

DRAFT

TOWNSHIP OF OTISCO, MICHIGAN

ANNUAL FINANCIAL REPORT

YEAR ENDED MARCH 31, 2022

GABRIDGE & CO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Township of Otisco
Belding, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Otisco (the "Township") as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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 remaining fund information of the Township, as of March 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



Gabridge & Company, PLC
Grand Rapids, Michigan
September 23, 2022

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Management's Discussion and Analysis

**Township of Otisco
Management's Discussion and Analysis
March 31, 2022**

As management of the Township of Otisco, Michigan (The "Township" or "government") we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$1,969,830 (*net position*). Of this amount, \$1,079,252 represents *unrestricted net position*, which may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, the Township received \$725,453 in revenues and incurred \$500,927 in expenses, resulting in an increase in net position of \$224,526.
- At the close of the current fiscal year, the Township's governmental funds reported combined fund balances of \$1,822,034, an increase of \$232,298 in comparison with the prior year. Approximately 61.3% of this amount, or \$1,079,252 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,079,252, or approximately 377.6% of total general fund expenditures and transfers out.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the Township's assets and liabilities, with the difference 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 Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township'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 for some items that will only result in cash flows in future fiscal periods (e.g., depreciation of capital assets).

Both of the government-wide financial statements display functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include general government, police and fire, roads, health and welfare, and community and economic development.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 Township maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road, fire, and police funds.

The Township adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township has one type of fiduciary fund, a *custodial fund*.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 *required supplementary information* concerning the Township's budgetary comparison schedules.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$1,969,830, at the close of the most recent fiscal year.

Township of Otisco's Net Position

	<u>2022</u>	<u>2021</u>
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 1,920,336	\$ 1,567,170
Due from State	37,394	34,334
Accounts Receivable	1,546	1,550
Taxes Receivable	19,286	20,184
Total Current Assets	<u>1,978,562</u>	<u>1,623,238</u>
<i>Noncurrent Assets</i>		
Capital Assets not Being Depreciated	80,800	80,800
Capital Assets Being Depreciated, Net	66,996	74,768
Total Assets	<u>2,126,358</u>	<u>1,778,806</u>
LIABILITIES		
<i>Current Liabilities</i>		
Accounts Payable	21,368	22,820
Accrued Payroll and Related Liabilities	12,047	10,682
Unearned Revenue	123,113	-
Total Liabilities	<u>156,528</u>	<u>33,502</u>
NET POSITION		
Investment in Capital Assets	147,796	155,568
Restricted	742,782	614,727
Unrestricted	1,079,252	975,009
Total Net Position	<u>\$ 1,969,830</u>	<u>\$ 1,745,304</u>

A portion of the Township's net position (\$147,796, or 7.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles). The Township uses these capital

assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the Township's net position (\$747,782, or 37.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,79,252, or 54.8%, is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all reported categories of net position for its governmental activities. The Township also is able to report positive fund balances in all categories for all four of its governmental funds. The same situation held true for the prior fiscal year.

Cash and cash equivalents increased by \$353,166 which is similar to the increase in overall net position since prior year along with an increase from ARPA funding, that resulted in unearned revenue of \$123,113. All other balance sheet accounts had relatively minor changes.

The Township's overall net position increased \$224,526 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities.

Township of Otisco's Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues		
Charges for Services	\$ 23,653	\$ 23,342
Operating Grants and Contributions	28,272	-
Total Program Revenues	<u>51,925</u>	<u>23,342</u>
General Revenues		
Property Taxes	424,084	409,799
State Sources	245,440	229,467
Interest Income	4,004	3,618
Total General Revenues	<u>673,528</u>	<u>642,884</u>
Total Revenues	<u>725,453</u>	<u>666,226</u>
Expenses		
General Government	233,727	217,418
Public Safety	138,640	134,284
Public Works	91,115	180,017
Health and Welfare	12,445	12,359
Community and Economic Development	25,000	22,764
Total Expenses	<u>500,927</u>	<u>566,842</u>
Change in Net Position	224,526	99,384
<i>Net Position at the Beginning of Period</i>	<u>1,745,304</u>	<u>1,645,920</u>
Net Position at the End of Period	<u>\$ 1,969,830</u>	<u>\$ 1,745,304</u>

Governmental Activities. During the current fiscal year, net position increased \$224,526 from the prior fiscal year for an ending balance of \$1,969,830. Property taxes increased by \$14,285, due to an increase in taxable value. State revenue sharing also increased due to increased sales receipts at the state level. The general government functions had a net increase of \$16,309 due to technology updates at the Township. Public works decreased significantly due to less projects in the current year.

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Township's Board.

At March 31, 2022, the Township's governmental funds reported combined fund balances of \$1,822,034, an increase of \$232,298 in comparison with the prior year. Approximately 59.2%, or \$1,079,252, of this amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance, \$742,782, or 40.8%, is *restricted* to indicate that it is restricted for road maintenance and improvements (\$617,035), fire protection (\$79,491), and police protection (\$46,256).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,079,252. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 377.6% of total general fund expenditures and transfers out.

The fund balance of the Township's general fund increased by \$104,243 during the current fiscal year. The increase in fund balance is comparable with prior years.

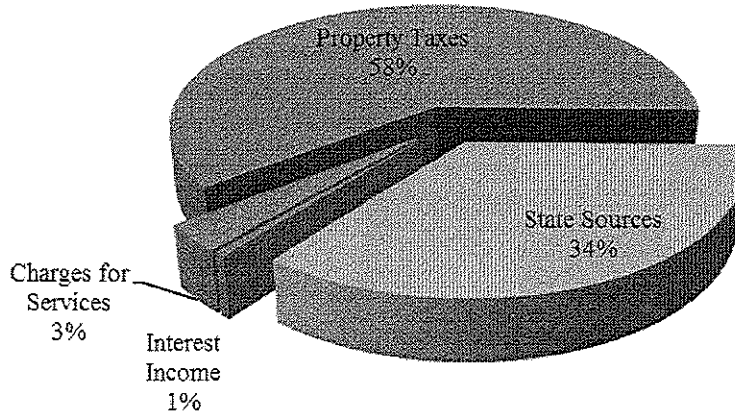
The road fund, a major fund, had a \$116,643 increase in fund balance during the current fiscal year which put the overall fund balance at \$617,035. The increase is due to decreased road work in the current year.

The fire fund, a major fund, had a \$7,785 increase in fund balance, with an ending fund balance of \$79,491. The increase is comparable with prior years. This fund balance is restricted for fire protection services within the Township.

Governmental Activities

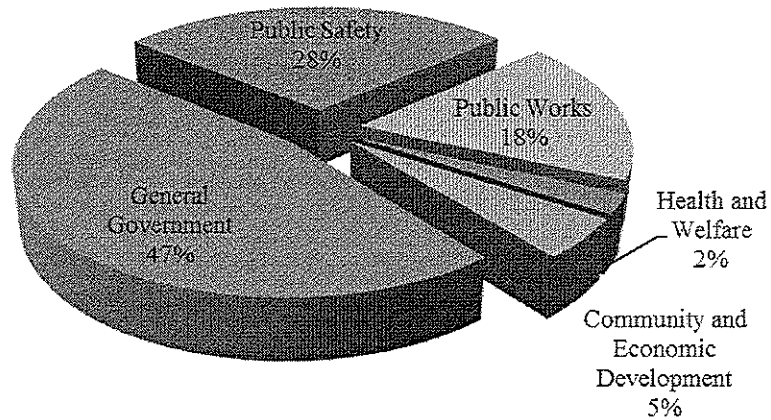
The following chart summarizes the revenue sources for the governmental activities of the Township for the most recent fiscal year-end.

Governmental Activities Revenues



The following chart summarizes the expenses for the governmental activities of the Township for the most recent fiscal year-end.

Governmental Activities Expenses



General Fund Budgetary Highlights

Final budget compared to actual results. The Township had the significant expenditures in excess of the amounts appropriated during the year ended March 31, 2022:

<u>Fund / Activity</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Professional Services	\$ 15,600	\$ 17,037	\$ (1,437)
Cemetery	4,000	4,337	(337)
Transfers Out	5,000	13,000	(8,000)

Capital Assets

The Township's investment in capital assets for its governmental activities as of March 31, 2022 amounts to \$147,796 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and vehicles. The total decrease in capital assets for the current fiscal year was approximately 5.0%.

More detailed information about the Township's capital assets can be found in Note 4.

Economic Condition and Outlook

About \$355,000 of revenues are expected to be available for appropriation in the general fund. Expenditures are expected to change by small amounts compared to 2022. The Township continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2023, the Township plans again to use current revenues to provide essential services and to maintain the Township's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values. The ongoing costs of providing essential services for the citizens of the Township will again need to be monitored in order to maintain the financial condition of the Township.

Contacting the Township

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Township of Otisco
9663 6 Mile Road
Belding, MI 48809

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Basic Financial Statements

**Township of Otisco
Statement of Net Position
March 31, 2022**

ASSETS

Current Assets

Cash and Investments	\$	1,920,336
Due from State		37,394
Accounts Receivable		1,546
Taxes Receivable		19,286
Total Current Assets		1,978,562

Noncurrent Assets

Capital Assets not Being Depreciated		80,800
Capital Assets Being Depreciated, Net		66,996
Total Assets		2,126,358

LIABILITIES

Current Liabilities

Accounts Payable		21,368
Accrued Payroll and Related Liabilities		12,047
Unearned Revenue		123,113
Total Liabilities		156,528

NET POSITION

Investment in Capital Assets		147,796
<i>Restricted for:</i>		
Roads		617,035
Fire Protection		79,491
Police Protection		46,256
<i>Unrestricted</i>		1,079,252
Total Net Position	\$	1,969,830

**Township of Otisco
Statement of Activities
For the Year Ended March 31, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General Government	\$ 233,727	\$ 12,818	--	\$ --	\$ (220,909)
Public Safety	138,640	--	5,771	--	(132,869)
Public Works	91,115	5,475	22,501	--	(63,139)
Community and Economic Development	25,000	5,360	--	--	(19,640)
Health and Welfare	12,445	--	--	--	(12,445)
Total Primary Government	\$ 500,927	\$ 23,653	\$ 28,272	\$ --	(449,002)

General Purpose Revenues:

Intergovernmental	245,440
Property Taxes	424,084
Interest Income	4,004
Total General Revenues	673,528
Change in Net Position	224,526
<i>Net Position at Beginning of Period</i>	1,745,304
Net Position at End of Period	\$ 1,969,830

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Otisco
Balance Sheet
Governmental Funds
March 31, 2022

	Special Revenue				Total Governmental Funds
	General	Road Fund	Fire Fund	Nonmajor - Police	
ASSETS					
Cash and Investments	\$ 1,210,879	\$ 582,896	\$ 80,711	\$ 45,850	\$ 1,920,336
Due from State	37,394	--	--	--	37,394
Accounts Receivable	1,546	--	--	--	1,546
Taxes Receivable	4,842	8,254	4,127	2,063	19,286
Due from Other Funds	--	25,885	5,942	1,842	33,669
Total Assets	\$ 1,254,661	\$ 617,035	\$ 90,780	\$ 49,755	\$ 2,012,231
LIABILITIES					
Accounts Payable	\$ 6,580	\$ --	\$ 11,289	\$ 3,499	\$ 21,368
Accrued Payroll and Related Liabilities	12,047	--	--	--	12,047
Unearned Revenues	123,113	--	--	--	123,113
Due to Other Funds	33,669	--	--	--	33,669
Total Liabilities	175,409	--	11,289	3,499	190,197
FUND BALANCE					
Restricted	---	617,035	79,491	46,256	742,782
Unassigned	1,079,252	--	--	--	1,079,252
Total Fund Balance	1,079,252	617,035	79,491	46,256	1,822,034
Total Liabilities and Fund Balance	\$ 1,254,661	\$ 617,035	\$ 90,780	\$ 49,755	\$ 2,012,231

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Otisco
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
March 31, 2022

Total Fund Balance - Governmental Funds	\$ 1,822,034
General government capital assets of \$244,509, net of accumulated depreciation of \$96,713, are not financial resources and, accordingly, are not reported in the funds.	147,796
Total Net Position - Governmental Activities	<u>\$ 1,969,830</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Otisco
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended March 31, 2022

	Special Revenue					Total Governmental Funds
	General	Road Fund	Fire Fund	Nonmajor - Police	Governmental Funds	
Revenues						
Property Taxes	\$ 117,973	\$ 174,893	\$ 87,500	\$ 43,718	\$ 424,084	
Intergovernmental	245,440	22,501	3,847	1,924	273,712	
Charges for Services	19,093	--	--	--	19,093	
Fines and Forfeitures	627	--	--	--	627	
Interest Income	2,965	976	45	18	4,004	
Other Income	3,933	--	--	--	3,933	
Total Revenues	390,031	198,370	91,392	45,660	725,453	
Expenditures						
General Government	225,955	--	--	--	225,955	
Public Safety	--	--	96,607	42,033	138,640	
Public Works	9,388	81,727	--	--	91,115	
Health and Welfare	12,445	--	--	--	12,445	
Community and Economic Development	25,000	--	--	--	25,000	
Total Expenditures	272,788	81,727	96,607	42,033	493,155	
Excess of Revenues Over (Under) Expenditures	117,243	116,643	(5,215)	3,627	232,298	
Other Financing Sources (Uses)						
Transfers In	--	--	13,000	--	13,000	
Transfers Out	(13,000)	--	--	--	(13,000)	
Net Other Financing Sources (Uses)	(13,000)	13,000	13,000	--	--	
Net Change in Fund Balance	104,243	116,643	7,785	3,627	232,298	
Fund Balance at Beginning of Period	975,009	500,392	71,706	42,629	1,589,736	
Fund Balance at End of Period	\$ 1,079,252	\$ 617,035	\$ 79,491	\$ 46,256	\$ 1,822,034	

The Notes to the Financial Statements are an integral part of these Financial Statements

Township of Otisco
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended March 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 232,298
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 and reported as depreciation expense. This amount is the current year depreciation expense of \$7,772.	(7,772)
Changes in Net Position - Governmental Activities	<u>\$ 224,526</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Otisco
Statement of Fiduciary Net Position
Fiduciary Fund
March 31, 2022**

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	Custodial - Tax Collection
ASSETS	
Cash and Investments	\$ 4,922
<i>Total Assets</i>	4,922
LIABILITIES	
Payable to Other Governments	4,922
<i>Total Liabilities</i>	4,922
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	\$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

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Township of Otisco
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended March 31, 2022

	<u>Custodial - Tax Collection</u>
Additions	
Taxes Collected for Other Governments	\$ 2,597,887
<i>Total Additions</i>	<u>2,597,887</u>
Deductions	
Taxes Disbursed to Other Governments	<u>2,597,887</u>
<i>Total Deductions</i>	<u>2,597,887</u>
<i>Change in Net Position</i>	--
<i>Net Position at Beginning of Period</i>	--
<i>Net Position at End of Period</i>	<u>\$ --</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

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Notes to the Financial Statements

Township of Otisco

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Township of Otisco (the "Township" or "government") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

The Township was organized on March 6, 1838, under the applicable laws of the State of Michigan. The Township is governed by a Board of Trustees which consists of Supervisor, Clerk, Treasurer, and two Trustees, and provides the following services: public safety (fire), road maintenance, cemetery, public improvements, health and welfare (ambulance), community and economic development, and general administrative services including tax collection and elections.

These financial statements only present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. Based upon the application of these criteria, there are no other entities for which the Township exercises oversight responsibility.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Township of Otisco

Notes to the 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*, as are the fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

Property taxes, licenses, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

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

The ***road fund*** accounts for the maintenance and improvement activities for streets within the Township. Funding is primarily property tax revenue.

The ***fire fund*** accounts for fire department activities that provide fire and emergency services within the Township. Funding is primarily special assessments.

Township of Otisco

Notes to the Financial Statements

In addition the Township reports the following governmental funds.

Fiduciary funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for asset that the government holds for others in a custodial capacity (such as taxes collected for other governments).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and Township policy authorize the Township to invest in:

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

Township of Otisco

Notes to the Financial Statements

Investments

Investments are stated at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and all other outstanding balances between funds are referred to as “due to/from other funds” (i.e., the current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. No amounts have been deemed uncollectable during the current year.

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 asset lives are not capitalized.

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

	<u>Years</u>
Buildings and Improvements	10 - 40
Furniture	5 - 15
Machinery and Equipment	5 - 10
Vehicles	5 - 20

Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not.

Net Position Flow Assumption

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 and unrestricted – net position in the government-wide financial

Township of Otisco

Notes to the Financial Statements

statements, 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 consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements 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 consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. 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.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township Board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township Board can assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Township of Otisco

Notes to the Financial Statements

Unassigned fund balance is the residual classification for the Township's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Township's Board.

Revenues and Expenditures / Expenses

Property Tax Revenue Recognition

Property taxes for the Township are attached as an enforceable lien on property as of December 1 of each year. The December 1 levy is recorded as revenue during the current fiscal year, and is intended to fund expenditures of the current year. Taxes are levied December 1 and are due without penalty on or before February 14. These winter tax bills include the Township's own property taxes and taxes billed on behalf of the school districts and other entities in Ionia County; summer taxes are collected for the school districts and the County of Ionia.

Real property taxes not collected are returned to the County for collection, which advances the Township 100% for the delinquent taxes for real property. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 2 - Statutory Compliance

Budgetary Information

Annual budgets are adopted for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). The Township follows these procedures in establishing the budgetary data which is reflected in the financial statements:

- The budgets are generated with input from various department heads, the Township supervisor, clerk, treasurer, and Township trustees.
- Public hearings are conducted to obtain taxpayer comments and recommendations. The operating budgets include proposed expenditures and the means of financing them.
- The budget is legally enacted through the passage of a resolution.

Township of Otisco

Notes to the Financial Statements

- Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
- Budget appropriations lapse at fiscal year-end.
- Adoption and amendments of all budgets used by the Township are governed by Public Act 621. Expenditures may not exceed appropriations at the activity level for the general fund and the functional level for all other special revenue funds (the legal level of budgetary control). The appropriations resolutions are based on the projected expenditure budgets by function. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any department must be approved by the Township Board.
- Budgeted amounts are as originally adopted, or as amended by the Township Board.
- Encumbrance accounting is not utilized.

The Township had the following expenditures in excess of the amounts appropriated during the year ended March 31, 2022:

<u>Fund / Activity</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Professional Services	\$ 15,600	\$ 17,037	\$ (1,437)
Cemetery	4,000	4,337	(337)
Transfers Out	5,000	13,000	(8,000)

Note 3 - Cash

The Township maintains individual fund demand deposits and certificates of deposit accounts.

Following is a reconciliation of deposit balances as March 31, 2022:

Statement of Net Position	
Cash and Investments	\$ 1,920,336
Statement of Fiduciary Net Position	
Cash and Investments	4,922
Total Cash and Cash Equivalents	<u>\$ 1,925,258</u>

Township of Otisco

Notes to the Financial Statements

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Deposits and Investments	
Checking Accounts	\$ 1,129,596
Certificates of Deposit (Mature within one year)	548,488
Certificates of Deposit (1-5 Year Maturity)	<u>247,174</u>
Total Deposits and Investments	<u>\$ 1,925,258</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits might not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year-end, \$395,651 of the Township’s bank balance of \$1,931,092 was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the Township believes it is impractical to insure all bank deposits. As a result, the Township treasurer evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk - Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Township’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 4 - Capital Assets

Capital asset activity for the year ended March 31, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not Being Depreciated				
Land	\$ 80,800	\$ -	\$ -	\$ 80,800
Capital assets Being Depreciated				
Buildings and Improvements	<u>163,709</u>	<u>-</u>	<u>-</u>	<u>163,709</u>
Less Accumulated Depreciation				
Buildings and Improvements	<u>88,941</u>	<u>7,772</u>	<u>-</u>	<u>96,713</u>
Capital Assets being Depreciated, Net	<u>82,541</u>	<u>(7,772)</u>	<u>-</u>	<u>66,996</u>
Capital Assets, Net	<u>\$ 163,341</u>	<u>\$ (7,772)</u>	<u>\$ -</u>	<u>\$ 147,796</u>

Depreciation expense of \$7,772 was charged to the general government function.

Township of Otisco

Notes to the Financial Statements

Note 5 - Interfund Balances

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

As of March 31, 2022, the interfund balances were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road	General	\$ 25,885
Fire	General	5,942
Police	General	1,842

Interfund transfers are used to: 1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; 2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and 3) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The following schedule summarizes operating transfers during the year:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Fire	General	\$ 13,000

Note 6 - 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 risks of loss arising from general liability, property and casualty, and workers' compensation are managed through purchased commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

Note 7 - Contingent Liabilities

The Township, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The Township's attorney and management estimate that the potential claims against the Township, not covered by insurance resulting from such litigation, would not materially affect the financial statements of the Township.

Management is not aware of any subsequent events as of September 23, 2022 that would have a material effect on the financial condition of the Township.

Township of Otisco

Notes to the Financial Statements

Note 8 - Defined Contribution Pension Plan

The Township contributes to the group pension plan through John Hancock Insurance Company. The eligible participants are the elected officials of the Township Board. The Township contributes an amount based on a participant's compensation. No contributions are made by the participants. During the year ended March 31, 2022, the Township made contributions to the pension plan of \$5,662.

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Required Supplementary Information

Township of Otisco
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended March 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Property Taxes	\$ 118,973	\$ 118,973	\$ 117,973	\$ (1,000)
State Sources	212,983	212,983	245,440	32,457
Fines and Forfeitures	250	250	627	377
Charges for Services	10,275	10,275	19,093	8,818
Interest Income	9,300	9,300	2,965	(6,335)
Other Revenue	4,050	4,050	3,933	(117)
Total Revenues	<u>355,831</u>	<u>355,831</u>	<u>390,031</u>	<u>34,200</u>
Other Financing Sources				
Transfers In	435,131	435,131	--	(435,131)
Total Revenues and Other Financing Sources	<u>790,962</u>	<u>790,962</u>	<u>390,031</u>	<u>(400,931)</u>
Expenditures				
General Government				
Legislative	19,637	19,637	12,601	7,036
Supervisor	24,150	24,150	16,000	8,150
Clerk	28,877	28,877	22,546	6,331
Treasurer	29,777	29,777	23,488	6,289
Elections	8,400	8,400	231	8,169
Assessor	21,950	21,950	21,423	527
Professional Services	14,400	15,600	17,037	(1,437)
Board of Review	5,150	5,150	1,878	3,272
Other General Government	274,715	286,715	77,966	208,749
Building and Grounds	51,200	38,000	23,910	14,090
Payroll Taxes	9,000	9,000	8,875	125
Total General Government	<u>487,256</u>	<u>487,256</u>	<u>225,955</u>	<u>261,301</u>
Public Works				
Cemetery	4,000	4,000	4,337	(337)
Drains	1,800	1,800	1,276	524
Street Lights	2,800	2,800	614	2,186
Roads	5,000	5,000	3,161	1,839
Total Public Works	<u>13,600</u>	<u>13,600</u>	<u>9,388</u>	<u>4,212</u>
Health and Welfare - Ambulance	12,608	12,608	12,445	163
Community and Economic Development				
Planning Commission	9,350	9,350	3,860	5,490
Zoning Administration	21,450	21,450	19,373	2,077
Board of Appeals	6,250	6,250	1,767	4,483
Community and Economic Development	<u>37,050</u>	<u>37,050</u>	<u>25,000</u>	<u>12,050</u>
Total Expenditures	<u>550,514</u>	<u>550,514</u>	<u>272,788</u>	<u>277,726</u>
Other Financing Uses				
Transfers Out	5,000	5,000	13,000	(8,000)
Total Expenditures and Other Financing Uses	<u>555,514</u>	<u>555,514</u>	<u>285,788</u>	<u>269,726</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>235,448</u>	<u>235,448</u>	<u>104,243</u>	<u>(131,205)</u>
Net Change in Fund Balance	<u>235,448</u>	<u>235,448</u>	<u>104,243</u>	<u>(131,205)</u>
Fund Balance at Beginning of Period	975,009	975,009	975,009	--
Fund Balance at End of Period	<u>\$ 1,210,457</u>	<u>\$ 1,210,457</u>	<u>\$ 1,079,252</u>	<u>\$ (131,205)</u>

Township of Otisco
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Road Fund
For the Year Ended March 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Property Taxes	\$ 168,760	\$ 168,760	\$ 174,893	\$ 6,133
State Sources	--	--	22,501	22,501
Interest Income	180	180	976	796
Total Revenues	<u>168,940</u>	<u>168,940</u>	<u>198,370</u>	<u>29,430</u>
Other Financing Sources				
Transfers In	158,000	158,000	--	(158,000)
Total Revenues and Other Financing Sources	<u>326,940</u>	<u>326,940</u>	<u>198,370</u>	<u>(128,570)</u>
Expenditures				
Public Works	281,420	281,420	81,727	199,693
Total Expenditures	<u>281,420</u>	<u>281,420</u>	<u>81,727</u>	<u>199,693</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>45,520</u>	<u>45,520</u>	<u>116,643</u>	<u>71,123</u>
Net Change in Fund Balance	<u>45,520</u>	<u>45,520</u>	<u>116,643</u>	<u>71,123</u>
<i>Fund Balance at Beginning of Period</i>	500,392	500,392	500,392	--
Fund Balance at End of Period	<u>\$ 545,912</u>	<u>\$ 545,912</u>	<u>\$ 617,035</u>	<u>\$ 71,123</u>

Township of Otisco
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Fire Fund
For the Year Ended March 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Property Taxes	\$ 84,375	\$ 84,375	\$ 87,500	\$ 3,125
State Sources	--	--	3,847	3,847
Interest Income	--	--	45	45
Total Revenues	<u>84,375</u>	<u>84,375</u>	<u>91,392</u>	<u>7,017</u>
Other Financing Sources				
Transfers In	<u>32,592</u>	<u>32,592</u>	<u>13,000</u>	<u>(19,592)</u>
Total Revenues and Other Financing Sources	<u>116,967</u>	<u>116,967</u>	<u>104,392</u>	<u>(12,575)</u>
Expenditures				
Fire Contract	<u>110,000</u>	<u>110,000</u>	<u>96,607</u>	<u>13,393</u>
Total Expenditures	<u>110,000</u>	<u>110,000</u>	<u>96,607</u>	<u>13,393</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>6,967</u>	<u>6,967</u>	<u>7,785</u>	<u>818</u>
Net Change in Fund Balance	<u>6,967</u>	<u>6,967</u>	<u>7,785</u>	<u>818</u>
Fund Balance at Beginning of Period	<u>71,706</u>	<u>71,706</u>	<u>71,706</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 78,673</u>	<u>\$ 78,673</u>	<u>\$ 79,491</u>	<u>\$ 818</u>

September 23, 2022

To the Township Board
Township of Otisco

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Otisco (the "Township") for the year ended March 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and, the application of existing policies was not changed during the year. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Township's financial statements was:

- The estimated useful lives of depreciable capital assets is based on the length of time management believes those assets will provide some economic benefit in the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, several of which were material.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 23, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended March 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we have identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described below to be a material weakness. 2022-001

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described below to be significant deficiencies. 2022-002 and 2022-003.

We consider the following deficiency to be a material weakness:

2022-001 - Preparation of Governmental Financial Statements (repeat finding)

Criteria: All Michigan governments are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of the government's management. The preparation of financial statements in accordance with GAAP requires internal controls over both 1) recording, processing and summarizing accounting data (i.e., maintaining internal books and records), and 2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting.)

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Condition/Finding: As is the case with many smaller and medium sized entities, the Township has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the Township's ability to prepare financial statements in accordance with GAAP is based, at least in part, on its reliance on its external auditors, who cannot by definition be considered a part of the Township's internal controls. Additionally, we identified and proposed several material audit adjustments that management reviewed and approved.

Cause: This condition was caused by the Township's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Township to perform this task internally.

Effect: As a result of this condition, the Township lacks complete internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, at least in part, on its external auditors for assistance with this task.

View of Responsible Officials: The Township Board has evaluated the cost versus benefit of establishing internal controls over the recording, processing, summarizing accounting data and preparing financial statements, and determined that it is in the best interest of the Township to outsource this task to its external auditors and to carefully review, approve, and accept responsibility for all nonattest work performed by the external auditors.

We consider the following deficiencies to be significant deficiencies:

2022-002 - Lack of Segregation of Incompatible Duties (repeat finding)

Criteria: Management is responsible for establishing and maintaining internal controls in order to safeguard the assets of the Township. A key element of internal control is the segregation of incompatible duties within the accounting function.

Condition/Finding: The Township has accounting functions which are performed by the same individual and are not subject to a documented independent review and approval. These areas include payroll, cash receipts, and accounts payable transactions.

Cause: This condition is a result of the limited size of the Township's accounting staff.

DRAFT

Effect: As a result of this condition, the Township is exposed to an increased risk that misstatements (whether caused by error or fraud) may occur and not be prevented or detected and corrected by management on a timely basis.

Recommendation: While there are, of course, no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of incompatible duties, we would nevertheless encourage management to actively seek ways to further strengthen its internal control structure by requiring as much independent review, reconciliation, and approval of accounting functions by qualified members of management as possible.

Response: The Township concurs with this finding. The Township will require appropriate sign-offs of a second responsible person for key accounting functions.

2022-003 - Reconciliation of Material Balance Sheet Accounts (repeat finding)

Criteria: Management is responsible for establishing and maintaining internal controls in order to safeguard the assets of the Township. A key element of internal control is the monitoring and reconciling of financial data within the accounting function.

Condition/Finding: The Township has balance sheet accounts that are only reconciled at year end as part of the audit. These areas include accounts payable, payroll tax liability, and accounts / taxes receivable. Accordingly, the Township's ability to prepare financial statements with reconciled balance sheet accounts is based, at least in part, on its reliance on its external auditors, who cannot by definition be considered a part of the Township's internal controls. Further, taxes collected by the Township for other taxing units were not reconciled and distributed timely as required by the general property tax act.

Cause: This condition is a result of the lack of documented control policies and procedures at the Township.

Effect: As a result of this condition, the Township is susceptible to misstatements (whether caused by error or fraud) that may occur and not be prevented or detected and corrected by management on a timely basis. Further, the Township will be denied qualified status by the Michigan Department of Treasury for failure to distribute taxes to other taxing units timely.

Recommendation: We recommend developing policies and procedures for reconciling taxes, accounts payable, payroll tax liabilities, and accounts receivable (at least quarterly) to the general ledger. These policies and procedures should require involvement of a second responsible person as part of the review/monitoring process.

View of Responsible
Officials:

The Township concurs with this finding. The Township will establish policies and procedures that require frequent reconciling of key financial statement accounts as well as ensuring that taxes collected for other taxing units are distributed timely.

The Township's Response to Findings

We did not audit the Township's response to the internal control finding described above and, accordingly, we express no opinion on it.

Restriction on Use

This information is intended solely for the use of the Township Board of Trustees and management of the Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Gabridge & Company, PLC
Grand Rapids, MI

September 23, 2022

Gabridge & Company, PLC
3940 Peninsular Drive SE
Suite 200
Grand Rapids, MI 49546

This representation letter is provided in connection with your audit(s) of the financial statements of the Township of Otisco, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of March 31, 2022 and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 23, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 30, 2022 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting Township.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no known related-party relationships or transactions that need to be account for or disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulting a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Township Board etc or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- 14) We have no knowledge of any fraud or suspected fraud that affects the Township and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Township's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulting a lawyer concerning litigation, claims, or assessments.
- 18) There are no known related-party relationships or transactions that need to be account for or disclosed in accordance with U.S. GAAP.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The Township has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91 .

- 27) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) As part of your audit, you assisted with preparation of the financial statements and the F-65 report, as well as the reconciliation of capital assets. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, the F-65, and the capital asset schedule.
- 30) The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.
- 34) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 41) Interfund, internal, and intra-Township activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) We have appropriately disclosed the Township's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____

Signature: _____

Title: _____

Title: _____

Journal Entry

Period Ending: 03/31/2022

Entity Name: Township of Otisco
 Fund Name: General
 EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
General				
Entry#: PRESENTATION ONLY!!! -				
	101-000-390.000 - FUND BALANCE	5,695.00	0.00	
	101-101-716.000 - PENSION	0.00	474.83	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	0.00	711.38	
	101-101-716.000 - PENSION	0.00	1.47	
	101-209-750.000 - SOFTWARE	0.00	174.99	
	101-210-803.000 - LEGAL COUNSEL	0.00	913.20	
	101-215-750.000 - SOFTWARE	0.00	175.00	
	101-248-740.000 - EQUIPMENT & SUPPLIES	0.00	29.42	
	101-248-750.000 - SOFTWARE-COMPUTER REPAIR	0.00	938.15	
	101-248-880.000 - COMMUNITY CLEAN UP	0.00	850.00	
	101-248-880.002 - RECYCLING	0.00	550.00	
	101-248-882.000 - INTERNET & PHONE	0.00	230.85	
	101-248-901.000 - PUBLISHING	0.00	213.00	
	101-248-910.000 - INSURANCE	0.00	420.00	
	101-411-740.000 - EQUIPMENT & SUPPLIES	0.00	12.71	
		5,695.00	5,695.00	
Entry#: GCPA.22.01 - ADJUST STATE REVENUE SHARING				
	101-000-078.000 - DUE FROM STATE	3,060.00	0.00	
	101-000-574.000 - STATE REVENUE SHARING	0.00	3,060.00	
		3,060.00	3,060.00	
Entry#: GCPA.22.02 - ADJUST FOR RECEIPTING ERRORS				
	101-000-214.204 - DUE TO ROAD FUND	10,102.78	0.00	
	101-000-689.000 - CASH OVER & SHORT	0.00	10,102.78	
	101-000-573.000 - PERSONAL PROPERTY TAX REIMBURSEMENT	4,435.53	0.00	
	101-000-689.000 - CASH OVER & SHORT	0.00	4,435.53	
		14,538.31	14,538.31	
Entry#: GCPA.22.03 - ADJUST ACCRUED PAYROLL				
	101-000-257.000 - ACCRUED PAYROLL	8,222.98	0.00	
	101-000-228.001 - SITW PAYABLE	338.47	0.00	
	101-000-229.001 - SOCIAL SECURITY PAYABLE	1,216.20	0.00	
	101-000-229.002 - MEDICARE PAYABLE	284.40	0.00	
	101-000-229.003 - FITW PAYABLE	621.13	0.00	
	101-102-702.000 - SALARY & WAGES	0.00	297.50	
	101-102-707.000 - SCHOOL	0.00	297.50	

Fund	JE Number/Description	Debit	Credit	Comments
	101-171-702.000 - SALARY & WAGES	0.00	1,333.33	
	101-209-702.000 - SALARY & WAGES	0.00	1,650.00	
	101-215-702.000 - SALARY & WAGES	0.00	1,398.08	
	101-215-703.000 - SALARY & WAGES - DEPUTY	0.00	21.00	
	101-247-702.000 - SALARY & WAGES	0.00	900.00	
	101-253-702.000 - SALARY & WAGES	0.00	1,398.08	
	101-253-860.000 - MILEAGE	0.00	40.25	
	101-265-976.000 - HALL CLEANING	0.00	120.00	
	101-276-702.000 - SALARY & WAGES CEMETERY	0.00	84.00	
	101-701-702.000 - SALARY & WAGES	0.00	280.00	
	101-702-702.000 - SALARY & WAGES	0.00	1,416.11	
	101-702-860.000 - MILEAGE	0.00	84.53	
	101-858-720.000 - SOCIAL SEC & MEDICARE	0.00	750.30	
	101-253-703.000 - SALARY & WAGES -DEPUTY	0.00	612.50	
		10,683.18	10,683.18	
Entry#: GCPA.22.04 - ADJUST ACCRUED PAYROLL				
	101-000-257.000 - ACCRUED PAYROLL	0.00	12,047.17	
	101-101-702.000 - SALARY & WAGES	297.50	0.00	
	101-101-707.000 - SCHOOL	297.50	0.00	
	101-101-702.000 - SALARY & WAGES	126.50	0.00	101-101-860
	101-171-702.000 - SALARY & WAGES	1,333.33	0.00	
	101-215-702.000 - SALARY & WAGES	1,398.08	0.00	
	101-215-703.000 - SALARY & WAGES - DEPUTY	567.00	0.00	
	101-215-860.000 - MILEAGE	60.38	0.00	
	101-247-702.000 - SALARY & WAGES	1,200.00	0.00	
	101-253-702.000 - SALARY & WAGES	1,398.08	0.00	
	101-253-703.000 - SALARY & WAGES -DEPUTY	514.50	0.00	
	101-257-702.000 - SALARY & WAGES	1,700.00	0.00	
	101-265-924.000 - HALL CLEANING	110.00	0.00	
	101-567-702.000 - SALARY & WAGES CEMETERY	420.00	0.00	
	101-701-702.000 - SALARY & WAGES	430.00	0.00	
	101-702-702.000 - SALARY & WAGES	1,333.33	0.00	
	101-702-860.000 - MILEAGE	19.55	0.00	
	101-858-720.000 - SOCIAL SEC & MEDICARE	841.42	0.00	
	101-000-202.000 - ACCOUNTS PAYABLE	5,696.03	0.00	
	101-102-874.000 - PENSION	0.00	474.83	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	0.00	711.38	
	101-102-876.000 - PENSION PARTICIPATIONFEE	0.00	2.50	
	101-209-750.000 - SOFTWARE	0.00	174.99	
	101-223-803.000 - LEGAL COUNSEL	0.00	913.20	
	101-215-750.000 - SOFTWARE	0.00	175.00	
	101-248-740.000 - EQUIPMENT & SUPPLIES	0.00	29.42	
	101-248-880.000 - COMMUNITY CLEAN UP	0.00	850.00	
	101-248-880.002 - RECYCLING	0.00	550.00	

Fund	JE Number/Description	Debit	Credit	Comments
	101-248-882.000 - INTERNET & PHONE	0.00	230.85	
	101-248-901.000 - PUBLISHING	0.00	213.00	
	101-248-910.000 - INSURANCE	0.00	420.00	
	101-410-740.000 - EQUIPMENT & SUPPLIES	0.00	12.71	
	101-248-750.000 - SOFTWARE-COMPUTER REPAIR	0.00	938.15	
		17,743.20	17,743.20	
Entry#: GCPA.22.05 - RECORD CURRENT YEAR AP				
	101-000-202.000 - ACCOUNTS PAYABLE	0.00	6,080.40	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	930.68	0.00	
	101-233-933.000 - SOFTWARE-COMPUTER REPAIR	690.00	0.00	
	101-223-803.000 - LEGAL COUNSEL	918.29	0.00	
	101-233-901.000 - PUBLISHING	560.70	0.00	
	101-215-710.000 - CONVENTION	776.00	0.00	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	132.34	0.00	
	101-702-740.000 - EQUIPMENT & SUPPLIES	12.71	0.00	
	101-257-740.000 - EQUIPMENT & SUPPLIES	349.99	0.00	
	101-233-740.000 - EQUIPMENT & SUPPLIES	136.19	0.00	
	101-223-803.000 - LEGAL COUNSEL	573.50	0.00	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	1,000.00	0.00	
	101-000-202.000 - ACCOUNTS PAYABLE	985.00	0.00	DbI Bill Entry
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	0.00	985.00	
	101-000-202.000 - ACCOUNTS PAYABLE	450.00	0.00	DbI Escrw JE
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	0.00	450.00	
		7,515.40	7,515.40	
Entry#: GCPA.22.06 - ADJUST TAXES RECEIVABLE				
	101-000-019.000 - ACCOUNTS TAXABLE	0.00	231.90	
	101-000-402.000 - TAX LEVY	230.19	0.00	
	101-000-447.000 - ADMINISTR. FEE- TAXLEVY	1.71	0.00	
		231.90	231.90	
Entry#: GCPA.22.07 - ADJUST CABLE FRANCHISE FEE				
	101-000-040.000 - ACCOUNTS RECEIVABLE	0.00	1,550.32	
	101-000-477.000 - CABLE FRANCHISE	1,550.32	0.00	
	101-000-040.000 - ACCOUNTS RECEIVABLE	1,545.51	0.00	
	101-000-477.000 - CABLE FRANCHISE	0.00	1,545.51	
		3,095.83	3,095.83	
Entry#: GVPA.22.08 -				
	101-000-084.703 - DUE FROM TAX ACCOUNT	0.00	7,521.85	
	101-000-689.000 - CASH OVER & SHORT	1,225.92	0.00	
	101-272-955.000 - MISCELLANEOUS EXPENDITURE	6,295.93	0.00	
		7,521.85	7,521.85	

Fund	JE Number/Description	Debit	Credit	Comments
	Entry#: pres for tax -			
	101-000-402.000 - TAX LEVY	2,834.41	0.00	
	101-000-447.000 - ADMINISTR. FEE- TAXLEVY	0.00	2,834.41	
		2,834.41	2,834.41	
		72,919.08	72,919.08	

Journal Entry

Period Ending: 03/31/2022

Entity Name: Township of Otisco
 Fund Name: Road Fund
 EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
Road Fund				
Entry#: GCPA.22.01 -				
	204-000-402.000 - TAX LEVY	0.00	0.00	277.69
	204-000-019.000 - TAXES RECEIVABLE	0.00	0.00	277.69
		0.00	0.00	
Entry#: GCCPA.22.01 - ADJUST TAX REVENUES				
	204-000-019.000 - TAXES RECEIVABLE	0.00	8,635.48	
	204-000-409.000 - SPECIAL DELQ.	8,635.48	0.00	
	204-000-019.000 - TAXES RECEIVABLE	8,254.23	0.00	
	204-000-409.000 - SPECIAL DELQ.	0.00	8,254.23	
		16,889.71	16,889.71	
Entry#: GCPA.22.02 - REVERSE TRANSER/Interest				
	204-000-006.013 - INTEREST - CHECKING	0.00	159,992.56	
	204-000-699.209 - TRANSFER FROM CEM FUND	159,992.56	0.00	
		159,992.56	159,992.56	
Entry#: GCPA.22.03 - ADJUST INTERFUND BALANCE FOR PPT NEVER PAID TO ROAD FUND				
	204-000-402.000 - TAX LEVY	10,102.78	0.00	
	204-000-573.000 - LOCAL COMMUNITY STABILIZATION	0.00	10,102.78	
		10,102.78	10,102.78	
		186,985.05	186,985.05	

Journal Entry

Period Ending: 03/31/2022

Entity Name: Township of Otisco
 Fund Name: Police
 EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
Police				
Entry#: GCPA.22.01 - ADJUST TAXES TO ACTUAL				
	207-000-019.000 - TAXES RECEIVABLE	0.00	2,158.12	
	207-000-409.000 - SPECIAL DELQ.	2,158.12	0.00	
	207-000-019.000 - TAXES RECEIVABLE	2,063.19	0.00	
	207-000-409.000 - SPECIAL DELQ.	0.00	2,063.19	
		4,221.31	4,221.31	
Entry#: GCPA.22.02 -				
	207-000-001.001 - CASH - SHERIFF	2.66	0.00	
	207-000-001.000 - CASH - GEN.	0.00	2.66	
	207-000-001.001 - CASH - SHERIFF	0.00	3,498.73	
	207-000-959.000 - SHERIFF SUPPORT	3,498.73	0.00	
		3,501.39	3,501.39	
Entry#: GCPA.22.03 - ADJUST ACCOUNTS PAYABLE TO ACTUAL				
	207-000-202.000 - ACCOUNTS PAYABLE	6,859.84	0.00	
	207-000-959.000 - SHERIFF SUPPORT	0.00	6,859.84	
	207-000-202.000 - ACCOUNTS PAYABLE	0.00	3,498.73	
	207-000-959.000 - SHERIFF SUPPORT	3,498.73	0.00	
		10,358.57	10,358.57	
		18,081.27	18,081.27	

Journal Entry

Period Ending: 03/31/2022

Entity Name: Township of Otisco
 Fund Name: Fire Fund
 EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
Fire Fund				
Entry#: PRESNETATION ONLY!!! -				
206-000-390.000	FUND BALANCE	9,533.00	0.00	
206-000-836.000	BELDING CONTRACT	0.00	801.00	
206-000-402.000	TAX LEVY	0.00	8,732.00	
		9,533.00	9,533.00	
Entry#: GCPA.22.01 - ADJUST TAX REVENUES				
206-000-019.000	TAXES RECEIVABLE	4,126.85	0.00	
206-000-409.000	SPECIAL DELQ.	0.00	4,126.85	
206-000-019.000	TAXES RECEIVABLE	0.00	4,317.25	
206-000-409.000	SPECIAL DELQ.	4,317.25	0.00	
		8,444.10	8,444.10	
Entry#: GCPA.22.02 - ADJUST ACCOUNTS PAYABLE				
206-000-202.000	ACCOUNTS PAYABLE	10,263.27	0.00	
206-000-836.000	BELDING CONTRACT	0.00	10,263.27	
206-000-202.000	ACCOUNTS PAYABLE	0.00	11,289.00	
206-000-836.000	BELDING CONTRACT	11,289.00	0.00	
		21,552.27	21,552.27	
		39,529.37	39,529.37	

Journal Entry

Period Ending: 03/31/2022

Entity Name: Township of Otisco
Fund Name: Cemetery
EntryType: Adj. JE

Fund	JE Number/Description	Debit	Credit	Comments
Cemetery				
Entry#: GCPA.22.01 - ADJUST AP TO ACTUAL				
	209-000-202.000 - ACCOUNTS PAYABLE	0.00	379.84	
	209-200-813.000 - GRAVE OPENING& CLOSING	379.84	0.00	
		379.84	379.84	
		379.84	379.84	