

# *Township of Almont*

**Lapeer County, Michigan**

Audited Financial Report  
June 30, 2023

**KING & KING CPAs LLC**

Marlette - Imlay City  
Michigan

**Township of Almont**  
 Annual Financial Report  
 For The Year Ended June 30, 2023

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## Independent Auditor's Report

Members of the Township Board  
**Township of Almont**  
Lapeer County, Michigan

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities and each major fund for the **Township of Almont**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statements, which collectively comprise the **Township of Almont's** basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the **Township of Almont**, as of **June 30, 2023**, and the respective changes in financial position, and, where applicable, cash flows thereof 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 (GAAS). 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 of Almont**, 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 of Almont's** ability to continue as a going concern for the 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 GAAS 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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we

- exercise professional judgement 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 of Almont's** internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting principles 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Township of Almont'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 Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and major fund budgetary comparison schedule, as identified in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 supplemental 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 Almont's** basic financial statements. The other supplemental information, as identified in the Table of Contents, is presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplemental information, as identified in the Table of Contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*King & King CPAs LLC*

**KING & KING CPAs LLC**  
Imlay City, Michigan

August 28, 2023

# Township of Almont

## Almont, Michigan

### MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the **Township of Almont**, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Township's financial statements.

#### Using this Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current fiscal year and whether the taxpayers have fully funded the cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the fiscal year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

#### Condensed Financial Information

The following table shows in a condensed format, the net position as of the current fiscal year. Comparative data of the prior audit's net position is included.

	Governmental Activities	
	6/30/2023	6/30/2022
Current Assets	\$ 2,805,160	\$ 2,373,913
Noncurrent Assets	2,598,639	2,745,566
Total Assets	5,403,799	5,119,479
Current Liabilities	118,586	141,890
Noncurrent Liabilities	36,792	46,333
Total Liabilities	155,378	188,223
Deferred Inflows	210,299	188,223
Net Position:		
Invested in Capital Assets -		
Net of Related Debt	2,550,751	2,689,691
Restricted	1,179,835	1,017,046
Unrestricted	1,307,535	1,125,809
Total Net Position	\$ 5,038,121	\$ 4,832,546

# Township of Almont

## Almont, Michigan

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### Condensed Financial Information – Continued

The following table shows the changes of the net position during the current fiscal year:

	<b>Governmental Activities</b>	
	<b>6/30/2023</b>	<b>6/30/2022</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 120,098	\$ 165,187
Grants	104,365	117,250
General Revenues:		
Property Taxes	1,169,542	1,091,830
State-Shared Revenues	452,169	441,009
Interest Earnings	16,631	4,320
Other Revenues	68,869	55,600
Total Revenues	1,931,674	1,875,196
<b>Program Expenses</b>		
General Government	\$ 400,211	\$ 374,719
Public Safety	913,729	918,575
Public Works	386,988	365,862
Recreation & Culture	23,544	16,026
Interest	1,626	1,528
Total Program Expenses	1,726,098	1,676,710
<b>Change in Net Position</b>	<b>\$ 205,577</b>	<b>\$ 198,487</b>

### The Township as a Whole

- The Township's Governmental Activities net position increased by \$205,577 this fiscal year. This compares to a net increase of \$198,487 in the previous fiscal year. Overall, this was fairly comparable to the previously audited year.
- The Township's primary source of revenue is from property taxes and state-shared revenues, which represent 84% of total revenue.

# Township of Almont

## Almont, Michigan

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### **The Township's Funds**

Our analysis of the Township's major funds begins on Page 5, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township's major funds for the fiscal year ended June 30, 2023, include the General Fund, Fire Fund and Police Department Fund.

### **General Fund Budgetary Highlights**

The Township made amendments to the budget throughout the year to cover the expenditures incurred in the General Fund.

### **Capital Asset and Debt Administration**

During the fiscal year ended June 30, 2023, the Township did not purchase any Capital Assets. Additional information regarding the Township's capital assets can be found in Note 5 to the financial statements.

The Township incurred additional long-term debt during the fiscal year ended June 30, 2023 with the County Drain Commission for drain work conducted during the fiscal year. The Township's only debt is with Lapeer County for Drain-at-large assessments. Additional information regarding the Township's long-term debt can be found in Note 6 to the financial statements.

### **Economic Factors and Next Year's Budget and Rates**

The Township's tax base remained relatively constant. The Township will need to continue to watch the budget very closely in all categories. As our current economy is seeing increased inflation and interest rates, the Township will be conscious of proper budgeting practices to manage increases in costs.

### **Contacting the Township**

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Township Office in Almont, Michigan by telephone at (810) 798-8521.

# Township of Almont

## Statement of Net Position

June 30, 2023

	<b>Primary Government Governmental Activities</b>
<b><u>Assets</u></b>	
Cash & Cash Equivalents	\$ 2,685,488
Accounts Receivable	76,669
Prepaid Expenses	43,003
Capital Assets (Net of Accumulated Depreciation)	<u>2,598,639</u>
<u>Total Assets</u>	<u>5,403,800</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
<b><u>Liabilities</u></b>	
Accounts Payable	91,024
Accrued Wages	16,466
Current Portion of Long-Term Debt	11,096
Noncurrent Liabilities:	
Long-Term Debt	<u>36,792</u>
<u>Total Liabilities</u>	<u>155,378</u>
<b><u>Deferred Inflows of Resources</u></b>	
	<u>210,299</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	2,550,751
Restricted For:	
Prepays	43,003
Scotch Settlement Cemetery	50,807
Public Safety	1,001,421
Building Inspection	84,604
Unrestricted	<u>1,307,535</u>
<u>Total Net Position</u>	<u>\$ 5,038,123</u>

The notes are an integral part of the statements.



**Township of Almont**  
Statement of Activities  
For The Fiscal Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue &amp; Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	<u>Primary Governmental Activities</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 400,211	\$ -	\$ 104,365	\$ -	\$ (295,846)
Public Safety	913,729	120,098	-	-	(793,631)
Public Works	386,988	-	-	-	(386,988)
Recreation & Culture	23,544	-	-	-	(23,544)
Interest on Long-Term Debt	1,626	-	-	-	(1,626)
<u>Total Governmental Activities</u>	<u>\$ 1,726,098</u>	<u>\$ 120,098</u>	<u>\$ 104,365</u>	<u>\$ -</u>	<u>(1,501,635)</u>
<b>General Revenues:</b>					
Property Taxes & Special Assessments					\$ 1,169,542
State-Shared Revenues					452,169
Interest Earnings					16,631
Other Revenues					68,869
Total General Revenues, Special Items & Transfers					<u>1,707,212</u>
<b>Change in Net Position</b>					205,577
<b><u>Net Position - Beginning of Year</u></b>					<u>4,832,546</u>
<b><u>Net Position - End of Year</u></b>					<u>\$ 5,038,123</u>

The notes are an integral part of the statements.

# Township of Almont

Governmental Funds

Balance Sheet

June 30, 2023

	Major Special Revenue Funds				Total Governmental Funds
	General Fund	Fire Fund	Police Department Fund	Nonmajor Governmental Funds	
<b><u>Assets</u></b>					
Cash & Certificates of Deposit	\$ 1,494,903	\$ 755,943	\$ 290,011	\$ 144,631	\$ 2,685,488
Accounts Receivable	76,669	-	-	-	76,669
Prepaid Expenses	8,079	34,080	-	844	43,003
	<u>\$ 1,579,652</u>	<u>\$ 790,023</u>	<u>\$ 290,011</u>	<u>\$ 145,475</u>	<u>\$ 2,805,161</u>
<b><u>Liabilities &amp; Fund Equity</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	\$ 40,142	\$ 6,474	\$ 35,189	\$ 9,219	\$ 91,024
Accrued Wages	13,596	2,870	-	-	16,466
Unearned Revenues	210,299	-	-	-	210,299
	<u>264,038</u>	<u>9,344</u>	<u>35,189</u>	<u>9,219</u>	<u>317,790</u>
<b><u>Fund Equity</u></b>					
Fund Balances					
Nonspendable	8,079	34,080	-	844	43,003
Restricted For:					
Scotch Settlement Cemetery	-	-	-	50,807	50,807
Public Safety	-	746,599	254,822	-	1,001,421
Building Inspection	-	-	-	84,604	84,604
Unassigned	1,307,535	-	-	-	1,307,535
	<u>1,315,614</u>	<u>780,679</u>	<u>254,822</u>	<u>136,255</u>	<u>2,487,371</u>
<b><u>Total Fund Balances</u></b>	<u>1,315,614</u>	<u>780,679</u>	<u>254,822</u>	<u>136,255</u>	<u>2,487,371</u>
<b><u>Total Liabilities &amp; Fund Equity</u></b>	<u>\$ 1,579,652</u>	<u>\$ 790,023</u>	<u>\$ 290,011</u>	<u>\$ 145,475</u>	<u>\$ 2,805,161</u>

The notes are an integral part of the statements.

**Township of Almont**  
Governmental Funds  
Reconciliation of Fund Balances to the  
Statement of Net Position  
For The Fiscal Year Ended June 30, 2023

<b>Total Fund Balances for Governmental Funds</b>	\$ 2,487,371
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Long-term bonds payable are not due and payable in the current period and are not reported in the funds.	(47,888)
Capital assets used in Governmental Activities are not financial resources and are not reported in the funds.	<u>2,598,639</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 5,038,123</u></u>

The notes are an integral part of the statements.

**Township of Almont**  
Governmental Funds  
Statement of Revenues, Expenditures and Changes  
in Fund Balances  
For The Fiscal Year Ended June 30, 2023

	<u>Major Special Revenue Funds</u>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fire Fund</b>	<b>Police Department Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b><u>Revenues</u></b>					
Property Taxes	\$ 386,991	\$ 290,208	\$ 475,343	\$ -	\$ 1,152,542
Special Assessments	17,000	-	-	-	17,000
Intergovernmental Revenues	452,169	-	-	-	452,169
Charges for Services	8,285	5,950	-	105,863	120,098
Interest Earnings	10,279	4,028	1,568	757	16,631
Other Revenues	61,098	-	7,772	-	68,869
<b><u>Total Revenues</u></b>	<b>935,821</b>	<b>300,185</b>	<b>484,683</b>	<b>106,620</b>	<b>1,827,309</b>
<b><u>Expenditures</u></b>					
General Government	378,372	-	-	1,075	379,446
Public Safety	51,864	202,270	430,378	103,055	787,567
Public Works	386,988	-	-	-	386,988
Recreation & Culture	23,544	-	-	-	23,544
Capital Outlay	-	-	-	-	-
Debt Service - Principal	11,096	-	-	-	11,096
Debt Service - Interest	1,626	-	-	-	1,626
<b><u>Total Expenditures</u></b>	<b>853,490</b>	<b>202,270</b>	<b>430,378</b>	<b>104,130</b>	<b>1,590,267</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>82,331</b>	<b>97,916</b>	<b>54,305</b>	<b>2,490</b>	<b>237,042</b>
<b><u>Other Financing Sources (Uses)</u></b>					
Loan Proceeds	3,109	-	-	-	3,109
Grant Revenues	104,365	-	-	-	104,365
Operating Transfers In (Out)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>189,806</b>	<b>97,916</b>	<b>54,305</b>	<b>2,490</b>	<b>344,516</b>
<b><u>Fund Balances - Beginning of Year</u></b>	<b>1,125,809</b>	<b>682,763</b>	<b>200,517</b>	<b>133,766</b>	<b>2,142,855</b>
<b><u>Fund Balances - End of Year</u></b>	<b>\$ 1,315,614</b>	<b>\$ 780,679</b>	<b>\$ 254,822</b>	<b>\$ 136,255</b>	<b>\$ 2,487,371</b>

The notes are an integral part of the statements.

**Township of Almont**  
 Governmental Funds  
 Reconciliation of Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For The Fiscal Year Ended June 30, 2023

**Net Change in Fund Balances - Total Governmental Funds** \$ 344,516

Amounts reported for Governmental Activities in the Statement of  
 Activities are different because:

Governmental Funds report capital outlays as expenditures.  
 In the Statement of Activities, these costs are capitalized and  
 allocated over their estimated useful lives as depreciation. -

Repayment of bond principal is an expenditure in the Governmental  
 Funds, but not in the Statement of Activities (where it  
 reduces long-term debt). 11,096

Bond proceeds and loan proceeds are not reported as financing  
 sources on the Statement of Activities. (3,109)

Depreciation is an expenditure for the Statement of  
 Activities, but is not reported in the Governmental Funds. (146,927)

**Net Change in Net Position of Governmental Activities** \$ 205,577

**Township of Almont**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position - Custodial Fund  
 June 30, 2023

	<u>Fiduciary Fund Types</u>		<u>Totals June 30, 2023</u>
	<u>Custodial Funds</u>		
	<u>Current Tax Collection Fund</u>	<u>Other Custodial Funds</u>	
<b><u>Assets</u></b>			
Cash - Savings & Certificates	\$ -	\$ 418,823	\$ 418,823
Due From Others	-	-	-
<u>Total Assets</u>	-	418,823	418,823
<b><u>Liabilities</u></b>			
Accounts Payable	-	6,237	6,237
<u>Total Liabilities</u>	-	6,237	6,237
<b><u>Net Position</u></b>			
Restricted For:			
Individuals, Organizations, and Other Governments	-	412,586	412,586
<u>Total Net Position</u>	\$ -	\$ 412,586	\$ 412,586

Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position - Custodial Funds  
 For the Fiscal Year Ended June 30, 2023

	<u>Fiduciary Fund Types</u>		<u>Totals June 30, 2023</u>
	<u>Custodial Funds</u>		
	<u>Current Tax Collection Fund</u>	<u>Other Custodial Funds</u>	
<b><u>Additions</u></b>			
Tax Collections for Other Governments	\$ 8,548,592	\$ -	\$ 8,548,592
Permits and Deposits	-	5,699	5,699
Interest	-	2,309	2,309
<u>Total Additions</u>	8,548,592	8,008	8,556,600
<b><u>Deductions</u></b>			
Tax Collections Disbursed to Other Governments	8,548,592	-	8,548,592
Permits and Deposits	-	23,671	23,671
<u>Total Deductions</u>	8,548,592	23,671	8,572,263
Change in Net Position	-	(15,663)	(15,663)
Net Position at Beginning of Year	-	428,250	428,250
Net Position at End of Year	\$ -	\$ 412,586	\$ 412,586

The notes are an integral part of the statements.

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**1. Summary of Significant Accounting Policies**

The accounting policies of the **Township of Almont**, Lapeer County, Michigan (the “Township”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the **Township of Almont**, Lapeer County, Michigan.

**Financial Reporting Entity**

The **Township of Almont** was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the **Township of Almont** (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

**Component Units** - In accordance with generally accepted accounting principles, there are no component units of government required to be included in the financial reporting entity either as blended component units or discretely presented component units.

**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 the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues are reported separate from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separate from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental 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.

The Township reports the following major governmental funds:

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

**Fire Fund** - This fund accounts for the operation of the Fire Department and provides for the accumulation of funds for equipment replacement. Funding is provided primarily through a special assessment.

**Police Department Fund** - The fund accounts for the payment of the contract to the Village for police protection and the purchase of equipment. Funding is provided primarily through a special assessment.

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**1. Summary of Significant Accounting Policies - Continued**

Additionally, the Township reports the following fund types:

**Fiduciary Fund Type** – used to account for resources held for the benefit of parties outside the Township:

**Custodial Fund (Current Tax Collection Fund)** - The Current Tax Collection Fund accounts for taxes collected by the Township for other governmental units.

**Other Custodial Funds** - The Other Custodial Funds account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations or other governments.

**Measurement Focus and Basis of Accounting**

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

**Cash** - The Township does pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

**Due To and Due From Other Funds** - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Property Tax Revenues** - Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

The Township's 2022 tax is levied and collectible on July 1, 2022, and is recognized as revenue in the fiscal year ended June 30, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Township totaled about \$305 million (a portion of which is captured by the DDA), on which taxes levied consisted of 1.2820 mills for operating purposes and .9801 mills for fire protection. This resulted in approximately \$387,000 for operating and \$290,000 for fire protection. These amounts are recognized in the General Fund and Fire Fund financial statements as tax revenue. The Township also has a special assessment for Police Protection which resulted in revenues of approximately \$475,000 which is deposited in the Police Fund.



**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**1. Summary of Significant Accounting Policies - Continued**

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

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of the interfund loans) or “advances to/from other funds” (i.e. the non-current portion of the interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**Vacation, Sick Leave and Other Compensated Absences** - The Township does have a contract with its employees that require the payment of compensation during absence from duty; however, all benefits are forfeited at the end of the fiscal year.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased. 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.

**Restricted Assets** – Restricted assets consist of investments that have set aside for future bond payments.

**Deferred Outflows of Resources** – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Township reports deferred outflows of resources related to its defined benefit pension plan for contributions to the plan subsequent to the valuation date through the Township's fiscal year-end, differences between expected and actual experience, differences between expected and actual investment returns and changes in assumptions.

**Deferred Inflows of Resources** – In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township reports deferred inflows of resources related to its pension plan for differences between expected and actual experience

**Capital Assets** - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Buildings & Building Improvements	35 to 50 years
Machinery & Equipment	3 to 25 years

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**1. Summary of Significant Accounting Policies - Continued**

**Long-Term Obligations** - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Net Position Flow Assumption** – The Township will sometimes 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 and proprietary fund 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 Balance Classification** - In the fund financial statements, governmental funds report nonspendable fund balance for amounts of assets that will not be converted to cash soon enough to affect the current period; restrictions of fund balance for amounts that are legally restricted by outside parties or enabling legislation to use for a specific purpose; committed fund balance for constraints placed on resources by a formal action of the board; and assigned fund balance for constraints placed on resources by the Township’s intent to be used for specific purposes.

- For *committed* fund balances, the Township’s highest level of decision-making authority is the Board and it takes a Board resolution to establish a fund balance commitment.
- For *assigned* fund balances, the Board can authorize to assign amounts to a specific purpose through a motion.
- The Township’s policy is that the restricted amounts are considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.
- The Township’s policy is if it has *committed*, *assigned*, or *unassigned* fund balance available when it incurs an expenditure it will use the fund balance in the order of committed, assigned and then unassigned.
- The Township does not have a policy with respect to a minimum fund balance.

**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, the 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. Actual results could differ from those estimates.

**Township of Almont**  
 Notes to the Financial Statements  
 For The Fiscal Year Ended June 30, 2023

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund, Special Revenue Funds and Capital Project Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Township’s actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Township Board as a management tool during the fiscal year for all budgetary funds. The budgets are adopted on an accrual basis, which is consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund, Special Revenue Funds and Capital Project Funds are presented in the required supplemental information.

During the fiscal year ended June 30, 2023, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>None</b>			

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**3. Cash and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated one bank for the deposit of Township funds. The investment policy adopted by the board is in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of state statutory authority as listed above. All cash deposits and investments of the Township are held by the Township in the Township's name.

At the fiscal year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<b>Governmental Activities</b>	<b>Fiduciary Funds</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 2,685,488	\$ 418,823	\$ 3,104,311

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Petty Cash	\$ 250
Bank Deposits (Checking & Savings Accounts, CDs)	3,104,061
Total	\$ 3,104,311

The bank balance of the primary government's deposits is \$ 3,104,311 of which \$3,104,311 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township has a deposit policy for custodial credit risk. At the fiscal year end, the Township had approximately \$0 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices.

At the fiscal year end, there were no investments reported in the basic financial statements.

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**4. Interfund Receivables, Payables and Transfers**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due From Other Funds” or “Due To Other Funds” on the balance sheet. The amounts of interfund receivables and payables are as follows:

**None**

Interfund transfers reported in the Fund Statements are as follows:

**None**

**5. Capital Assets**

Capital assets activity of the Township’s governmental activities was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Disposals &amp; Adjustments</u>	<u>Balance June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:	\$ 402,275	\$ -	\$ -	\$ 402,275
Capital Assets Being Depreciated:				
Buildings & Improvements	2,279,730	-	-	2,279,730
Machinery & Equipment	2,479,161	-	-	2,479,161
Total Capital Assets Being Depreciated	<u>4,758,891</u>	<u>-</u>	<u>-</u>	<u>4,758,891</u>
Accumulated Depreciation:				
Buildings & Improvements	796,647	52,284	-	848,931
Machinery & Equipment	1,618,953	94,643	-	1,713,596
Total Accumulated Depreciation	<u>2,415,600</u>	<u>146,927</u>	<u>-</u>	<u>2,562,527</u>
Net Capital Assets Being Depreciated	<u>2,343,291</u>	<u>(146,927)</u>	<u>-</u>	<u>2,196,364</u>
<b>Governmental Activities Capital Assets - Net</b>	<u>\$ 2,745,566</u>	<u>\$ (146,927)</u>	<u>\$ -</u>	<u>\$ 2,598,639</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 20,765
Public Safety	126,162
<b>Total Governmental Activities</b>	<u>\$ 146,927</u>

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**6. Long-Term Debt**

	Interest Rate Ranges	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
Direct Borrowings & Placements						
Lapeer Co. Drain Commission	2.3% -					
Maturing through 2030	3.13%	\$ 55,875	\$ 3,109	\$ (11,096)	\$ 47,888	\$ 11,096
<b>Total Primary Government</b>		<u>\$ 55,875</u>	<u>\$ 3,109</u>	<u>\$ (11,096)</u>	<u>\$ 47,888</u>	<u>\$ 11,096</u>

The Lapeer County Drain Commission has made improvements to the following drains and levied multi-year assessments against the Township as follows:

Belle River Drain	(4 Year Assessment through 2025)	2.31% Interest	\$ 10,000
Marshall Drain	(12 Year Assessment through 2031)	3.13% Interest	36,333
Paton Drain	(2 Year Assessment through 2024)	0.00% Interest	1,554
			<u>\$ 47,888</u>

The County Drain Assessments are secured by the future tax revenues of the Township.

**7. Pension Plan**

The Township does not offer any pension plan.

**8. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

NONE

**9. Comparative Data**

Comparative total data for the prior year has not been presented.

**10. Post-Employment Benefits**

The Township does not provide any post-employment benefits.

**11. Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

**Township of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2023

**12. Subsequent Events**

As of August 28, 2023, there were no subsequent events which would have a material impact on the financial statements.

**13. Tax Abatements**

**Industrial Facilities Exemption**

The Township entered into a property tax abatement agreement with multiple businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFE on a new plant and non-industrial property, such as some high-tech personal property, is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2023, the Township abated property tax revenues of less than \$1,000 under this program

**Commercial Rehabilitation Act**

The Township entered into a property tax abatement agreement with one business under the Commercial Rehabilitation Act, PA 210 of 2005, as amended, affords a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

For the year ended June 30, 2023, the Township abated property tax revenues of less than \$1,000 under this program.

**Required Supplemental Information**



# Township of Almont

Required Supplemental Information

Budgetary Comparison Schedule

General Fund

For The Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenues</b>				
Property Taxes	\$ 391,300	\$ 391,300	\$ 386,991	\$ (4,309)
Special Assessments	-	-	17,000	17,000
State-Shared Revenues	394,227	394,227	452,169	57,942
Charges for Services	14,500	14,500	8,285	(6,215)
Interest Earnings	1,000	1,000	10,279	9,279
Other Revenues	27,400	27,400	61,098	33,698
<b>Total Revenues</b>	828,427	828,427	935,821	107,394
<b>Expenditures</b>				
<b>General Government</b>				
Township Board	97,175	125,675	108,862	16,813
Supervisor	37,788	37,788	36,233	1,555
Elections	21,095	21,095	17,374	3,721
Assessor	52,607	53,607	52,312	1,295
Clerk & Deputy Clerk	71,652	71,652	67,802	3,850
Board of Review	2,653	2,653	1,656	997
Treasurer & Deputy Treasurer	51,364	51,364	49,899	1,465
Building & Grounds	39,700	39,700	32,359	7,341
Cemetery	20,000	20,000	11,875	8,125
<b>Total General Government</b>	394,033	423,533	378,372	45,162
<b>Public Safety</b>				
Inspection Department	10,690	11,315	10,657	658
First Responders	29,527	29,527	20,962	8,565
Ordinance Enforcement	2,500	2,500	1,539	961
Planning Commission	17,591	17,591	7,297	10,294
Street Lights	12,000	12,000	11,032	968
Board of Appeals	1,730	1,730	377	1,353
<b>Total Public Safety</b>	74,038	74,663	51,864	22,799
<b>Parks &amp; Recreation</b>	20,050	25,050	23,544	1,506
<b>Public Works - Roads &amp; Drains</b>	495,960	495,960	386,988	108,972
<b>Capital Outlay</b>	15,000	15,000	-	15,000
<b>Debt Service - Principal</b>	12,000	12,000	11,096	904
<b>Debt Service - Interest</b>	2,000	2,000	1,626	374
<b>Total Expenditures</b>	1,013,081	1,048,206	853,490	194,716
<b>Excess of Revenues Over (Under) Expenditures</b>	(184,654)	(219,779)	82,331	302,110
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	-	-	3,109	3,109
Grant Revenues	215,960	215,960	104,365	(111,594)
Operating Transfers In (Out)	-	-	-	-
<b>Excess of Revenues &amp; Operating Transfers Over (Under) Expenditures &amp; Operating Transfers Out</b>	31,306	(3,819)	189,806	193,625
<b>Fund Balance - Beginning of Year</b>	1,135,655	1,125,625	1,125,809	184
<b>Fund Balance - End of Year</b>	\$ 1,166,961	\$ 1,121,806	\$ 1,315,614	\$ 193,808

# Township of Almont

Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Special Revenue Fund - Fire Fund  
 For The Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Revenues</u></b>				
Special Assessments	\$ 285,900	\$ 285,900	\$ 290,208	\$ 4,308
Charges For Services	-	-	5,950	5,950
Interest Earnings	1,000	1,000	4,028	3,028
Other Revenues	-	-	-	-
<b><u>Total Revenues</u></b>	286,900	286,900	300,185	13,285
<b><u>Expenditures</u></b>				
Administration	80,004	80,004	65,667	14,337
Operating Expenditures	85,096	86,596	80,007	6,589
Other Expenditures	65,000	65,000	56,596	8,404
Capital Outlay	50,000	50,000	-	50,000
<b><u>Total Expenditures</u></b>	280,100	281,600	202,270	79,330
<b>Excess of Revenues Over (Under) Expenditures</b>	6,800	5,300	97,916	92,616
<b><u>Other Financing Sources</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</b>	6,800	5,300	97,916	92,616
<b><u>Fund Balance - Beginning of Year</u></b>	689,813	682,763	682,763	-
<b><u>Fund Balance - End of Year</u></b>	\$ 696,613	\$ 688,063	\$ 780,679	\$ 92,616

# Township of Almont

Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Special Revenue Fund - Police Department Fund  
 For The Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Revenues</u></b>				
Special Assessments	\$ 477,600	\$ 477,600	\$ 475,343	\$ (2,257)
Interest Earnings	250	250	1,568	1,318
Other Income	-	-	7,772	7,772
<b><u>Total Revenues</u></b>	477,850	477,850	484,683	6,833
<b><u>Expenditures</u></b>				
Contractual Services	437,905	437,905	430,378	7,527
<b><u>Total Expenditures</u></b>	437,905	437,905	430,378	7,527
<b>Excess of Revenues Over (Under) Expenditures</b>	39,945	39,945	54,305	14,360
<b><u>Other Financing Sources</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</b>	39,945	39,945	54,305	14,360
<b><u>Fund Balances - Beginning of Year</u></b>	201,919	200,517	200,517	-
<b><u>Fund Balances - End of year</u></b>	\$ 241,864	\$ 240,462	\$ 254,822	\$ 14,360

**Other Supplemental Information**

# Township of Almont

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2023

	<b>Scotch Settlement Cemetery Fund</b>	<b>Building Department Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 50,807	\$ 93,824	\$ 144,631
Due From Other Funds	-	-	-
Prepaid Expenses	-	844	844
<u>Total Assets</u>	<u>\$ 50,807</u>	<u>\$ 94,668</u>	<u>\$ 145,475</u>
<b><u>Liabilities &amp; Fund Balances</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ -	\$ 9,219	\$ 9,219
Accrued Wages	-	-	-
Due To Other Funds	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>9,219</u>	<u>9,219</u>
<b><u>Fund Balances</u></b>			
Nonspendable	-	844	844
Restricted For:			
Scotch Settlement Cemetery	50,807	-	50,807
Building Department	-	84,604	84,604
<u>Total Fund Balances</u>	<u>50,807</u>	<u>85,448</u>	<u>136,255</u>
<u>Total Liabilities &amp; Fund Balances</u>	<u>\$ 50,807</u>	<u>\$ 94,668</u>	<u>\$ 145,475</u>

**Township of Almont**  
 Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For The Fiscal Year Ended June 30, 2023

	<b>Scotch Settlement Cemetery Fund</b>	<b>Building Department Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b><u>Revenues</u></b>			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Cemetery Sales & Fees	3,225	-	3,225
Permit & Inspection Fees	-	102,638	102,638
Interest Earnings	267	490	757
Other Revenues	-	-	-
<b><u>Total Revenues</u></b>	<b><u>3,492</u></b>	<b><u>103,128</u></b>	<b><u>106,620</u></b>
<b><u>Expenditures</u></b>			
General Government	1,075	-	1,075
Public Safety	-	103,055	103,055
Capital Outlay	-	-	-
<b><u>Total Expenditures</u></b>	<b><u>1,075</u></b>	<b><u>103,055</u></b>	<b><u>104,130</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,418</b>	<b>72</b>	<b>2,490</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In (Out)	-	-	-
<b>Net Change in Fund Balances</b>	<b>2,418</b>	<b>72</b>	<b>2,490</b>
<b><u>Fund Balances - Beginning of Year</u></b>	<b><u>48,389</u></b>	<b><u>85,376</u></b>	<b><u>133,766</u></b>
<b><u>Fund Balances - End of Year</u></b>	<b><u>\$ 50,807</u></b>	<b><u>\$ 85,448</u></b>	<b><u>\$ 136,255</u></b>

# KING & KING CPAs LLC

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August 28, 2023

## **Township of Almont**

819 N. Main Street  
Almont, MI 48003

To the Members of the Board:

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the **Township of Almont** as of and for the year ended **June 30, 2023**, in accordance with U.S. generally accepted auditing standards, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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 of Almont's** internal control. Accordingly, we do not express an opinion of the effectiveness of the **Township of Almont'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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the **Township of Almont's** financial statements will not be prevented or detected and corrected, on a timely basis. We consider the following deficiencies in the Township's internal control to be significant deficiencies:

**Segregation of Duties** - One of the strongest controls in an internal control system is known as "segregation of duties". This means there are different individuals performing different duties within a specific accounting function. Having multiple individuals performing duties in the same accounting function acts as a check and balance. As is common in many small organizations, there is often only a few people, sometimes only one person, performing the accounting and financial functions. It is also common to have these individuals concentrate their efforts in one area. For example, one person does the entire payroll, one person does all the disbursing, and one person does all the billing and receipting. While this is usually more efficient, it is a weakened internal control system. There are generally insufficient checks and balances in place.

This is the situation with the **Township of Almont**. Due to a limited staff size, the municipality has a lack of segregation of duties because various conflicting duties are performed by an insufficient number of individuals. We recommend the **Township of Almont** segregate duties whenever possible.

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**Financial Reporting** - Our professional standards now define an element of internal control as an organization's ability to prepare a complete set of financial statements with footnotes in accordance with U.S. generally accepted accounting principles. We are required to communicate to management if the municipality is unable to complete this task without assistance from its auditor. It is not uncommon that many small and medium size organizations cannot provide the resources to accomplish this task. This is the situation with the **Township of Almont**.

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

Sincerely,

*King & King CPAs LLC*

**KING & KING CPAs LLC**

Imlay City, Michigan



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August 28, 2023

## **Township of Almont**

819 N. Main Street  
Almont, MI 48003

To the Members of the Board:

We have audited the financial statements of the governmental activities and each major fund of the **Township of Almont** for the year ended **June 30, 2023**. Professional standards require that we provide you with information about our responsibilities under U.S. 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 **May 12, 2020**. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *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 of Almont** 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 of Almont** 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 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 clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

#### *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.

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## *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated **August 28, 2023**.

## *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 of Almont'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 of Almont'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 major fund 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.

## **Restriction on Use**

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

Sincerely,

*King & King CPAs LLC*

**KING & KING CPAs LLC**  
Imlay City, Michigan