758
Accrued liabilities	310
Unearned revenue	9,314
Total liabilities	12,382
Net position	
Net investment in capital assets	20,513
Unrestricted	745,238
Total net position	\$ 765,751

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

Gilmore Township

Statement of Activities

For the Year Ended March 31, 2018

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Legislative	\$ 5,425	\$ -	\$ -	\$ (5,425)
General government	75,054	8,373	-	(66,681)
Public safety	46,178	-	-	(46,178)
Public works	405,206	104,000	66,033	(235,173)
Recreation and culture	1,459	-	-	(1,459)
	<u>\$ 533,322</u>	<u>\$ 112,373</u>	<u>\$ 66,033</u>	<u>(354,916)</u>
Total governmental activities	<u>\$ 533,322</u>	<u>\$ 112,373</u>	<u>\$ 66,033</u>	<u>(354,916)</u>

General revenues:

Property taxes, levied for general purposes	110,521
State revenue sharing	119,260
Interest	2,797
Other revenue	-
	<u>232,578</u>
Total general revenues	<u>232,578</u>
Change in net position	(122,338)
Net position - beginning	<u>888,089</u>
Net position - ending	<u>\$ 765,751</u>

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

Gilmore Township
Governmental Funds Balance Sheet
March 31, 2018

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Fire Fund</u>	<u>Rubbish Collection Fund</u>	
Assets:				
Cash and cash equivalents	\$ 412,755	\$ 65,878	\$ 157,942	\$ 636,575
Due from other governmental units	18,848	-	-	18,848
Investments	102,197	-	-	102,197
Total assets	<u>\$ 533,800</u>	<u>\$ 65,878</u>	<u>\$ 157,942</u>	<u>\$ 757,620</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 2,758	\$ -	\$ -	\$ 2,758
Accrued liabilities	310	-	-	310
Unearned revenue	9,314	-	-	9,314
Total liabilities	<u>12,382</u>	<u>-</u>	<u>-</u>	<u>12,382</u>
Fund balances:				
Restricted for:				
Fire protection	-	65,878	-	65,878
Solid waste disposal	-	-	157,942	157,942
Assigned for subsequent year's budget	148,702	-	-	148,702
Unassigned:				
General Fund	372,716	-	-	372,716
Total fund balances	<u>521,418</u>	<u>65,878</u>	<u>157,942</u>	<u>745,238</u>
Total liabilities and fund balances	<u>\$ 533,800</u>	<u>\$ 65,878</u>	<u>\$ 157,942</u>	<u>\$ 757,620</u>

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

Gilmore Township

Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities

March 31, 2018

Total fund balances - governmental funds \$ 745,238

Amounts reported for governmental activities in the Statement
of Net Position are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported as assets in
governmental funds.

Cost of capital assets	81,526
Accumulated depreciation	<u>(61,013)</u>

Total net position - governmental activities \$ 765,751

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

Gilmore Township
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended March 31, 2018

	<u>Special Revenue Funds</u>			Total
	General Fund	Fire Fund	Rubbish Collection Fund	
Revenues:				
Property taxes and related fees	\$ 63,696	\$ 46,825	\$ -	\$ 110,521
Special assessments	-	-	104,000	104,000
State revenue sharing	119,260	-	-	119,260
Metro fee	3,580	-	-	3,580
Local contributions	66,033	-	-	66,033
Interest and rentals	2,643	28	126	2,797
Other revenue	4,793	-	-	4,793
Total revenues	<u>260,005</u>	<u>46,853</u>	<u>104,126</u>	<u>410,984</u>
Expenditures:				
Legislative:				
Township Board	5,425	-	-	5,425
General government:				
Supervisor	10,461	-	-	10,461
Elections	102	-	-	102
Clerk	9,668	-	-	9,668
Assessor	13,170	-	-	13,170
Board of review	1,148	-	-	1,148
Treasurer	17,179	-	-	17,179
Cemetery	14,263	-	-	14,263
Insurance	3,266	-	-	3,266
Building and grounds	3,994	-	-	3,994
Public safety:				
Fire protection	-	46,178	-	46,178
Public works:				
Highways and streets	321,737	-	-	321,737
Rubbish collection	-	-	83,469	83,469
Recreation and culture				
Library	1,459	-	-	1,459
Total expenditures	<u>401,872</u>	<u>46,178</u>	<u>83,469</u>	<u>531,519</u>
Excess of revenues over (under) expenditures	(141,867)	675	20,657	(120,535)
Fund balance - beginning	<u>663,285</u>	<u>65,203</u>	<u>137,285</u>	<u>865,773</u>
Fund balance - ending	<u>\$ 521,418</u>	<u>\$ 65,878</u>	<u>\$ 157,942</u>	<u>\$ 745,238</u>

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

Gilmore Township
Reconciliation of Net Change in Fund Balances
of the Governmental Funds to Change in Net Position
of Governmental Activities

For the Year Ended March 31, 2018

Total net change in fund balances - governmental funds \$ (120,535)

Amounts reported for governmental activities 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 is
allocated over their estimated useful lives as depreciation expense.

Subtract: depreciation expense (1,803)

Change in net position of governmental activities \$ (122,338)

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

Gilmore Township
Statement of Fiduciary Net Position
Agency Fund
March 31, 2018

	Current Tax Collection Fund
Assets	
Cash and cash equivalents	\$ 52,800
Liabilities	
Due other governmental units	\$ 52,800

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

Gilmore Township

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of *Gilmore Township* (the “Township”) conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township:

Reporting Entity

The Township has determined that no entities should be consolidated into its financial statements as component units. The criteria for including a component unit includes significant operational or financial relationships with the Township. Therefore, the reporting entity consists only of the primary government.

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 non-fiduciary activities of the government. For the most part, the effect of inter-fund activity has been removed from these statements.

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 including special assessments; 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 revenues*.

Separate financial statements are provided for each of the governmental funds. The Township also administers a Tax Collection Agency Fund (the “*Current Tax Fund*”). The Current Tax Fund is an Agency Fund and is used to account for resources held by the Township in a purely custodial capacity. Activity in this fund represents deposits from current tax and special assessment collections and payments to taxing agencies. Activity of the Current Tax Fund is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Gilmore Township

Notes to Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are 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 Township 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.

Property taxes, special assessments, franchise taxes, licenses, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major funds:

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.

The *Fire Fund* accounts for the collection of a separate millage that is used to fund the operations of the fire services.

The *Rubbish Collection Fund* accounts for the rubbish collection special assessment and resources used to provide rubbish collection activities to the residents of the Township.

Additionally, the Township reports the following fund type:

Agency Funds are used to account for assets held for other governments in a fiduciary capacity, including tax collections.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services or privileges provided including special assessments; (2) operating grants and contributions; and (3) capital grants and contributions. 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.

Assets, Liabilities and Net Position

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Gilmore Township

Notes to Financial Statements

State statutes authorize the Township to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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

Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The governmental activities have no infrastructure assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	50 to 75 years
Equipment	5 to 10 years

Unearned Revenue

Unearned revenue consists of unspent proceeds received from the Saginaw Chippewa Indian Tribe of Michigan.

Fund Equity

In the financial statements, the fund financial statements report the following components of fund balance:

Nonspendable

Amounts that are not in spendable form or are legally or contractually required to be maintained intact are reported as nonspendable fund balance.

Restricted

Amounts that are legally restricted by externally imposed constraints that are placed on the use of resources by grantors, contributors, or laws or regulations of other governments are reported as restricted fund balance.

Gilmore Township

Notes to Financial Statements

Committed

Amounts that have been formally set aside by the Township Board for use for specific purposes are reported as committed fund balance. Commitments are made, and can only be rescinded by resolution of the Township Board.

Assigned

Amounts that are constrained by the Township's *intent* to be used for specific purposes, but are neither restricted nor committed are reported as assigned fund balance. The Township Board has not adopted a policy to authorize anyone the authority to assign fund balance on behalf of the Township.

Unassigned

Amounts that have not been restricted, committed or assigned to specific purposes are reported as unassigned fund balance.

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

Estimates

In preparing the financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments.

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase
- Bankers acceptances of United States banks
- 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
- 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

Gilmore Township

Notes to Financial Statements

- External investment pools as authorized by Public Act 20 as amended through December 31, 1997

The Township's deposits and investment policy are in accordance with statutory authority. At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	Carrying Amount
Government-wide Financial Statement Captions:	
Cash and cash equivalents	\$ 636,575
Investments	102,197
Fiduciary fund financial statement caption:	
Cash and cash equivalents	52,800
Total	\$ 791,572
Notes to Financial Statements:	
Deposits	\$ 689,375
Certificates of deposit	102,197
Total	\$ 791,572

Investment and Deposit Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township does not have a deposit policy for custodial credit risk. At year-end, the Township had \$793,242 of bank deposits (checking, savings, and certificate of deposit accounts), of which \$441,045 was uninsured and uncollateralized.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, that the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Township had no investments and was therefore, not exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. At year-end, the Township had no investments and was therefore, not exposed to interest rate risk.

Gilmore Township
Notes to Financial Statements

Concentration of Credit Risk

State law limits allowable investments but does not limit concentration of credit risk. The Township's investment policy does not have specific limits in excess of State law on concentration of credit risk. At year-end, the Township had no investments and was therefore, not exposed to concentration of credit risk.

NOTE 3 - CAPITAL ASSETS

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

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 4,500	\$ -	\$ -	\$ 4,500
Capital assets being depreciated				
Building	75,526	-	-	75,526
Equipment	1,500	-	-	1,500
Subtotal	<u>77,026</u>	<u>-</u>	<u>-</u>	<u>77,026</u>
Less accumulated depreciation for:				
Buildings	(57,710)	(1,803)	-	(59,513)
Equipment	(1,500)	-	-	(1,500)
Subtotal	<u>(59,210)</u>	<u>(1,803)</u>	<u>-</u>	<u>(61,013)</u>
Net capital assets being depreciated	<u>17,816</u>	<u>(1,803)</u>	<u>-</u>	<u>16,013</u>
Total	<u>\$ 22,316</u>	<u>\$ (1,803)</u>	<u>\$ -</u>	<u>\$ 20,513</u>

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

Governmental activities:	
General government	\$ <u>1,803</u>

NOTE 4 - PROPERTY TAXES

Township property taxes are attached as an enforceable lien on property as of December 1 and recorded in the Township ledgers as receivables as of that date. Township taxes are levied December 1 and are due without penalty on or before February 14. The December tax bills include the Township's own property taxes, special assessments and taxes billed on behalf of Isabella County.

Real property and special assessment taxes not collected as of March 1 are turned over to Isabella County for collection, which advances the Township 100% for those delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Gilmore Township

Notes to Financial Statements

Property taxes levied in December of each year and collected within sixty days after the fiscal year-end are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Isabella County and the local public school district for property taxes.

Taxes collected on behalf of Isabella County and the school district are turned over to the districts and the County following collection and are accounted for in the agency fund.

NOTE 5 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers compensation). The Township has purchased commercial insurance for these types of claims. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.



Gilmore Township
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended March 31, 2018

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes and related fees	\$ 63,600	\$ 63,600	\$ 63,696	\$ 96
State revenue sharing	110,000	110,000	119,260	9,260
Metro fees	7,000	7,000	3,580	(3,420)
Local contributions	-	-	66,033	66,033
Interest earnings	-	-	2,643	2,643
Other revenue	4,950	4,950	4,793	(157)
Total revenues	<u>185,550</u>	<u>185,550</u>	<u>260,005</u>	<u>74,455</u>
Expenditures				
Legislative:				
Township board	9,400	9,481	5,425	(4,056)
General government:				
Supervisor	11,575	11,575	10,461	(1,114)
Elections	9,850	9,850	102	(9,748)
Clerk	11,150	11,150	9,668	(1,482)
Assessor	13,282	13,282	13,170	(112)
Board of review	2,650	2,650	1,148	(1,502)
Treasurer	21,700	21,700	17,179	(4,521)
Cemetery	21,700	21,700	14,263	(7,437)
Insurance	4,000	4,000	3,266	(734)
Building and grounds	12,400	12,400	3,994	(8,406)
Total general government	<u>108,307</u>	<u>108,307</u>	<u>73,251</u>	<u>(35,056)</u>
Public works:				
Highway and streets	347,070	347,070	321,737	(25,333)
Recreation and culture:				
Library	1,459	1,459	1,459	-
Total expenditures	<u>466,236</u>	<u>466,317</u>	<u>401,872</u>	<u>(64,445)</u>
Excess of revenues over (under) expenditures	(280,686)	(280,767)	(141,867)	138,900
Fund balance - beginning of year	<u>663,285</u>	<u>663,285</u>	<u>663,285</u>	<u>-</u>
Fund balance - end of year	<u>\$ 382,599</u>	<u>\$ 382,518</u>	<u>\$ 521,418</u>	<u>\$ 138,900</u>

Gilmore Township
Required Supplementary Information
Budgetary Comparison Schedule - Fire Fund
For the Year Ended March 31, 2018

	Special Revenue Fund			Over (Under) Budget
	Original Budget	Amended Budget	Actual	
Revenue				
Property taxes and related fees	\$ 46,087	\$ 46,087	\$ 46,825	\$ 738
Interest revenue	-	-	28	28
Total revenue	46,087	46,087	46,853	766
Expenditures				
Public safety:				
Fire protection	46,178	46,178	46,178	-
Excess of revenue over (under) expenditures	(91)	(91)	675	766
Fund balance - beginning of year	65,203	65,203	65,203	-
Fund balance - end of year	<u>\$ 65,112</u>	<u>\$ 65,112</u>	<u>\$ 65,878</u>	<u>\$ 766</u>

Gilmore Township

Required Supplementary Information Budgetary Comparison Schedule - Rubbish Collection Fund

For the Year Ended March 31, 2018

	Special Revenue Fund			
	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 103,740	\$ 103,740	\$ 104,000	\$ 260
Interest revenue	-	-	126	126
Total revenue	103,740	103,740	104,126	386
Expenditures				
Public works:				
Rubbish collection	87,736	87,736	83,469	(4,267)
Excess revenues over (under) expenditures	16,004	16,004	20,657	4,653
Fund balance - beginning of year	137,285	137,285	137,285	-
Fund balance - end of year	<u>\$ 153,289</u>	<u>\$ 153,289</u>	<u>\$ 157,942</u>	<u>\$ 4,653</u>

Gilmore Township

Notes to Required Supplementary Information

Budgetary Information

Comparisons to budget are presented for the General and Special Revenue Funds as required by U.S. GAAP. The Township follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Township Clerk and Treasurer submit to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments.
2. The budget is legally enacted through passage of a resolution on or before March 31.
3. Budgets for the General and Special Revenue Funds are legally adopted on a basis consistent with U.S. GAAP. The budget for the General Fund is adopted by activity. In the Special Revenue Funds, budgets are adopted by total expenditures with revenue adopted as itemized in the report. Expenditures are reported using the administrative detail for informational purposes.
4. Adoption and amendments of all budgets used by the Township are governed by Michigan Public Act 621, which was complied with during the year. Any amendment of the original budget must meet the requirements of Public Act 621.
5. The legal level of control is at the function level in the General Fund and at the total expenditure level in the Special Revenue Funds.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Encumbered appropriations lapse at year-end and amounts are re-appropriated for expenditures to be incurred in the next fiscal year.