

*Township of Johnstown  
Barry County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended March 31, 2017*

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Township of Johnstown, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Johnstown, Michigan, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the 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 remaining fund information of the Township Johnstown, Michigan, as of March 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Correction of an Error**

As described in Note 13 to the financial statements, the Township recorded a prior period adjustment to correct its method of accounting for intangible capital assets of the governmental activities. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the contents, 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.

#### *Supplementary information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Johnstown, Michigan's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds (supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Sigfried Crandall P.C.*

June 9, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Township of Johnstown's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2017. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position decreased by \$33,308 as a result of this year's activities.
- Of the \$2,625,114 total net position reported, \$1,505,135 is available to be used to meet the Township's ongoing obligations to its citizens and customers, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$1,204,121, which represents 392 percent of the actual total General Fund expenditures for the current fiscal year.

### **Overview of the financial statements**

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental funds statements explain how government services, like general government, public safety, and public works, were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2017 and 2016 is also presented.

### **Government-wide financial statements**

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements present governmental activities. These activities include functions most commonly associated with government (e.g., general government, public safety, public works, library, etc.). Property taxes and state grants generally fund these services.

**Fund financial statements**

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Township has one type of fund:

- *Governmental funds.* The Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE****Net position**

Total net position at the end of the fiscal year was \$2,625,114. Of this total, \$1,025,704 is invested in capital assets and \$94,275 is restricted for various purposes. Consequently, unrestricted net position was \$1,505,135.

*Condensed financial information  
Net position*

	<i>Governmental activities</i>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 1,721,096	\$ 1,755,880
Capital assets	<u>1,294,257</u>	<u>1,345,181</u>
Total assets	<u>3,015,353</u>	<u>3,101,061</u>
Current liabilities	121,686	107,639
Long-term liabilities	<u>268,553</u>	<u>335,000</u>
Total liabilities	<u>390,239</u>	<u>442,639</u>
Net position:		
Net investment in capital assets	1,025,704	1,010,181
Restricted	94,275	94,457
Unrestricted	<u>1,505,135</u>	<u>1,553,784</u>
Total net position	<u>\$ 2,625,114</u>	<u>\$ 2,658,422</u>

The 2016 column reflects restated amounts for capital assets and the related net position, net investment in capital assets, as a result of a prior period adjustment recorded in 2017. Both amounts were reduced by \$227,174, for the effect of correcting the method of accounting used for intangible capital assets.

**Changes in net position**

The Township's total revenues were \$782,725. Approximately 45 percent of the Township's revenues comes from property taxes, 31 percent from state grants, and 23 percent from charges for services.

The total cost of the Township's programs totaled \$816,033. Approximately 28 percent of the Township's costs related to the provision of public safety. General government costs accounted for 29 percent and public works costs were 39 percent of the Township's total expenses.

*Condensed financial information  
Changes in net position*

	<i>Governmental activities</i>	
	<u>2017</u>	<u>2016</u>
Program revenues:		
Charges for services	\$ 182,323	\$ 102,230
Operating grants and contributions	7,871	5,872
General revenues:		
Property taxes	351,401	348,320
State shared revenue	238,857	226,274
Interest income	2,273	1,649
	<u>782,725</u>	<u>684,345</u>
Expenses:		
General government	233,956	200,612
Public safety	229,274	211,408
Public works	319,147	107,589
Recreation and culture	29,621	29,400
Interest on long-term debt	4,035	-
	<u>816,033</u>	<u>549,009</u>
Changes in net position	<u>\$ (33,308)</u>	<u>\$ 135,336</u>
Net position, end of year	<u>\$ 2,625,114</u>	<u>\$ 2,658,422</u>

The 2016 column reflects restated amounts as a result of a prior period adjustment recorded in 2017. Public works expenses were reduced by \$24,653 related to the restatement of 2016 balances for the effect of correcting the method of accounting used for intangible capital assets. Public works costs previously capitalized, in the amount of \$54,930, were expensed, and depreciation expense was reduced by \$79,583.

**Governmental activities**

Governmental activities decreased the Township's net position by \$33,308 compared to an increase of \$135,336 in 2016. The Township's revenues increased \$98,380 from 2016, while the operating costs also increased by \$267,024 from 2016. The increase in revenues was due primarily to new special assessments levied for road paving and weed control. The increase in expenses was due primarily to increased road maintenance public works costs. The remaining categories of revenues and expenses remained relatively consistent for both periods.

The total cost of governmental activities this year was \$816,033. After subtracting the charges to those who directly benefited from the programs (\$182,323) and operating grants (\$7,871), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$625,839, compared to \$440,907 in 2016.



**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental funds**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$1,552,487, a decrease of \$76,357 from the prior year.

The General Fund is the primary operating fund of the Township. At the end of the current fiscal year, its fund balance was \$1,217,090, a decrease of \$320,664 during the year, as expenditures of \$307,006 and transfers out of \$458,211 exceeded revenues of \$444,553.

The Road Fund is used to account for property tax revenues restricted for road maintenance. Its fund balance at the end of the current fiscal year was \$149,236, an increase of \$147,262, as current year revenues of \$49,404 and a transfer from the General Fund of \$305,000 exceeded public works costs of \$207,142.

The Fire Fund is used to account for property tax revenues restricted for fire protection costs (both operating and capital). Its fund balance at the end of the current fiscal year was \$91,886, as current year revenues of \$115,088 and a transfer from the General Fund of \$153,211 exceeded public safety costs of \$176,413.

The Mill Lake Aquatic Fund accounts for special assessments restricted for weed control costs of participating properties. Its fund balance at the end of the current fiscal year was \$10,273, an increase of \$8,034, as current year revenues of \$13,502 exceeded expenditures of \$5,468.

The Fine Lake Aquatic Fund accounts for special assessments restricted for weed control costs of participating properties. Its fund balance at the end of the current fiscal year was \$46,805, a decrease of \$987, as current year expenditures of \$25,006 exceeded revenues of \$24,019.

The Fire Capital Fund is used to account for property taxes restricted for fire capital purchases. Its fund balance at the end of the current fiscal year was \$29,083, an increase of \$669, as current year revenues of \$79,010 exceeded capital outlay of \$7,859 and debt service costs of \$70,482.

**General Fund budgetary highlights**

The Township amended the General Fund expenditure budget by \$112,622 to reflect unanticipated general government, public works, and capital outlay costs. Revenues were \$28,614 more than budgeted, as state grants, were \$12,693 higher than expected. Expenditures were \$32,486 less than the amounts appropriated, which was primarily due to a road project that was less than anticipated.

These variances resulted in a \$61,100 positive budget variance, with a \$320,664 decrease in fund balance compared to a budget that anticipated a \$381,764 decrease in fund balance.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Township's investment in capital assets for its governmental activities as of March 31, 2017, amounts to \$1,294,257 (net of accumulated depreciation). This investment includes land, buildings, equipment, and vehicles. The Township's net investment in capital assets decreased by \$50,924 for the current year, as \$36,673 in asset acquisitions were offset by \$87,597 in current depreciation and disposals.

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

- Software totaling \$15,175
- Technology upgrades totaling \$2,903
- Fire equipment totaling \$18,595

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

**Debt**

At the end of the fiscal year, the Township had an installment purchase agreement outstanding in the amount of \$268,553, after debt principal payments in 2017 of \$66,447. All debt is backed by the full faith and credit of the Township.

More detailed information about the Township's long-term debt is presented in Note 7 of the notes to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Township plans to primarily use current revenues to provide essential services in fiscal year 2018 in order to maintain current fund balances. Expenditures are expected to increase by nominal amounts compared to fiscal year 2017. 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 and operational capabilities of the Township. The Township will consider the need for various capital expenditures and additional road improvement projects.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances 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:

Barbara Earl, Township Supervisor  
Township of Johnstown  
13641 South M-37 Highway  
Dowling, MI 49050

Phone: (269) 721-9905

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**

March 31, 2017

	<u>Governmental activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,471,859
Receivables, net	104,033
Prepaid expenses	<u>18,746</u>
Total current assets	<u>1,594,638</u>
Noncurrent assets:	
Receivables, net	126,458
Capital assets not being depreciated	5,012
Capital assets, net of accumulated depreciation	<u>1,289,245</u>
Total noncurrent assets	<u>1,420,715</u>
Total assets	<u>3,015,353</u>
<b>LIABILITIES</b>	
Current liabilities:	
Payables	21,366
Unearned special assessments	100,320
Long term debt	<u>65,166</u>
Total current liabilities	186,852
Noncurrent liabilities - long-term debt	<u>203,387</u>
Total liabilities	<u>390,239</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,025,704
Restricted for:	
Public works	65,192
Capital acquisition	29,083
Unrestricted	<u>1,505,135</u>
Total net position	<u>\$ 2,625,114</u>

See notes to financial statements

Township of Johnstown

**STATEMENT OF ACTIVITIES**

Year ended March 31, 2017

	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expenses) revenues and change in net position</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
<b>Functions/Programs</b>				
Governmental activities:				
General government	\$ 233,956	\$ 46,176	\$ -	\$ (187,780)
Public safety	229,274	12,827	3,478	(212,969)
Public works	319,147	123,320	4,393	(191,434)
Recreation and culture	29,621	-	-	(29,621)
Interest on long-term obligations	4,035	-	-	(4,035)
	<u>816,033</u>	<u>182,323</u>	<u>7,871</u>	<u>(625,839)</u>
Total governmental activities				
General revenues:				
Taxes				351,401
State grants				238,857
Investment income				<u>2,273</u>
Total general revenues				<u>592,531</u>
Change in net position				(33,308)
Net position - beginning				<u>2,658,422</u>
Net position - ending				<u>\$ 2,625,114</u>

See notes to financial statements

Township of Johnstown

**BALANCE SHEET - governmental funds**

March 31, 2017

	<u>General</u>	<u>Road</u>	<u>Fire</u>	<u>Mill Lake Aquatic</u>	<u>Fine Lake Aquatic</u>	<u>Fire Capital</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>ASSETS</b>								
Cash	\$ 1,155,752	\$ 145,201	\$ 85,302	\$ 9,433	\$ 45,431	\$ 22,626	\$ 8,114	\$ 1,471,859
Receivables	101,547	4,035	13,497	39,339	63,195	6,457	2,421	230,491
Prepaid items	12,969	-	5,777	-	-	-	-	18,746
Total assets	<u>\$ 1,270,268</u>	<u>\$ 149,236</u>	<u>\$ 104,576</u>	<u>\$ 48,772</u>	<u>\$ 108,626</u>	<u>\$ 29,083</u>	<u>\$ 10,535</u>	<u>\$ 1,721,096</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities:								
Payables	\$ 6,255	\$ -	\$ 12,690	\$ -	\$ -	\$ -	\$ 2,421	\$ 21,366
Unearned special assessments	-	-	-	38,499	61,821	-	-	100,320
Total liabilities	<u>6,255</u>	<u>-</u>	<u>12,690</u>	<u>38,499</u>	<u>61,821</u>	<u>-</u>	<u>2,421</u>	<u>121,686</u>
Deferred inflows of resources - unavailable special assessments	<u>46,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,923</u>
Fund balances:								
Nonspendable for prepaid items	12,969	-	-	-	-	-	-	12,969
Restricted for:								
Capital purchases	-	-	-	-	-	29,083	-	29,083
Weed control	-	-	-	10,273	46,805	-	8,114	65,192
Assigned for:								
Roads	-	149,236	-	-	-	-	-	149,236
Fire protection	-	-	91,886	-	-	-	-	91,886
Unassigned	<u>1,204,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,204,121</u>
Total fund balances	<u>1,217,090</u>	<u>149,236</u>	<u>91,886</u>	<u>10,273</u>	<u>46,805</u>	<u>29,083</u>	<u>8,114</u>	<u>1,552,487</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,270,268</u>	<u>\$ 149,236</u>	<u>\$ 104,576</u>	<u>\$ 48,772</u>	<u>\$ 108,626</u>	<u>\$ 29,083</u>	<u>\$ 10,535</u>	<u>\$ 1,721,096</u>

See notes to financial statements

*Township of Johnstown*

**BALANCE SHEET - governmental funds (Continued)**

*March 31, 2017*

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Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds (page 12)	\$ 1,552,487
Amounts reported for <i>governmental activities</i> in the statement of net position (page 10) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	1,294,257
Notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(268,553)
Special assessments receivable are not available to pay for the current period's expenditures and, therefore, are deferred in the funds.	<u>46,923</u>
Net position of <i>governmental activities</i>	<u><u>\$ 2,625,114</u></u>

*See notes to financial statements*

Township of Johnstown

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - governmental funds

Year ended March 31, 2017

	<u>General</u>	<u>Road</u>	<u>Fire</u>	<u>Mill Lake Aquatic</u>	<u>Fine Lake Aquatic</u>	<u>Fire Capital</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>								
Taxes	\$ 129,747	\$ 49,378	\$ 98,766	\$ -	\$ -	\$ 79,007	\$ 29,621	\$ 386,519
State grants	243,250	-	-	-	-	-	-	243,250
Charges for services	8,250	-	11,025	-	-	-	-	19,275
Interest	4,661	26	17	2	13	3	2	4,724
Other	58,645	-	5,280	13,500	24,006	-	-	101,431
Total revenues	<u>444,553</u>	<u>49,404</u>	<u>115,088</u>	<u>13,502</u>	<u>24,019</u>	<u>79,010</u>	<u>29,623</u>	<u>755,199</u>
<b>EXPENDITURES</b>								
Current:								
General government	208,684	-	-	-	-	-	-	208,684
Public safety	-	-	139,072	-	-	-	-	139,072
Public works	78,972	207,142	-	5,468	25,006	-	2,559	319,147
Recreation and culture	-	-	-	-	-	-	29,621	29,621
Capital outlay	19,350	-	37,341	-	-	7,859	-	64,550
Debt service:								
Principal	-	-	-	-	-	66,447	-	66,447
Interest	-	-	-	-	-	4,035	-	4,035
Total expenditures	<u>307,006</u>	<u>207,142</u>	<u>176,413</u>	<u>5,468</u>	<u>25,006</u>	<u>78,341</u>	<u>32,180</u>	<u>831,556</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	137,547	(157,738)	(61,325)	8,034	(987)	669	(2,557)	(76,357)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	305,000	153,211	-	-	-	-	458,211
Transfers out	(458,211)	-	-	-	-	-	-	(458,211)
Total other financing sources (uses)	<u>(458,211)</u>	<u>305,000</u>	<u>153,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	(320,664)	147,262	91,886	8,034	(987)	669	(2,557)	(76,357)
<b>FUND BALANCES - BEGINNING</b>	<u>1,537,754</u>	<u>1,974</u>	<u>-</u>	<u>2,239</u>	<u>47,792</u>	<u>28,414</u>	<u>10,671</u>	<u>1,628,844</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,217,090</u>	<u>\$ 149,236</u>	<u>\$ 91,886</u>	<u>\$ 10,273</u>	<u>\$ 46,805</u>	<u>\$ 29,083</u>	<u>\$ 8,114</u>	<u>\$ 1,552,487</u>

See notes to financial statements



*Township of Johnstown*

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCES - governmental funds (Continued)**

*Year ended March 31, 2017*

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Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 14) \$ (76,357)

Amounts reported for *governmental activities* in the statement of activities (page 11) are different because:

Capital assets:

Assets acquired	36,673
Provision for depreciation	(87,583)
Basis on disposal of assets	(14)

Long-term debt:

Principal payments	66,447
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Net increase in deferred inflows of resources:

Unavailable special assessment revenues	<u>27,526</u>
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Change in net position of *governmental activities*

\$ (33,308)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township of Johnstown, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

*Reporting entity:*

As required by generally accepted accounting principles, these financial statements present only the Township (located in Barry County), as there are no other entities for which the Township is considered to be financially accountable.

*Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Township. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The major individual governmental funds are reported as a separate column 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, 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 only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Road Fund, a special revenue fund, accounts for financial resources used for road maintenance projects in the Township. Revenues are primarily derived from property taxes.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting, and financial statement presentation (continued):*

The Fire Fund, a special revenue fund, accounts for financial resources used for the operational costs of the Township's public safety functions. Revenues are primarily derived from property taxes.

The Mill Lake Channel Aquatic Fund, a special revenue fund, accounts for weed control financed through special assessments.

The Fine Lake Channel Aquatic Fund, a special revenue fund, accounts for weed control financed through special assessments.

The Fire Capital Fund, a capital project fund, accounts for capital purchases financed through property taxes and loan proceeds.

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

*Assets, liabilities, deferred inflows of resources, and net position or equity:*

*Bank deposits* - 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. Pooled interest income is proportionately allocated to all funds, except that all interest earned by the Building Fund is included in investment income of the General Fund.

*Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

*Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

*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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

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

Buildings and improvements	20 - 40 years
Equipment	3 - 5 years
Vehicles	10 - 15 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, liabilities, deferred inflows of resources, and net position or equity* (continued):

*Unearned revenue* - Unearned revenue represents resources related to operating assessments, which have not yet been earned.

*Deferred inflows of resources* - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. The Township has two items, special assessments and state grants, which are included in this category. Special assessment and state grant revenues, which are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year), are deferred and recognized as an inflow of resources in the period that the assessments become available.

*Net position* - Net position represents the difference between assets, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

*Net position flow assumption* - Sometimes, the Township 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

*Fund equity* - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally 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 and regulations of other governments. The Township Board retains the authority to assign fund balances as to purpose. Unassigned fund balances are amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted or assigned to those purposes. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

*Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, liabilities, deferred inflows of resources, and net position or equity (continued):*

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

*Excess of expenditures over appropriations* - The following schedule sets forth the budget variance:

<u>Fund</u>	<u>Function</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Fire	Capital outlay	\$ 32,100	\$ 37,341	\$ 5,241
Fine Lake Aquatic	Public works	21,500	25,006	3,506

**NOTE 3 - CASH**

State statutes and the Township’s investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township’s deposits are in accordance with statutory authority. At March 31, 2017, the Township had deposits with a carrying amount of \$1,471,859.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township’s investment policy does not specifically address custodial credit risk for deposits. At March 31, 2017, \$778,517 of the Township’s bank balances of \$1,476,721 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**NOTE 4 - RECEIVABLES**

Receivables as of March 31, 2017, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter-governmental</u>	<u>Totals</u>
General	\$ 50	\$ 9,943	\$ 49,755	\$ 41,799	\$ 101,547
Road	-	4,035	-	-	4,035
Fire	-	8,072	-	5,425	13,497
Fire Capital	-	6,457	-	-	6,457
Mill Lake Aquatic	-	-	39,339	-	39,339
Fine Lake Aquatic	-	-	63,195	-	63,195
Nonmajor funds	-	2,421	-	-	2,421
Totals	<u>\$ 50</u>	<u>\$ 30,928</u>	<u>\$ 152,289</u>	<u>\$ 47,224</u>	<u>\$ 230,491</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,458</u>	<u>\$ -</u>	<u>\$ 126,458</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2017, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	<u>\$ 5,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,012</u>
Capital assets being depreciated:				
Buildings and improvements	925,135	-	-	925,135
Equipment	433,484	36,673	(3,237)	466,920
Vehicles	<u>1,056,295</u>	<u>-</u>	<u>-</u>	<u>1,056,295</u>
Subtotal	<u>2,414,914</u>	<u>36,673</u>	<u>(3,237)</u>	<u>2,448,350</u>
Less accumulated depreciation for:				
Buildings and improvements	(102,565)	(26,630)	-	(129,195)
Equipment	(299,079)	(43,731)	3,223	(339,587)
Vehicles	<u>(673,101)</u>	<u>(17,222)</u>	<u>-</u>	<u>(690,323)</u>
Subtotal	<u>(1,074,745)</u>	<u>(87,583)</u>	<u>3,223</u>	<u>(1,159,105)</u>
Total capital assets being depreciated, net	<u>1,340,169</u>	<u>(50,910)</u>	<u>(14)</u>	<u>1,289,245</u>
Governmental activities capital assets, net	<u>\$ 1,345,181</u>	<u>\$ (50,910)</u>	<u>\$ (14)</u>	<u>\$ 1,294,257</u>

The beginning of year amounts reflect restated amounts, as discussed in footnote 13.

**NOTE 5 - CAPITAL ASSETS (Continued)**

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

Governmental activities:		
General government	\$	22,549
Public safety		<u>65,034</u>
Total	\$	<u>87,583</u>

**NOTE 6 - PAYABLES**

Payables as of March 31, 2017, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Inter- governmental</u>	<u>Totals</u>
General	\$ 1,984	\$ 4,271	\$ -	\$ 6,255
Fire	5,715	6,975	-	12,690
Nonmajor funds	<u>-</u>	<u>-</u>	<u>2,421</u>	<u>2,421</u>
Totals	<u>\$ 7,699</u>	<u>\$ 11,246</u>	<u>\$ 2,421</u>	<u>\$ 21,366</u>

**NOTE 7 - LONG-TERM DEBT**

At March 31, 2017, long-term debt consists of the following single issue: \$335,000 2015 1.98% Note payable, Hasting City Bank - due in annual installments of \$70,482, including interest, beginning June 2016 through June 2020.

All debt is secured by the full faith and credit of the Township.

Long-term debt activity for the year ended March 31, 2017, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:					
2015 Note payable	\$ 335,000	\$ -	\$ (66,447)	\$ 268,553	\$ 65,166

At March 31, 2017, debt service requirements on long-term debt are follows:

<u>Year ended March 31:</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 65,166	\$ 5,316
2019	66,456	4,026
2020	67,771	2,711
2021	<u>69,160</u>	<u>1,359</u>
	<u>\$ 268,553</u>	<u>\$ 13,412</u>

**NOTE 8 - INTERFUND BALANCES AND TRANSFERS**

The transfers to the Fire Fund and Road Fund from the General Fund represent annual appropriations of \$18,500 and \$52,500, respectively, and, amounts previously assigned by the General for future road maintenance and public safety operations.

**NOTE 9 - PROPERTY TAX REVENUES**

The 2016 taxable valuation of the Township approximated 98,848,000, on which ad valorem taxes levied consisted of 0.9488 mills for operating purposes, 1.0000 mills for fire protection, 0.8000 mills for fire capital, 0.5000 mills for roads, and 0.3000 mills for library services, raising approximately \$94,000 for operating purposes, \$99,000 for fire protection, \$79,000 for fire capital, \$49,000 for roads, and \$30,000 for library services. These amounts are recognized in the respective fund financial statements as property tax revenue.

**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN**

The Township and its employees contribute to the Johnstown Township Group Pension Plan, a defined contribution pension plan, which is administered by a third-party administrator. The plan covers all elected officials, salaried fire employees, and volunteer firefighters.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate as described above. The Township contributes 10% of covered payroll to the first class of qualifying employees. The Township contributes \$200 for salaries under \$1,000, plus an additional \$200 for each additional \$1,000 of salary, up to \$800, then \$100 for each additional \$1,000 of compensation. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code limits. For the year ended March 31, 2017, the Township made contributions of \$24,100. At March 31, 2017, the Township reported \$4,600 accrued liability as part of the contributions to the plan.

The Township's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested on the day the employee is eligible to participate in the plan, which occurs after one month of service.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

**NOTE 11 - 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 each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 12 - JOINTLY GOVERNED ORGANIZATION**

The Township, together with the Townships of Barry, Hope, and Prairieville, established the Southwest Barry County Sewer and Water Authority (the Authority), under the provisions of Act 233 of 1955, to operate, maintain, administer, and manage a sewage collection and disposal system. The governing body of the Authority is made up of one elected official from each member township. Operating costs are financed through user fees, and debt service costs are paid from special assessments upon benefited properties. The Township does not retain an ongoing financial interest or responsibility in the Authority.



**NOTE 13 - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment has been recorded in 2017 to correct the method of accounting used for intangible capital assets that resulted in a restatement of opening net position of governmental activities. Net position, as of March 31, 2016, included in the government-wide financial statements, represents a restated balance as presented below.

	<u>Net position</u> <u>Governmental</u> <u>activities</u>
Beginning of year, as previously reported	\$ 2,885,596
Prior period adjustment - overstatement of intangible capital assets	<u>(227,174)</u>
Beginning of year, as restated	<u>\$ 2,658,422</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Township of Johnstown

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Taxes	\$ 121,250	\$ 125,650	\$ 129,747	\$ 4,097
State grants	230,557	230,557	243,250	12,693
Charges for services	2,300	5,300	8,250	2,950
Interest	1,600	1,600	4,661	3,061
Other	300	52,832	58,645	5,813
	<u>356,007</u>	<u>415,939</u>	<u>444,553</u>	<u>28,614</u>
Total revenues				
<b>EXPENDITURES</b>				
General government:				
Legislative	8,120	8,120	7,832	288
Supervisor	22,900	22,900	21,924	976
Election	8,000	5,400	4,216	1,184
Assessor	31,075	38,025	35,641	2,384
Clerk	36,050	37,050	33,240	3,810
Board of review	1,500	1,500	1,084	416
Treasurer	29,025	30,725	29,620	1,105
Hall and grounds	15,400	15,460	16,861	(1,401)
Cemetery	18,700	24,200	21,167	3,033
Other	35,700	38,975	37,099	1,876
	<u>206,470</u>	<u>222,355</u>	<u>208,684</u>	<u>13,671</u>
Total general government				
Public works:				
Highways and streets	-	85,210	74,250	10,960
Street lights	1,500	1,500	1,189	311
Transfer station	3,600	3,600	3,533	67
	<u>5,100</u>	<u>90,310</u>	<u>78,972</u>	<u>11,338</u>
Total public works				
Capital outlay	<u>15,300</u>	<u>26,827</u>	<u>19,350</u>	<u>7,477</u>
Total expenditures	<u>226,870</u>	<u>339,492</u>	<u>307,006</u>	<u>32,486</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	129,137	76,447	137,547	61,100
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(357,500)</u>	<u>(458,211)</u>	<u>(458,211)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	(228,363)	(381,764)	(320,664)	61,100
<b>FUND BALANCES - BEGINNING</b>	<u>1,537,754</u>	<u>1,537,754</u>	<u>1,537,754</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,309,391</u>	<u>\$ 1,155,990</u>	<u>\$ 1,217,090</u>	<u>\$ 61,100</u>

Township of Johnstown

**BUDGETARY COMPARISON SCHEDULE - Road Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Taxes	\$ 49,000	\$ 49,000	\$ 49,378	\$ 378
Interest	-	-	26	26
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>49,404</u>	<u>404</u>
<b>EXPENDITURES</b>				
Public works	<u>207,980</u>	<u>207,980</u>	<u>207,142</u>	<u>838</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>				
	(158,980)	(158,980)	(157,738)	1,242
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>305,000</u>	<u>305,000</u>	<u>305,000</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>				
	146,020	146,020	147,262	1,242
<b>FUND BALANCES - BEGINNING</b>				
	<u>1,974</u>	<u>1,974</u>	<u>1,974</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 147,994</u>	<u>\$ 147,994</u>	<u>\$ 149,236</u>	<u>\$ 1,242</u>

Township of Johnstown

**BUDGETARY COMPARISON SCHEDULE - Fire Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Taxes	\$ 98,000	\$ 98,000	\$ 98,766	\$ 766
Charges for services	10,000	10,000	11,025	1,025
Interest	-	-	17	17
Other	<u>2,500</u>	<u>4,300</u>	<u>5,280</u>	<u>980</u>
Total revenues	<u>110,500</u>	<u>112,300</u>	<u>115,088</u>	<u>2,788</u>
<b>EXPENDITURES</b>				
Public safety	133,101	139,900	139,072	828
Capital outlay	<u>19,259</u>	<u>32,100</u>	<u>37,341</u>	<u>(5,241)</u>
Total expenditures	<u>152,360</u>	<u>172,000</u>	<u>176,413</u>	<u>(4,413)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(41,860)	(59,700)	(61,325)	(1,625)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>52,500</u>	<u>153,211</u>	<u>153,211</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	10,640	93,511	91,886	(1,625)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 10,640</u>	<u>\$ 93,511</u>	<u>\$ 91,886</u>	<u>\$ (1,625)</u>

Township of Johnstown

**BUDGETARY COMPARISON SCHEDULE - Mill Lake Aquatic Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 2	\$ 2
Other - special assessments	-	10,400	13,500	3,100
Total revenues	<u>-</u>	<u>10,400</u>	<u>13,502</u>	<u>3,102</u>
<b>EXPENDITURES</b>				
Public works	-	6,400	5,468	932
<b>NET CHANGES IN FUND BALANCES</b>				
	-	4,000	8,034	4,034
<b>FUND BALANCES - BEGINNING</b>				
	<u>2,239</u>	<u>2,239</u>	<u>2,239</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 2,239</u>	<u>\$ 6,239</u>	<u>\$ 10,273</u>	<u>\$ 4,034</u>

Township of Johnstown

**BUDGETARY COMPARISON SCHEDULE - Fine Lake Aquatic Fund**

Year ended March 31, 2017

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 13	\$ 13
Other - special assessments	<u>21,500</u>	<u>21,500</u>	<u>24,006</u>	<u>2,506</u>
Total revenues	<u>21,500</u>	<u>21,500</u>	<u>24,019</u>	<u>2,519</u>
<b>EXPENDITURES</b>				
Public works	<u>21,500</u>	<u>21,500</u>	<u>25,006</u>	<u>(3,506)</u>
<b>NET CHANGES IN FUND BALANCES</b>				
	-	-	(987)	(987)
<b>FUND BALANCES - BEGINNING</b>				
	<u>47,792</u>	<u>47,792</u>	<u>47,792</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 47,792</u>	<u>\$ 47,792</u>	<u>\$ 46,805</u>	<u>\$ (987)</u>

**SUPPLEMENTARY INFORMATION**



**COMBINING BALANCE SHEET - nonmajor governmental funds**

March 31, 2017

	<u>Special revenue</u>		
	<u>Dowling Library</u>	<u>Bristol Lake Channel Aquatic</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 8,114	\$ 8,114
Receivables	<u>2,421</u>	<u>-</u>	<u>2,421</u>
Total assets	<u>\$ 2,421</u>	<u>\$ 8,114</u>	<u>\$ 10,535</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Payables	<u>\$ 2,421</u>	<u>\$ -</u>	<u>\$ 2,421</u>
Fund balances:			
Restricted for weed control	<u>-</u>	<u>8,114</u>	<u>8,114</u>
Total liabilities and fund balances	<u>\$ 2,421</u>	<u>\$ 8,114</u>	<u>\$ 10,535</u>

Township of Johnstown

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - nonmajor governmental funds**

Year ended March 31, 2017

	<u>Special revenue</u>		<u>Totals</u>
	<u>Dowling Library</u>	<u>Bristol Lake Channel Aquatic</u>	
<b>REVENUES</b>			
Taxes	\$ 29,621	\$ -	\$ 29,621
Interest	-	2	2
Total revenues	<u>29,621</u>	<u>2</u>	<u>29,623</u>
<b>EXPENDITURES</b>			
Current:			
Public works	-	2,559	2,559
Recreation and culture	29,621	-	29,621
Total expenditures	<u>29,621</u>	<u>2,559</u>	<u>32,180</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	(2,557)	(2,557)
<b>FUND BALANCES - BEGINNING</b>	<u>-</u>	<u>10,671</u>	<u>10,671</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 8,114</u>	<u>\$ 8,114</u>