

# 2020-2021 BUDGET

## Budget Message

The 2020-2021 Budget represents a fiscally responsible spending plan that balances the Crystal Lake Township Board's direction of providing citizens exemplary levels of service at reasonable expense, while continuing to address regulatory compliance.

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## Budget Message

The following are the 2020-2021 Operating Budgets as proposed by the Chief Administrative Officer, in accordance with the State of Michigan Public Act of 1968 – The Uniform Budgeting and Accounting Act, as amended. This document outlines issues and trends for the new fiscal year; the Approved Board Budget Resolution and Appropriation Act; Budget Summaries in a format required by Public Act 2; and the Capital Improvement Plan.

The budget provides a blueprint of the Township’s efforts to meeting cornerstones addressed in the Crystal Lake Township Master Plan. This document is a communication tool to assist the Township in being accountable and financially transparent to the citizens.

Several budget considerations have continued in the Township’s favor, including a continued increase in property tax value.

The 2020-2021 budget is balanced, with little use of reserves. Township programs are funded at the same service level and the capital improvement plan is fully funded.

The Township’s Financial Policies stress the importance of a balanced budget, meaning at the end of the fiscal year, operating revenues match operating expenditures.

When possible, the Township has dedicated excess General Fund revenues to be reserved for unforeseen contingencies.

The preparation of the 2020-2021 Budget was a learning process for the many of board and committee members. This document may be a manual for future budgets.

## Blueprint

The budget provides a blueprint of the Township’s efforts to meeting cornerstones addressed in the Crystal Lake Township Master Plan.

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## Budget Overview

### **Definition:**

The development of the budget for Crystal Lake Township is the annual financial plan. It defines what programs and services the Township is funding for the budget year beginning Apr. 1. It determines what revenues are available to fund the various services and programs of the Township and how the money will be spent. The consolidated budget is comprised of the annual budget for all operating funds. The current fund structure is as follows: General Fund, Cemetery Fund, Fire Fund and Road Fund.

The Township currently follows the modified accrual accounting basis to develop its annual budget. In the accounting method, revenue is recorded in the year it is earned and expenditures are recorded in the year when the services are performed.

### **Factors:**

There are four major factors that influence decisions when developing the Township's annual budget: inflation, demand for services, regulatory changes and revenue growth.

Inflation is defined as the rate at which the general level of prices for goods and services rises and the resulting decline in what can be purchased with the same amount of money from year to year. The Consumer Price Inflation (CPI) rate affects the Township in two ways. First, is the negative effect that rising CPI rate has on the operating costs the Township will incur during the year. It is possible the Township could pay for an increase in the amount for the same goods and services than what it paid last year. Second, with a rising CPI rate, the value of property also rises, which means more revenue from taxes.

A second factor that has a direct impact on the budget development is the change in demand for services. This level in services can be brought upon by a variety of factors, whether it being an expanding population or in those that need certain services and enhanced expectation for services. The demand for faster and more convenient access or delivery of services has continuously been changing and innovating.

A third factor the Township is constantly watching are the regulatory changes as well as any statutory mandates that may result in additional new services, programs or revisions on how services are provided, a change in current fee

structure or changes in the amount of funding that programs and services are to receive based on current changes in legislative funding.

Lastly, a fourth factor directly impacting the budget is the rate of revenue growth. During the years the Township experiences a slowdown in revenue, adjustments to the budget must be made accordingly.

### **Legal Development:**

The basis for the budget process is built around a framework of statutory deadlines established by the State of Michigan and are subject to the Uniform Budgeting and Accounting Act of the State of Michigan.

#### Legal Requirements:

- The budget must be balanced.
- Information must be classified by fund and spending agency.
- All expenditures and sources of revenue must be displayed.
- Revenue and expenditure data must be shown for the prior year, current and budget year.
- Beginning and ending fund balances must be reflected.
- Expenditures must be appropriated to provide legal spending authority.
- Prior to the budget adoption, the total number of mills of ad valorem property taxes to be levied, shall be set as cited in the “truth in budgeting act.”
- A proposed budget must be submitted to the Board with adequate time for review and adoption before commencement of the budget year.
- A notice must be published notifying the public that the budget is available for inspection and a public hearing to consider objections to the budget must be held by the Crystal Lake Township Board.

**Budget Timeline:**

|                   |  |
|-------------------|--|
| Jan. 2019         | Departments review existing assets for possible Capital Improvements Plan (CIP).   |
| May 2019          | Departments complete and submit CIP project requests to Township Building and Grounds Committee.   |
| June 2019         | Township Building and Grounds Committee reviews and prioritizes requested projects.  |
| July 2019         | Draft CIP is submitted to Township Planning Commission and Chief Administrative Officer for review.  |
| Aug. 2019         | Budget Calendar is presented to the Board, Departments and Committees. Budget procedures are reviewed.   |
| Sept. 2019        | Preliminary budget information is prepared and distributed to Board, Departments and Committees.<br>The CIP is received and adopted by the Township Board. |
| By Sept. 30, 2019 | Complete and submit 2019 Tax Rate Request (L-4029) to County Board of Commissioners.   |
| Oct. 2019         | Departments and Committees finalize budget operating requests and the CIP is incorporated into the budget.   |
| Jan. 8, 2020      | Publication of the budget public hearing notice.   |
| Jan. 14, 2020     | Public Hearing for the 2020-2021 Budget.   |
| Jan. 14, 2020     | The Township Board reviews the 2020-2021 Budget.   |
| Feb. 11, 2020     | The Township Board adopts the 2020-2021 Budget.  |

**Budget Amendment Process:**

The budget is adopted and effective Apr. 1, 2020. Changes in appropriations must be submitted to the Township Board for approval during the regular monthly board meeting. All amendments to the 2020-2021 Budget must be made in that fiscal year (Apr. 1, 2020 to Mar. 31, 2021).

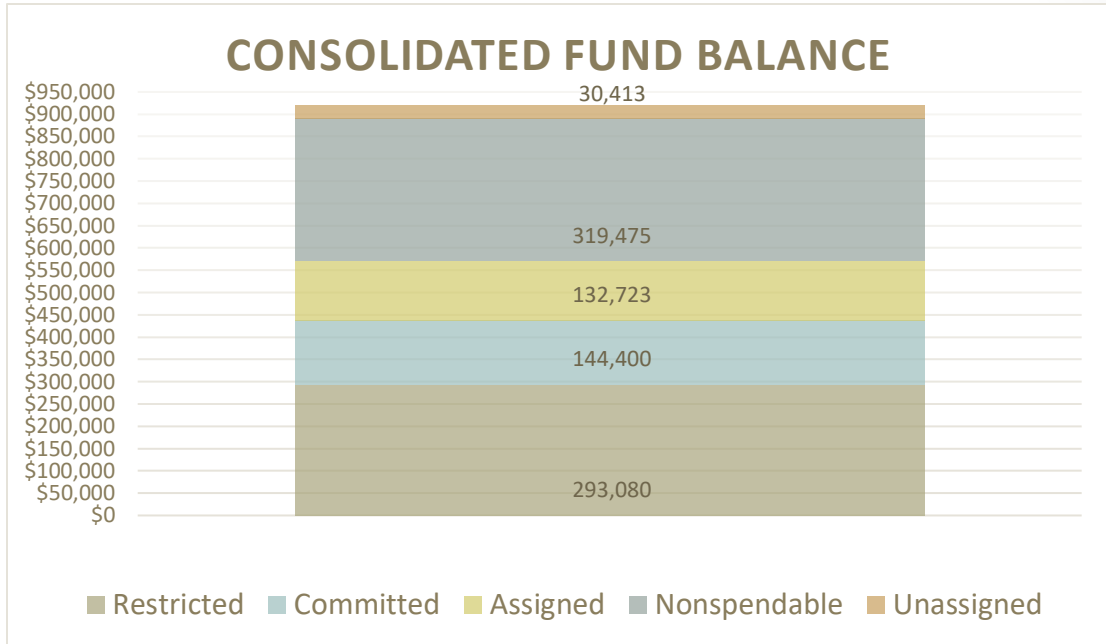
## Summary of 2020-2021 Consolidated Budgets And Estimated Fund Balances

|                                     | General Fund | Special Funds | Total Government |
|-------------------------------------|--------------|---------------|------------------|
| <b>REVENUES</b>                     |              |               |                  |
| Taxes                               | 181,710      | 258,100       | 439,810          |
| Charges for Services                |              | 20,000        | 20,000           |
| Grants and Contributions            |              | 2,800         | 2,800            |
| State Grants                        | 84,000       |               | 84,000           |
| Investment Earnings                 | 5,000        | 2,600         | 7,600            |
| Licenses and Permits                | 3,500        |               | 3,500            |
| Other                               | 1,000        |               | 1,000            |
| <b>EXPENDITURES</b>                 |              |               |                  |
| General Operating                   | 220,893      | 39,390        | 260,283          |
| Public safety                       | 2,680        | 87,895        | 90,575           |
| Public works                        | 18,150       | 160,000       | 178,150          |
| Community and Economic Development  | 26,350       |               | 26,350           |
| Fund Balance Contribution (Usage)   |              |               | 3,352            |
| Fund Balance, Beginning of Year     |              |               | 1,052,984        |
| Projected Fund Balance, End of Year |              |               | 1,056,336        |

The Township is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Township include General government, Public Safety, Public Works, and Community and Economic Development.

The Township maintains four individual governmental funds, the General Fund, and the Special Funds: Cemetery Fund, Fire Fund, and Road Fund. The Township adopts an annual budget for all funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected here because the resources of those funds are not available to support the Township's own programs. The Township maintains one type of fiduciary fund. The Agency Fund, or Tax Fund, reports resources held by the Township in a custodial capacity for other governments.



The restricted fund balance includes the General Fund METRO Act amounts, the Cemetery Fund Grand Traverse Regional Community Foundation endowment, the North Cemetery endowment, the East Cemetery Augenstein endowment and perpetual care amounts, and the Fire Fund amounts, that can be spent only for the specific purposes stipulated by external resource providers or legislation.

The committed fund balance includes amounts that can be used only for specific purposes determined by a formal board action. In the General Fund, the township board approved measures to provide for township road repairs, not covered by the Road Fund. The board also, believes an amount equal to 50-percent of the annually budgeted expenditures should be reserved for contingencies.

Amounts in the assigned fund balance are intended to be used by the township for specific purposes but do not meet the criteria of restricted or committed, for instance, outstanding payables.

In governmental funds other than the general fund, such as the Cemetery Fund, Fire Fund and Road Fund, assigned fund balances represent the remaining amount that is not restricted or committed.



Non-spendable are amounts associated with land and buildings.

Unassigned fund balance is the residual of the General Fund and includes all spendable amounts not contained in the other classifications.

The unassigned classification would also be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The above figures reflect the General Fund, Cemetery Fund, Fire Fund and Road Fund balances as of Sept. 30, 2019.

## Revenue Summary

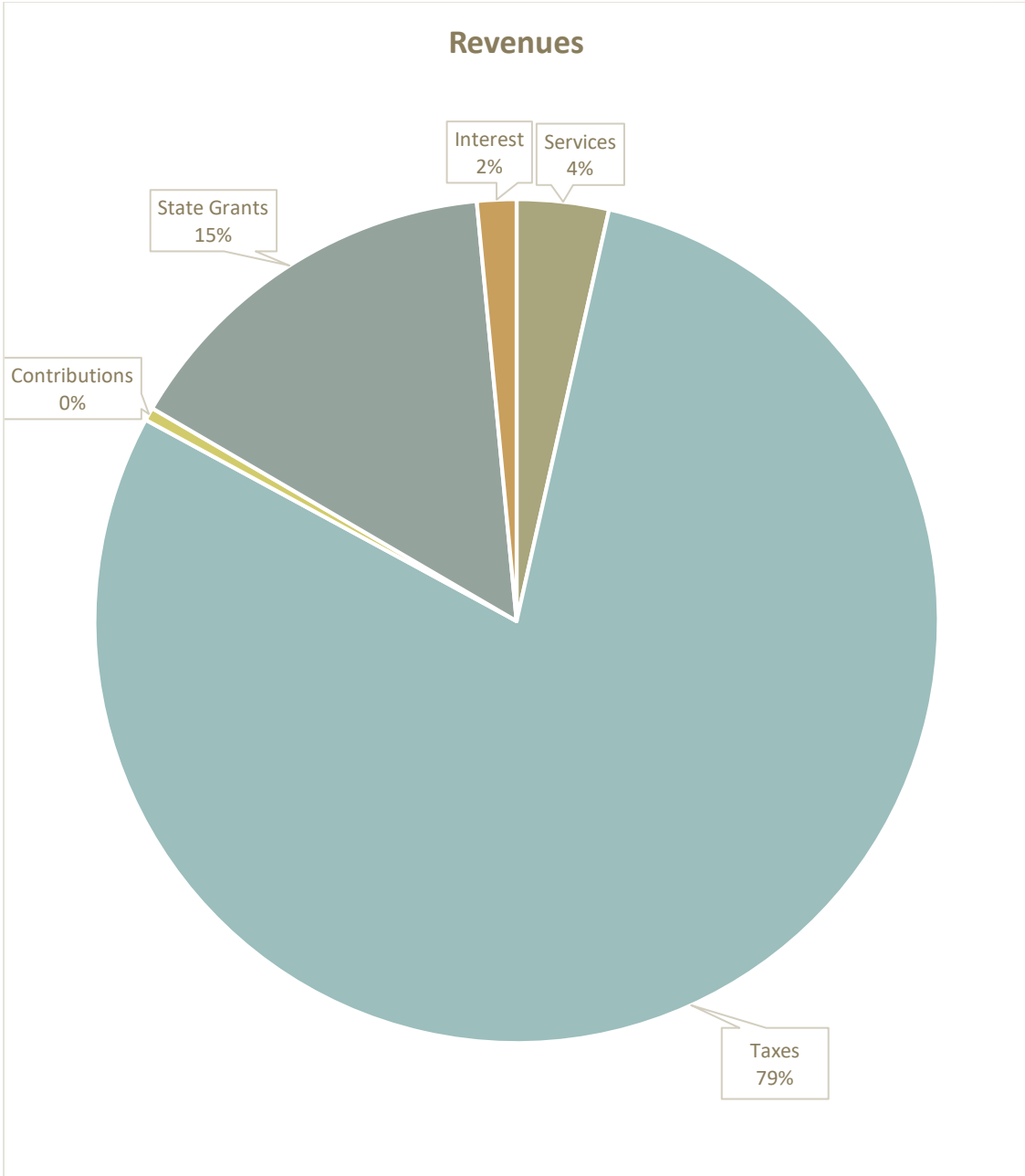
| REVENUES                 | 2018-19 Actual | 2019-20 Projected | 2020-21 Budget |
|--------------------------|----------------|-------------------|----------------|
| Charges for Services     | \$47,001       | \$18,654          | \$20,000       |
| Grants and Contributions | \$2,880        | \$2,863           | \$2,800        |
| Taxes                    | \$447,371      | \$432,739         | \$439,710      |
| State Grants             | \$84,620       | \$80,500          | \$84,000       |
| Investment Earnings      | \$1,502        | \$10,795          | \$7,600        |
| Other                    | \$2,250        | \$417             | \$1,000        |

- Charges for Services, or zoning permit fees and cemetery amenity fees, provide a meager but stable income. For two previous fiscal years, there was a brief increase in cemetery income and the sales figures are anticipated to return to approximately \$20,000 per year.
- Grants and Contributions are derived from the Grand Traverse Regional Community Foundation to support, preserve and enhance the North Crystal Lake Township Cemetery grounds and facilities, over and above routine maintenance.
- State Grants is money obtained from other governmental entities, such as the Constitutional Revenue Sharing program and the Metropolitan Extension Telecommunications Right-of-Way Oversight (METRO) maintenance fees.
- The Investment Earnings have increased significantly in the 2019-2020 fiscal year due to the investment in the Michigan CLASS Local Government Investment Pool.
- The Other category is mainly reimbursements for items such as street lighting for the Congregational Summer Assembly.
- The most significant part of revenue is derived from taxes. Here, taxes are based on an estimate of taxable value at the current millage rate. For the 2020 tax year, the Township is estimating an increase of 3% in taxable value.

The 2020-2021 Budget is for the Apr. 1, 2020 through Mar. 31, 2021; therefore, operating revenue is based on the Dec. 2020 tax bill. In 2019, the Township levied 0.6913 mills for operating purposes, 0.500 mills for fire protection, and 0.9861 mills for road improvements. The pre-Headlee amended township operating millage rate was 1.2100.

| Year | Township Operating Millage | Township Fire Millage | Township Road Millage | Total Millage | Taxable Value  | Total Township Taxes |
|------|----------------------------|-----------------------|-----------------------|---------------|----------------|----------------------|
| 2019 | 0.6913                     | 0.5000                | 0.9861                | 2.1774        | 175,784,166.00 | 382,752.44           |
| 2018 | 0.6937                     | 0.5000                | 0.9895                | 2.1832        | 168,732,763.00 | 368,377.37           |
| 2017 | 0.6955                     | 0.5000                | 0.9920                | 2.1875        | 163,543,907.00 | 357,752.30           |
| 2016 | 0.7012                     | 0.5000                | 1.0000                | 2.2012        | 159,450,699.00 | 350,982.88           |
| 2015 | 0.7012                     | 0.5000                | 1.0000                | 2.2012        | 158,086,618.00 | 347,980.26           |
| 2014 | 0.7012                     | 0.5000                | 0.0000                | 2.2012        | 155,308,488.00 | 186,556.56           |
| 2013 | 0.7069                     | 0.5000                | 0.0000                | 1.2069        | 150,648,130.00 | 181,817.23           |
| 2012 | 0.7069                     | 0.2500                | 0.0000                | 0.9569        | 145,124,871.00 | 138,869.99           |
| 2011 | 0.7069                     | 0.2500                | 0.0000                | 0.9569        | 142,156,709.00 | 136,029.75           |
| 2010 | 0.7069                     | 0.5000                | 0.0000                | 1.2069        | 138,367,377.00 | 166,995.59           |
| 2009 | 0.7009                     | 0.0500                | 0.0000                | 0.7509        | 142,760,408.00 | 107,198.79           |
| 2008 | 0.7109                     | 0.0500                | 0.0000                | 0.7609        | 134,833,598.00 | 102,594.88           |
| 2007 | 0.7254                     | 0.0500                | 0.0000                | 0.7754        | 127,968,714.00 | 99,226.94            |
| 2006 | 0.7348                     | 0.0500                | 0.0000                | 0.7848        | 120,365,560.00 | 94,462.89            |
| 2005 | 0.7566                     | 0.0500                | 0.0000                | 0.8066        | 111,638,640.00 | 90,047.73            |
| 2004 | 0.7719                     | 0.0500                | 0.0000                | 0.8219        | 105,857,199.00 | 87,004.03            |
| 2003 | 0.7840                     | 0.0500                | 0.0000                | 0.8340        | 100,027,818.00 | 83,423.20            |
| 2002 | 0.7984                     | 0.0500                | 0.0000                | 0.8484        | 94,565,474.00  | 80,229.35            |
| 2001 | 0.8194                     | 0.0500                | 0.0000                | 0.8694        | 87,638,730.00  | 76,193.11            |
| 2000 | 0.8282                     | 0.0000                | 0.0000                | 0.8282        | 82,615,682.00  | 68,422.31            |
| 1999 | 1.6700                     | 0.0000                | 0.0000                | 1.6700        | 79,523,927.00  | 132,804.96           |
| 1998 | 1.6800                     | 0.0000                | 0.0000                | 1.6800        | 76,271,949.00  | 128,136.87           |
| 1997 | 1.6900                     | 0.0000                | 0.0000                | 1.6900        | 72,381,604.00  | 122,324.91           |
| 1996 | 0.9100                     | 0.0000                | 0.0000                | 0.9100        | 68,261,379.00  | 62,117.85            |

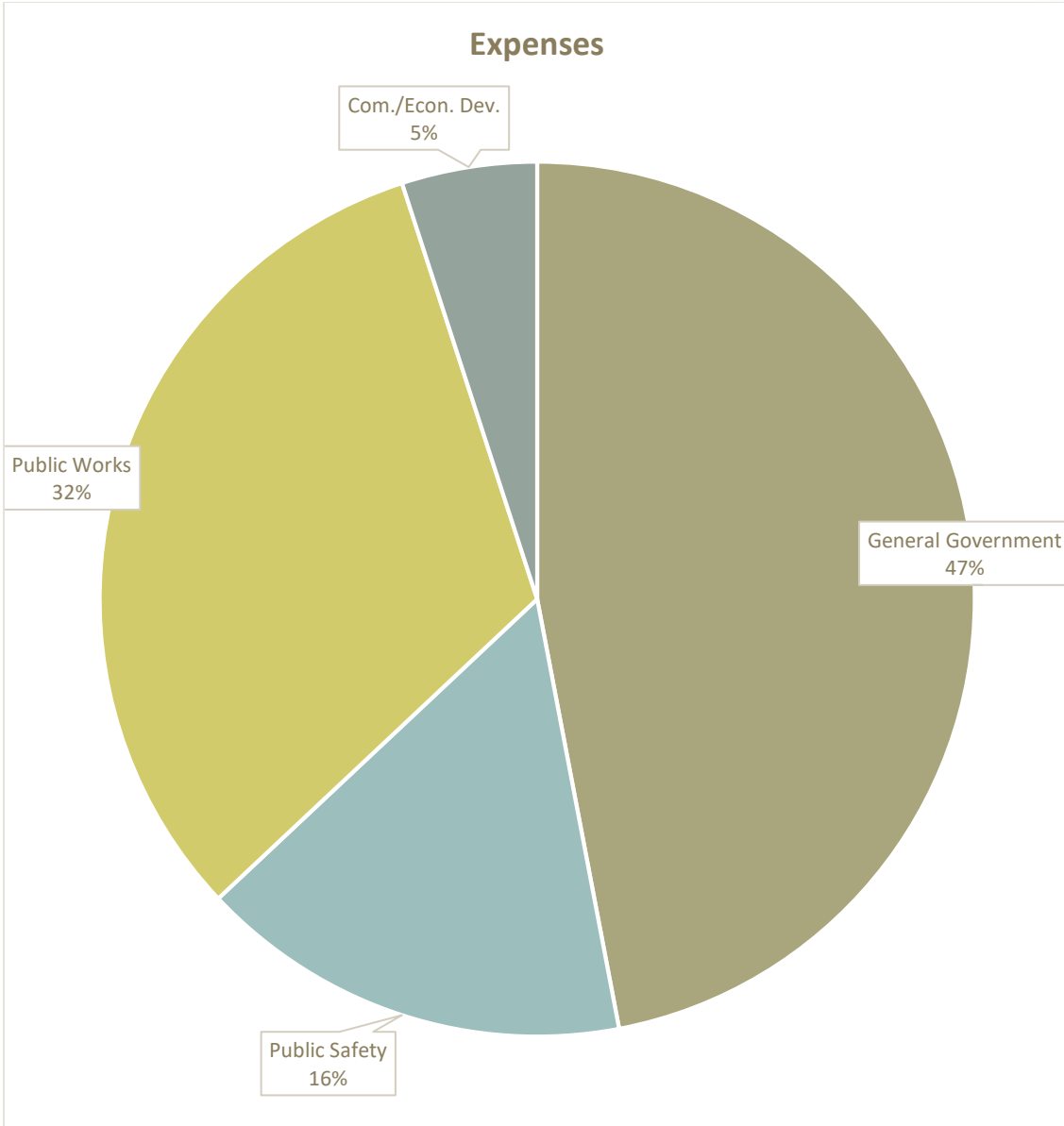
Source: [https://www.michigan.gov/taxes/0,4676,7-238-43535\\_43925-57815--,00.html](https://www.michigan.gov/taxes/0,4676,7-238-43535_43925-57815--,00.html)



## Expenditure Summary

| EXPENSES                           | 2018-19 Actual | 2019-20 Projected | 2020-21 Budget |
|------------------------------------|----------------|-------------------|----------------|
| General Government                 | \$213,712      | 223,944           | 260,283        |
| Public Safety                      | \$82,109       | 87,697            | 90,575         |
| Public Works                       | \$140,713      | 235,690           | 178,150        |
| Community and Economic Development | \$22,831       | 20,683            | 26,350         |

- The General Government expenditures are related to day to day activities. It includes salaries, contracted services, utilities, and any other products or services needed to conduct business on a daily basis.
- Public Safety expenditures are primarily the First Responders and Fire Services provided by the Frankfort Fire Department. Also included are the costs of a zoning enforcement officer.
- Public Works are the Road Surfacing expenses of the Road Fund and the General Fund expenses of street lights, unpaved road brining and the agreement with the Frankfort City-County Airport Authority.
- Community and Economic Development encourages the creation of a safe, healthy, desirable township supported by quality community services, promotion of home business and cottage industry development, by meeting the cornerstones outlined in the Crystal Lake Township Master Plan, through the planning and zoning departments.



## General Fund Detailed 2020 – 2021 Budget

|   | Apr '18 - Mar '19<br>Actual | Apr '19 - Mar '20<br>Projected | Apr '20- Mar '21<br>Budget |
|---|-----------------------------|--------------------------------|----------------------------|
| <b>100-400 · REVENUE</b>                      |                             |                                |                            |
| <b>400-401 · TAX COLLECTION</b>               |                             |                                |                            |
| 400-402 · Current Real Property Taxes         | 112,317.16                  | 117,000.00                     | 115,000.00                 |
| 400-410 · Current Pers. Prop. Taxes           |                             |                                |                            |
| 400-411 · Delinquent Real Prop. Taxes         | 5,478.51                    | 3,000.00                       | 3,000.00                   |
| 400-412 · Delinquent Personal Prop. Taxes     |                             |                                |                            |
| 400-429 · Commercial Forest Reserve           | 20.29                       |                                | 10.00                      |
| 400-445 · Penalties & Int. Taxes              | 8,501.52                    | 4,000.00                       | 3,000.00                   |
| 400-447 · Prop. Tax Admin. Fee                | 58,187.01                   | 50,000.00                      | 53,000.00                  |
| 400-448 · Collection Fees                     | 7,739.25                    | 7,739.25                       | 7,700.00                   |
| <b>Total 400-401 · TAX COLLECTION</b>         | <b>192,243.74</b>           | <b>181,739.25</b>              | <b>181,710.00</b>          |
| <b>400-475 · LICENSES &amp; PERMITS</b>       |                             |                                |                            |
| 400-476 · Business License & Permits          | 250.00                      |                                |                            |
| 400-490 · Non-Bus. Lic. & Permits             | 3,225.44                    | 3,000.00                       | 3,500.00                   |
| <b>Total 400-475 · LICENSES &amp; PERMITS</b> | <b>3,475.44</b>             | <b>3,000.00</b>                | <b>3,500.00</b>            |
| <b>400-539 · STATE GRANTS</b>                 |                             |                                |                            |
| 400-546 · Highway & Streets                   | 3,381.79                    | 2,500.00                       | 2,500.00                   |
| 400-573 · Local Community Stabilization Share |                             |                                |                            |
| 400-574 · State Revenue Sharing               | 81,238.00                   | 78,000.00                      | 84,000.00                  |
| 400-576 · Special Election Reimbursement      |                             |                                |                            |
| <b>Total 400-539 · STATE GRANTS</b>           | <b>84,619.79</b>            | <b>80,500.00</b>               | <b>84,000.00</b>           |
| <b>400-600 · CHARGES FOR SERVICES</b>         |                             |                                |                            |
| 400-627 · Building Inspection Fees            |                             |                                |                            |
| 400-657 · Ordinance Fines & Costs             |                             |                                |                            |
| <b>Total 400-600 · CHARGES FOR SERVICES</b>   |                             |                                |                            |
| <b>400-664 · INVESTMENT</b>                   |                             |                                |                            |
| 400-665 · Interest                            | 1,026.11                    | 8,000.00                       | 5,000.00                   |
| 400-666 · Dividends                           | 186.69                      | 195.23                         |                            |
| <b>Total 400-664 · INVESTMENT</b>             | <b>1,212.80</b>             | <b>8,195.23</b>                | <b>5,000.00</b>            |
| <b>400-671 · OTHER REVENUE</b>                |                             |                                |                            |
| 400-672 · Other Revenue                       | 60.09                       |                                |                            |
| 400-676 · Reimbursements                      |                             |                                |                            |
| 676.1 · CSA Street Lights Reimb.              | 1,263.57                    | 1,392.29                       | 1,100.00                   |

|                                 |                   |                   |                   |
|---------------------------------|-------------------|-------------------|-------------------|
| 400-687 · Refunds/Rebates       | 194.79            |                   |                   |
| 400-671 · OTHER REVENUE - Other | 331.95            |                   |                   |
| Total 400-671 · OTHER REVENUE   | 1,850.40          | 1,392.29          | 1,100.00          |
| <b>Total 100-400 · REVENUE</b>  | <b>283,402.17</b> | <b>274,826.77</b> | <b>275,310.00</b> |

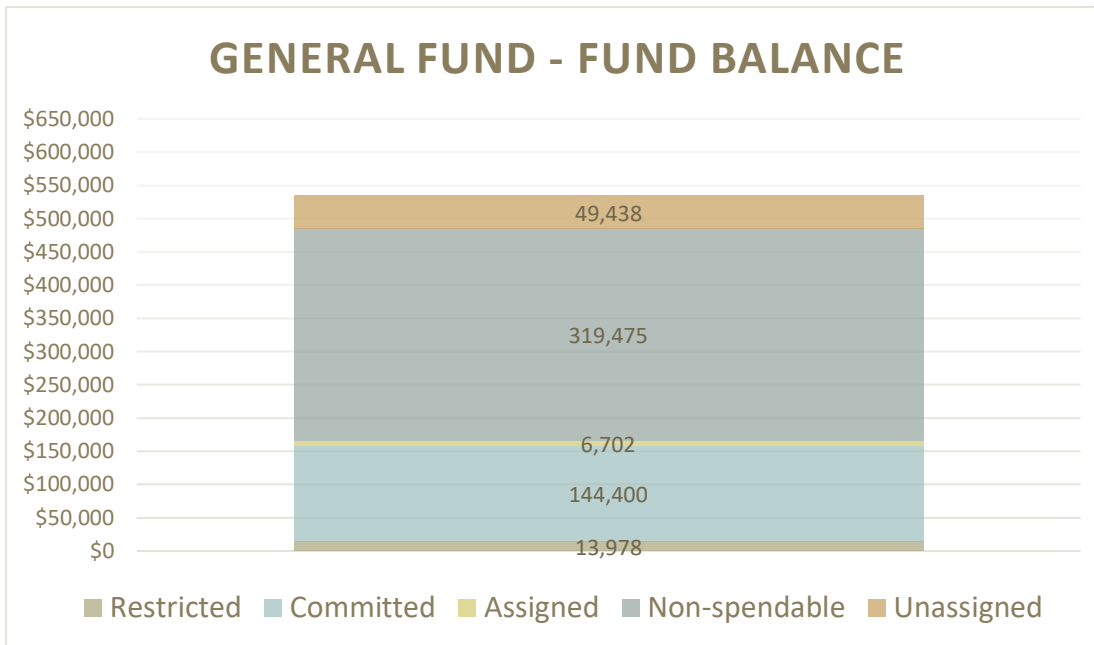
|                                       |           |           |           |
|---------------------------------------|-----------|-----------|-----------|
| <b>100-000 · GENERAL GOVERNMENT</b>   |           |           |           |
| 000-800 · Other Services & Charges    | 235.65    | 35.00     | 100.00    |
| 100-999 · TRANSFER OF FUNDS           |           |           |           |
| 999-001 · Fire Fund                   |           |           |           |
| 999-003 · Cemetery Fund               |           |           |           |
| 999-005 · Road Fund                   |           |           |           |
| Total 100-999 · TRANSFER OF FUNDS     | 0.00      | 0.00      | 0.00      |
| 101-000 · TOWNSHIP BOARD              |           |           |           |
| 101-703 · Board Trustees Salary       | 5,640.00  | 5,640.00  | 5,808.00  |
| 101-709 · Board Trustees FICA         | 442.94    | 431.46    | 450.00    |
| 101-752 · Township Board Supplies     | 795.97    | 200.00    | 200.00    |
| 101-900 · Board Printing & Publishing | 3,646.20  | 4,000.00  | 4,100.00  |
| 101-910 · Professional Development    |           | 500.00    | 500.00    |
| 101-915 · Board Memberships           | 2,595.21  | 2,676.84  | 2,800.00  |
| Total 101-000 · TOWNSHIP BOARD        | 13,120.32 | 13,448.30 | 13,858.00 |
| 171-000 · SUPERVISOR                  |           |           |           |
| 171-703 · Supervisor Salary           | 19,800.00 | 19,800.00 | 20,400.00 |
| 171-704 · Supervisor Deputy Wages     |           | 800.00    | 800.00    |
| 171-709 · Supervisor FICA             | 1,514.72  | 1,580.00  | 1,630.00  |
| 171-752 · Supplies                    | 2,881.54  | 300.00    | 1,000.00  |
| 171-851 · Postage                     | 0.00      |           |           |
| 171-861 · Trans.-Mileage Reimb.       | 164.43    |           | 300.00    |
| 171-910 · Professional Development    | 412.45    |           | 500.00    |
| Total 171-000 · SUPERVISOR            | 24,773.14 | 22,480.00 | 24,630.00 |
| 191-000 · Accounting Department       |           |           |           |
| 191-933 · Software Mtn. Agreements    | 901.00    | 660.00    | 1,000.00  |
| Total 191-000 · Accounting Department | 901.00    | 660.00    | 1,000.00  |
| 215-000 · CLERK                       |           |           |           |
| 215-703 · Clerk Salary                | 20,850.00 | 20,850.00 | 21,500.00 |
| 215-704 · Clerk Deputy Wages          | 2,394.00  | 3,500.00  | 3,600.00  |
| 215-709 · Clerk FICA                  | 1,778.16  | 1,870.00  | 1,925.00  |
| 215-752 · Supplies                    | 3,217.99  | 3,300.00  | 3,200.00  |
| 215-851 · Postage                     | 86.39     | 25.00     | 100.00    |



|  |           |           |           |
|--|-----------|-----------|-----------|
| 215-861 · Trans.-Mileage Reimb.        | 233.06    | 575.00    | 600.00    |
| 215-910 · Clerk Prof. Development      | 156.50    | 390.00    | 500.00    |
| Total 215-000 · CLERK                  | 28,716.10 | 30,510.00 | 31,425.00 |
| 223-000 · Audit Services               | 5,350.00  | 5,500.00  | 6,500.00  |
| 228-000 · Information Technology       |           |           |           |
| 228-801 · Prof. Contractual Serv.      | 6,613.11  | 5,500.00  | 6,000.00  |
| 228-933 · IT Software Maintenance      | 2,069.33  | 500.00    | 600.00    |
| Total 228-000 · Information Technology | 8,682.44  | 6,000.00  | 6,600.00  |
| 247-000 · BOARD OF REVIEW              |           |           |           |
| 247-704 · Board of Review Wages        | 1,370.00  | 1,400.00  | 1,500.00  |
| 247-709 · Board of Review FICA         | 105.66    | 110.00    | 120.00    |
| 247-861 · Trans.-Mileage Reimb.        |           |           | 300.00    |
| 247-900 · BOR Printing & Publishing    | 122.00    | 250.00    | 250.00    |
| 247-910 · Professional Development     |           |           | 600.00    |
| Total 247-000 · BOARD OF REVIEW        | 1,597.66  | 1,760.00  | 2,770.00  |
| 253-000 · TREASURER                    |           |           |           |
| 253-703 · Treasurer Salary             | 19,800.00 | 19,800.00 | 20,400.00 |
| 253-704 · Treasurer Deputy Wages       | 1,064.00  | 1,100.00  | 1,160.00  |
| 253-709 · Treasurer FICA               | 1,596.10  | 1,600.00  | 1,650.00  |
| 253-752 · Supplies                     | 975.13    | 1,300.00  | 500.00    |
| 253-840 · Insurance Premium            | 816.00    | 850.00    | 900.00    |
| 253-851 · Postage                      | 1,435.95  | 1,500.00  | 2,000.00  |
| 253-861 · Trans.-Mileage Reimb.        | 127.44    | 42.34     | 250.00    |
| 253-900 · Treas. Printing & Publishing | 1,185.79  | 1,000.00  | 1,300.00  |
| 253-910 · Professional Development     | 14.00     | 0.00      | 500.00    |
| 253-933 · Software Mtn. Agreements     |           | 520.00    | 530.00    |
| Total 253-000 · TREASURER              | 27,014.41 | 27,712.34 | 29,190.00 |
| 257-000 · ASSESSING                    |           |           |           |
| 257-703 · Assessor Salary              | 27,999.96 | 28,785.00 | 29,000.00 |
| 257-709 · Assessing FICA               | 2,142.00  | 2,210.00  | 2,220.00  |
| 257-752 · Supplies                     | 1,148.32  | 700.00    | 700.00    |
| 257-851 · Postage                      | 721.84    | 800.00    | 900.00    |
| 257-933 · Software Mtn. Agreements     |           | 2,722.00  | 3,000.00  |
| Total 257-000 · ASSESSING              | 32,012.12 | 35,217.00 | 35,820.00 |
| 262-000 · ELECTION                     |           |           |           |
| 262-704 · Election Wages               | 5,006.75  | 5,400.00  | 8,000.00  |
| 262-752 · Election Supplies            | 828.80    | 4,000.00  | 5,000.00  |
| 262-801 · Prof. & Contractual Services | 595.00    | 900.00    | 2,000.00  |

|   |           |           |           |
|---|-----------|-----------|-----------|
| 262-851 · Postage                         | 378.40    | 1,400.00  | 2,000.00  |
| 262-900 · Printing & Publishing           | 280.10    | 850.00    | 1,000.00  |
| 262-933 · Software Mtn. Agreements        |           |           | 3,000.00  |
| Total 262-000 · ELECTION                  | 7,089.05  | 12,500.00 | 21,000.00 |
| 265-000 · BUILDING & GROUNDS              |           |           |           |
| 265-752 · Bldg. & Grounds Supplies        | 541.77    | 800.00    | 1,000.00  |
| 265-801 · Prof. & Contractual Serv.       |           |           |           |
| 801.1 · Cleaning Services                 | 1,130.00  | 1,000.00  | 1,000.00  |
| 801.2 · Snow Plow Services                | 1,135.00  | 3,000.00  | 3,000.00  |
| 265-840 · Insurance Premiums              | 11,561.00 | 8,700.00  | 9,000.00  |
| 265-850 · Communications                  | 960.73    | 960.00    | 1,000.00  |
| 265-852 · Misc. Communications            | 1,199.88  | 1,070.00  | 900.00    |
| 265-919 · Waste & Rubbish Disposal        | 6,390.00  | 6,355.00  | 6,500.00  |
| 265-920 · Bldg. & Grounds Electric        | 1,151.50  | 1,100.00  | 1,300.00  |
| 265-921 · Bldg. & Grounds Nat. Gas        | 663.69    | 655.00    | 800.00    |
| 265-930 · Land & Building Repairs         | 670.00    | 4,000.00  | 15,000.00 |
| Total 265-000 · BUILDING & GROUNDS        | 25,403.57 | 27,640.00 | 39,500.00 |
| 266-000 · ATTORNEY COUNSEL                |           |           |           |
| 266-001 · Township Attorney Counsel       | 1,244.86  | 3,500.00  | 4,000.00  |
| 266-002 · Planning Attorney Counsel       | 121.50    |           | 500.00    |
| 266-006 · Zoning Attorney Counsel         | 1,573.88  | 3,000.00  | 4,000.00  |
| 266-010 · Blight Removal Attorney Counsel |           |           |           |
| Total 266-000 · ATTORNEY COUNSEL          | 2,940.24  | 6,500.00  | 8,500.00  |
| 300-000 · PUBLIC SAFETY                   |           |           |           |
| 300-301 · Officer                         |           |           |           |
| 301-703 · Officer Salary                  | 337.50    | 1,050.00  | 2,000.00  |
| 301-709 · Officer FICA                    | 25.83     | 80.32     | 155.00    |
| 301-752 · Officer Supplies                | 68.49     | 18.01     | 200.00    |
| 301-851 · Postage                         |           |           | 25.00     |
| 301-861 · Trans.-Mileage Reimb.           |           |           |           |
| 301-910 · Prof. Development               |           |           | 100.00    |
| 300-322 · Snowmobile Law                  |           |           | 200.00    |
| Total 300-301 · Officer                   | 431.82    | 1,148.33  | 2,680.00  |
| Total 300-000 · PUBLIC SAFETY             | 431.82    | 1,148.33  | 2,680.00  |
| 440-000 · PUBLIC WORKS                    |           |           |           |
| 440-446 · Roads, Streets, Bridges         | 560.94    | 1,040.30  | 1,500.00  |
| 440-448 · Street Lighting                 |           |           |           |

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| 448.1 · CSA Street Light                    | 1,359.75          | 1,440.00          | 1,500.00          |
| 440-448 · Street Lighting - Other           | 214.54            | 96.00             | 150.00            |
| 440-568 · Soil Conservation                 |                   |                   |                   |
| 440-595 · Airport                           |                   |                   |                   |
| 595-703 · Airport Salary                    | 12,000.00         | 12,000.00         | 12,000.00         |
| 595-801 · Prof. & Contractual Serv          | 3,000.00          | 3,000.00          | 3,000.00          |
| <b>Total 440-000 · PUBLIC WORKS</b>         | <b>17,135.23</b>  | <b>17,576.30</b>  | <b>18,150.00</b>  |
| 700-000 · COMMUNITY & ECON DEVELOPMENT      |                   |                   |                   |
| 700-701 · Planning                          |                   |                   |                   |
| 701-704 · Planning Wages                    | 2,448.86          | 3,300.00          | 3,840.00          |
| 701-709 · Planning FICA                     | 137.36            | 255.00            | 295.00            |
| 701-752 · Supplies                          |                   |                   | 500.00            |
| 701-813 · Planning Transcript Fees          | 175.00            |                   |                   |
| 701-861 · Trans.-Mileage Reimb.             |                   |                   | 250.00            |
| 701-900 · Printing & Publishing             | 450.01            | 500.00            | 500.00            |
| 701-910 · Prof. Development                 | 570.00            |                   | 500.00            |
| <b>Total 700-701 · Planning</b>             | <b>3,781.23</b>   | <b>4,055.00</b>   | <b>5,885.00</b>   |
| 700-702 · Zoning                            |                   |                   |                   |
| 702-703 · Zoning Salary                     | 12,600.00         | 12,600.00         | 13,000.00         |
| 702-704 · Zoning Wages                      | 1,090.00          | 1,338.00          | 1,700.00          |
| 702-709 · Zoning FICA                       | 1,068.11          | 1,070.00          | 1,200.00          |
| 702-752 · Zoning Supplies                   | 3,374.71          | 900.00            | 1,200.00          |
| 702-801 · Prof. & Contractual Serv.         |                   |                   |                   |
| 702-861 · Trans.-Mileage Reimb.             | 77.76             |                   | 300.00            |
| 702-900 · Printing & Publishing             | 838.96            | 720.00            | 1,400.00          |
| 702-910 · Prof. Development                 |                   |                   | 500.00            |
| <b>Total 700-702 · Zoning</b>               | <b>19,049.54</b>  | <b>16,628.00</b>  | <b>19,300.00</b>  |
| 700-730 · Home Demolition                   |                   |                   |                   |
| 700-732 · Blight Removal                    |                   |                   | 200.00            |
| <b>Total 700-000 · COM. &amp; ECON DEV.</b> | <b>22,830.77</b>  | <b>20,683.00</b>  | <b>26,350.00</b>  |
| <b>Total 100-000 · GENERAL GOVERNMENT</b>   | <b>218,233.52</b> | <b>229,370.27</b> | <b>268,073.00</b> |
| <b>FUND BALANCE CONTRIBUTION (USAGE)</b>    | <b>65,168.65</b>  | <b>45,456.50</b>  | <b>7,237.00</b>   |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>      |                   |                   | <b>592,357.00</b> |
| <b>FUND BALANCE, PROJECTED YEAR END</b>     |                   |                   | <b>607,889.00</b> |



The restricted fund balance includes the METRO Act amounts that can be spent only for the specific purposes stipulated by external resource providers or legislation.

The committed fund balance includes amounts that can be used only for specific purposes determined by a formal board action. The township board approved measures to provide for township road repairs, not covered by the Road Fund. The board also, believes an amount equal to 50-percent the annually budgeted expenditures should be reserved for contingencies.

Amounts in the assigned fund balance are intended to be used by the township for specific purposes but do not meet the criteria of restricted or committed, for instance, outstanding payables.

Non-spendable are amounts associated with land and buildings.

Unassigned fund balance is the residual of the general fund and includes all spendable amounts not contained in the other classifications.

The above figures reflect the General Fund balances as of Sept. 30, 2019.

## GENERAL FUND ACCOUNT DESCRIPTIONS

| Acct. Number       | Account Name                        | Description  |
|--------------------|-------------------------------------|--|
|                    | <b>REVENUES</b>                     |  |
| <b>100-400-401</b> | <b>TAX COLLECTION</b>               |  |
| 100-400-402        | Current Real Property Taxes         | Taxes on real estate (land) and anything permanently attached to the land, in the current tax year.  |
| 100-400-410        | Current Personal Property Taxes     | A state specific tax on tangible personal property owned by, leased to or in the possession of taxpayer, in current tax year.  |
| 100-400-411        | Delinquent Real Prop. Taxes         | Real property tax funds received, from county, for prior year tax levies.  |
| 100-400-412        | Delinquent Personal Prop. Taxes     | Personal property tax funds received from taxpayers for prior year tax levies.   |
| 100-400-429        | Commercial Forest Reserve           | Funds received from county treasurer for voluntary taxpayer program (\$1.30/acre/year). The State of Michigan makes annual payment to the county for lost tax revenue.   |
| 100-400-445        | Penalties & Interest on Taxes       | 1% interest/month of tax levy after due date and/or 3% penalty after Feb. 14.  |
| 100-400-447        | Property Tax Administration Fee     | The board resolved PTAF, 1% of total levied taxes, to offset assessing, BOR, treasurer costs.  |
| 100-400-448        | Collection Fees                     | Contractual fees received from local schools to collect school tax levies.   |
| <b>100-400-475</b> | <b>LICENSES &amp; PERMITS</b>       |  |
| 100-400-476        | Business Licenses & Permits         | Amounts earned from providing permit services to township businesses.  |
| 100-400-490        | Non-Business Licenses & Permits     | Amounts earned from providing permit services to township individuals.   |
| <b>100-400-539</b> | <b>STATE GRANTS</b>                 |  |
| 100-400-546        | Highways & Streets                  | Annual maintenance fees for use of public rights-of-ways from telecommunications providers under the Metropolitan Extension Telecommunications Rights-of-Way Oversight (METRO) Act, 2002 PA 48, MCL 484.3101 et seq. |
| 100-400-573        | Local Community Stabilization Share | The LSC Authority levies the local community stabilization share tax under the Use Tax Act, 1937 PA 94, MCL 205.91 et seq.   |

|                    |                                |  |
|--------------------|--------------------------------|--|
| 100-400-574        | State Revenue Sharing          | Per State Constitution of 1963, Article IX, Sect. 10, as amended, payments are based on 15% of the 4% portion of MI sales tax collections. Distributions are made on a population basis, on the last day of even numbered months.                                |
| 100-400-576        | Special Election Reimbursement | Per MCL 168.487, 100% cost reimbursement by State, for a special election for constitutional amendment, or 100% reimbursement by school district, if school district's election was not held in conjunction with a state, federal, county, or township election. |
| <b>100-400-600</b> | <b>CHARGES FOR SERVICES</b>    |  |
| 100-400-627        | Building Inspection Fees       | Amounts earned from providing inspection services to township residents.   |
| 100-400-657        | Ordinance Fines & Costs        | Funds received from township residents for ordinance violation fines and fees  |
| <b>100-400-664</b> | <b>INVESTMENT INCOME</b>       |  |
| 100-400-665        | Interest                       | Interest amounts earned from financial institutions.   |
| 100-400-666        | Dividends                      | Dividend amounts earned from financial institutions, insurance company, etc.   |
| <b>100-400-676</b> | <b>REIMBURSEMENTS</b>          |  |
| 100-400-676.1      | CSA Reimbursements             | Annual reimbursement of CSA Lighting Acct#100-440.448.1.   |
| 100-400-672        | Other                          | Miscellaneous revenue from sales of office equipment, etc.   |
| 100-400-687        | Refunds/Rebates                | Refunds, rebates, discounts received.  |
|                    |                                |  |
|                    |                                |  |
|                    | <b>EXPENDITURES</b>            |  |
| 100-000-800        | Other Services & Charges       | Fees incurred by financial institutions.   |
| 100-999-000        | TRANSFER OF FUNDS CONTROL      |  |
| 100-999-001        | Fire Fund Transfer             | Transfer of funds to Fire Fund.  |
| 100-999-002        | Tax Fund Transfer              | Transfer of funds to Tax Fund.   |
| 100-999-003        | Cemetery Fund Transfer         | Transfer of funds to Cemetery Fund.  |
| 100-999-005        | Road Fund Transfer             | Transfer of funds to Road Fund.  |
|                    |                                |  |
| <b>100-101-000</b> | <b>TOWNSHIP BOARD</b>          |  |
| 100-101-703        | Board Trustees Salary          | Expenses incurred for work performed by salaried board trustees.   |

|                    |                                      |   |
|--------------------|--------------------------------------|---|
| 100-101-709        | Board Trustees FICA                  | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |
| 100-101-752        | Township Board Supplies              | Trustee expenses for business cards, office supplies, etc.  |
| 100-101-861        | Trans.-Mileage Reimbursement         | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes. |
| 100-101-900        | Township Board Printing & Publishing | Expenses for newspaper printing and/or online publication of meeting synopsis, notices, etc.                          |
| 100-101-910        | Township Board Prof. Development     | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-101-915        | Township Board Memberships           | Professional memberships, e.g. MTA.   |
|                    |                                      |   |
| <b>100-171-000</b> | <b>SUPERVISOR</b>                    |   |
| 100-171-703        | Supervisor Salary                    | Expenses incurred for work performed by salaried board supervisor.  |
| 100-171-704        | Supervisor Deputy Wages              | Expenses incurred for work performed by hourly deputy supervisor.   |
| 100-171-709        | Supervisor FICA                      | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |
| 100-171-752        | Supervisor Supplies                  | Supervisor expenses for business cards, office supplies, etc.   |
| 100-171-851        | Supervisor Postage                   | Expense for USPS postage.   |
| 100-171-861        | Trans.-Mileage Reimbursement         | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes. |
| 100-171-910        | Supervisor Professional Development  | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
|                    |                                      |   |
| <b>100-191-000</b> | <b>ACCOUNTING DEPT.</b>              |   |
| 100-191-933        | Software Maintenance Agreements      | Monthly and/or annual accounting software and payroll fees (Quick Books).   |
|                    |                                      |   |
| <b>100-215-000</b> | <b>CLERK</b>                         |   |
| 100-215-703        | Clerk Salary                         | Expenses incurred for work performed by salaried board clerk.   |
| 100-215-704        | Clerk Deputy Wages                   | Expenses incurred for work performed by hourly deputy clerk.  |
| 100-215-709        | Clerk FICA                           | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |

|                    |                                   |  |
|--------------------|-----------------------------------|--|
| 100-215-752        | Clerk Supplies                    | Clerk expenses for business cards, office supplies, printer ink, copy machine toner, etc.                                    |
| 100-215-851        | Clerk Mail/Postage                | Expense for USPS postage.  |
| 100-215-861        | Trans.-Mileage Reimbursement      | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes.        |
| 100-215-910        | Clerk Professional Development    | Expenses for MTA workshops, seminars, etc. including hotel, meals.   |
|                    |                                   |  |
| <b>100-223-000</b> | <b>AUDIT SERVICES</b>             | Public Act 146 of 1996 requires a township with a population of less than 4,000 to have the audit performed every two years. |
| <b>100-228-000</b> | <b>INFORMATION TECH.</b>          |  |
| 100-228-801        | Professional Contractual Services | A professional independent contractor performs an IT services by a contract agreement.                                       |
| 100-228-933        | Software Maintenance Agreements   | Annual fees for software, malware protection, etc.   |
|                    |                                   |  |
| <b>100-247-000</b> | <b>BOARD OF REVIEW</b>            |  |
| 100-247-704        | Board of Review Wages             | Expenses incurred for work performed by hourly BOR members.  |
| 100-247-709        | Board of Review FICA              | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.   |
| 100-247-861        | Trans.-Mileage Reimbursement      | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes.        |
| 100-247-900        | BOR Printing & Publishing         | Expenses for newspaper printing and/or online publication of notices, etc.   |
| 100-247-910        | BOR Professional Development      | Expenses for MTA workshops, seminars, etc. including hotel, meals.   |
|                    |                                   |  |
| <b>100-253-000</b> | <b>TREASURER</b>                  |  |
| 100-253-703        | Treasurer Salary                  | Expenses incurred for work performed by salaried board treasurer.  |
| 100-253-704        | Treasurer Deputy Wages            | Expenses incurred for work performed by hourly deputy treasurer.   |
| 100-253-709        | Treasurer FICA                    | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.   |
| 100-253-752        | Treasurer Supplies                | Treasurer expenses for business cards, office supplies, etc.   |
| 100-253-840        | Treasurer Insurance Premium       | Insurance bonding fee to collect taxes.  |
| 100-253-851        | Treasurer Mail/Postage            | Expense for USPS postage.  |



|                    |                                       |   |
|--------------------|---------------------------------------|---|
| 100-253-861        | Trans.-Mileage Reimbursement          | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes. |
| 100-253-900        | Treasurer Printing & Publishing       | Expenses for newspaper printing and/or online publication of tax notices, etc.  |
| 100-253-910        | Treasurer Professional Development    | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-253-933        | Software Maintenance Agreements       | Annual fees for BS&A software, etc.   |
|                    |                                       |   |
| <b>100-257-000</b> | <b>ASSESSING</b>                      |   |
| 100-257-703        | Assessor Salary                       | Expenses incurred for work performed by assessor.   |
| 100-257-709        | Assessor FICA                         | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |
| 100-257-752        | Assessor Supplies                     | Assessor expenses for business cards, office supplies, etc.   |
| 100-257-851        | Assessor Mail/Postage                 | Expense for USPS postage.   |
| 100-257-933        | Software Maintenance Agreements       | Annual fees for BS&A software, etc.   |
|                    |                                       |   |
| <b>100-262-000</b> | <b>ELECTION</b>                       |   |
| 100-262-704        | Election Wages                        | Expenses incurred for work performed by hourly election workers.  |
| 100-262-709        | Election FICA                         | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |
| 100-262-752        | Election Supplies                     | Election expenses ballots, office supplies, etc.  |
| 100-262-801        | Election Prof. & Contractual Services | A professional independent contractor performs an election service by a contract agreement.                           |
| 100-262-851        | Election Mail/Postage                 | Expense for USPS postage.   |
| 100-262-900        | Election Printing & Publishing        | Expenses for newspaper printing and/or online publication of election notices, etc.                                   |
| 101-262-910        | Election Professional Development     | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-262-933        | Software Maintenance Agreements       | Annual fees for election software, etc.   |
|                    |                                       |   |
| <b>100-265-000</b> | <b>BUILDING &amp; GROUNDS</b>         |   |
| 100-265-752        | Building & Grounds Supplies           | Supplies necessary for township hall, grounds.  |
| 100-265-801        | Professional & Contractual Services   | A professional independent contractor performs a specialized service by a contract agreement.                         |

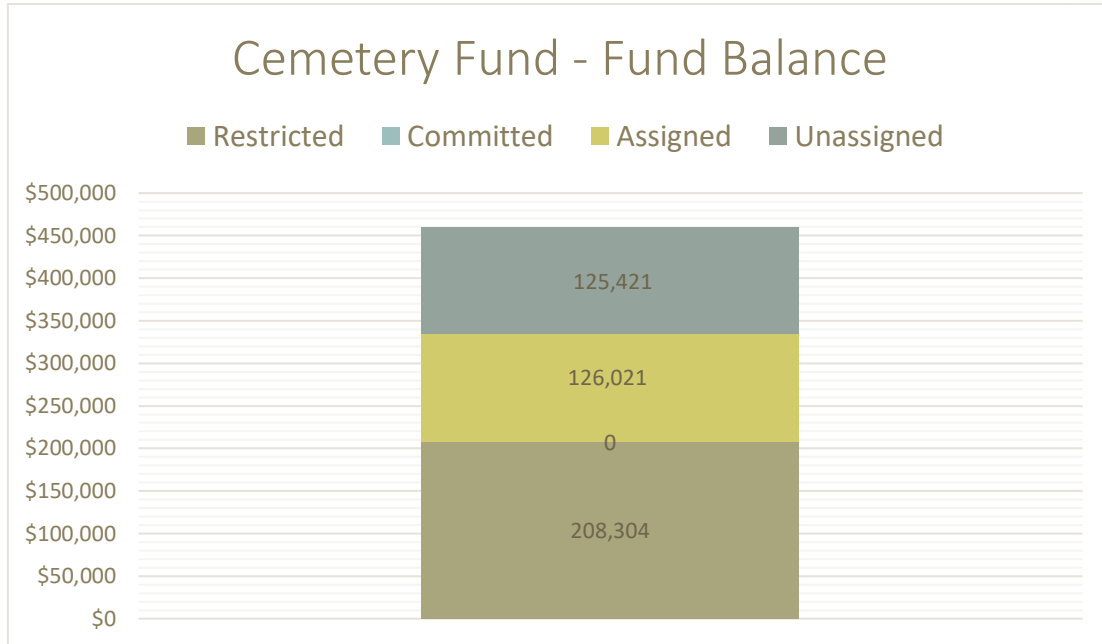
|                    |                                  |   |
|--------------------|----------------------------------|---|
| 100-265-801.1      | Cleaning Services                | Fees incurred for township janitorial services.   |
| 100-265-801.2      | Snow Removal Services            | Fees incurred for the removal of snow and ice.  |
| 100-265-840        | Insurance Premiums               | Expenses to insure property, liability, worker's compensation, etc.   |
| 100-265-850        | Communications                   | Expense incurred for phone service.   |
| 100-265-852        | Misc. Communications             | Expense incurred for internet service.  |
| 100-265-919        | Waste & Rubbish Disposal         | Expenses for township-wide waste events and/or hall service.  |
| 100-265-920        | Building & Grounds Natural Gas   | Utility fee for natural gas to township hall.   |
| 100-265-921        | Building & Grounds Electric      | Utility fee for electricity to township hall.   |
| 100-265-930        | Land & Building Repairs          | Repairs to township hall and grounds.   |
|                    |                                  |   |
| <b>100-266-000</b> | <b>ATTORNEY COUNSEL</b>          |   |
| 100-266-001        | Township Attorney Counsel        | Legal fees for general township purposes.   |
| 100-266-002        | Planning Attorney Counsel        | Legal fees for planning commission purposes.  |
| 100-266-003        | Zoning Attorney Counsel          | Legal fees for zoning administration purposes.  |
| 100-266-010        | Blight Removal Attorney Counsel  | Legal fees for blight purposes.   |
|                    |                                  |   |
| <b>100-300-000</b> | <b>PUBLIC SAFETY</b>             |   |
| 100-300-301        | Officer                          |   |
| 100-301-703        | Officer Salary                   | Expenses incurred for work performed by hourly enforcement officer.   |
| 100-301-709        | Officer FICA                     | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.  |
| 100-301-752        | Officer Supplies                 | Enforcement officer expenses for business cards, office supplies, etc.  |
| 100-301-851        | Officer Mail/Postage             | Expense for USPS postage.   |
| 100-301-861        | Trans.-Mileage Reimbursement     | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes. |
| 100-301-910        | Officer Professional Development | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-300-332        | Snowmobile Law                   | Share of expense for sheriff to perform winter snowmobile patrol.   |
|                    |                                  |   |
| <b>100-440-000</b> | <b>PUBLIC WORKS</b>              |   |
| 100-440-446        | Roads, Street, Bridges           | Expense for culverts, road brining, etc.  |

|                    |                                       |  |
|--------------------|---------------------------------------|--|
| 100-440-448        | Street Lighting                       | Electric utility expense for township street light.  |
| 100-440-448.1      | CSA Street Lighting                   | Electric utility expense for CSA street light.   |
| 100-440-568        | Soil Conservation                     | Expense to reduce the danger from storm water runoff, to retard pollution from sediment and to conserve and protect the land, water and air. |
| 100-440-570        | Lake Improvement Professional Service | Expense for Conservation District to perform duties per MOU.   |
| 100-440-595        | Airport                               |  |
| 100-595-703        | Airport Salary                        | Share of expense of airport administrator's annual salary.   |
| 100-595-801        | Professional & Contractual Services   | Expense for Frankfort City-County Airport Authority board privilege.   |
|                    |                                       |  |
| <b>100-700-000</b> | <b>COMMUNITY &amp; ECON. DEV.</b>     |  |
| 100-700-701        | Planning                              |  |
| 100-700-704        | Planning Wages                        | Expenses incurred for work performed by committee members (per meeting).   |
| 100-701-709        | Planning FICA                         | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.   |
| 100-701-752        | Planning Supplies                     | Planning commission expenses for business cards, office supplies, etc.   |
| 100-701-801        | Professional & Contractual Services   | A professional independent contractor performs a planning services by a contract agreement.  |
| 100-701-813        | Planning Transcript Fees              | Expense for meeting transcriptionist.  |
| 100-701-861        | Trans.-Mileage Reimbursement          | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes.                        |
| 100-701-900        | Planning Printing & Publishing        | Expenses for newspaper printing and/or online publication of hearings, notices, etc.   |
| 100-701-910        | Planning Professional Development     | Expenses for MTA workshops, seminars, etc. including hotel, meals.   |
| 100-700-702        | Zoning                                |  |
| 100-702-703        | Zoning Salary                         | Expenses incurred for work performed by salaried zoning administrator.   |
| 100-702-704        | Zoning Wages                          | Expenses incurred for work performed by hourly zoning employee.  |
| 100-702-709        | Zoning FICA                           | Federal Insurance Contributions Act (7.65% of earnings) payroll deduction.   |
| 100-702-752        | Zoning Supplies                       | Zoning administrator expenses for business cards, office supplies, etc.  |

|             |                                     |   |
|-------------|-------------------------------------|---|
| 100-702-801 | Professional & Contractual Services | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-702-861 | Trans.-Mileage Reimbursement        | The 2019 IRS \$0.58 mileage rate used to calculate the deductible costs of operating a vehicle for business purposes. |
| 100-702-900 | Zoning Printing & Publishing        | Expenses for newspaper printing and/or online publication of hearings, notices, etc.                                  |
| 100-702-910 | Professional Development            | Expenses for MTA workshops, seminars, etc. including hotel, meals.  |
| 100-700-730 | Home Demolition                     | Expenses incurred for the demolition of a structure.  |
| 100-700-732 | Blight Removal                      | Expenses incurred for the removal of township blight.   |

## Cemetery Fund Detailed 2020 – 2021 Budget

|   | Apr '18 - Mar '19<br>Actual | Apr '19 - Mar '20<br>Projected | Apr '20 - Mar '21<br>Budget |
|---|-----------------------------|--------------------------------|-----------------------------|
| <b>567-600 · REVENUE</b>                      |                             |                                |                             |
| 600-407 · Miscellaneous Income                |                             |                                |                             |
| 600-600 · Charges for Services                |                             |                                |                             |
| 600-642 · Sale                                |                             |                                |                             |
| 642.1 · N. Cemetery Burial Right (Taxpayer)   | 14,400.00                   | 2,700.00                       |                             |
| 642.2 · E. Cemetery Burial Right (Taxpayer)   |                             |                                |                             |
| 642.3 · N. Cem. Burial Right (Non-taxpayer)   | 14,000.00                   |                                |                             |
| 642.4 · E. Cem. Burial Right (Non-taxpayer)   |                             |                                |                             |
| 642.5 · N. Cemetery Interment (Taxpayer)      | 2,450.00                    | 2,250.00                       |                             |
| 642.6 · E. Cemetery Interment (Taxpayer)      | 400.00                      | 600.00                         |                             |
| 642.7 · N. Cem. Interment (Non-taxpayer)      | 5,600.00                    | 3,187.50                       |                             |
| 642.8 · E. Cem. Interment (Non-taxpayer)      | 800.00                      | 2,900.00                       |                             |
| 642.9 · Monument Foundations                  | 5,875.57                    | 4,016.78                       |                             |
| 600-664 · Investment Income & Rent            | 854.15                      | 1,000.00                       |                             |
| 600-671 · Other Revenue                       |                             |                                |                             |
| 671-674 · Private Contributions & Donations   | 2,880.00                    | 2,863.00                       |                             |
| 671-676 · Reimbursements                      | 400.00                      | (975.00)                       |                             |
| <b>Total 567-600 · REVENUE</b>                | <b>47,659.72</b>            | <b>21,925.81</b>               | <b>20,000.00</b>            |
| <b>567-700 · EXPENDITURE</b>                  |                             |                                |                             |
| 700-752 · Supplies                            | 115.35                      | 34.00                          | 100.00                      |
| 700-771 · Inventory/Cost of Goods Sold        | 1,603.00                    | 1,500.00                       | 2,000.00                    |
| 700-800.1 Bank Service Charge                 |                             |                                |                             |
| 700-801 · Professional & Contractual Services |                             |                                |                             |
| 801.1 · Grounds Contractual Services          | 17,100.00                   | 17,100.00                      | 17,100.00                   |
| 801.2 · Sexton                                |                             |                                |                             |
| 801.2.1 · Sexton Interment Expenses           | 4,460.00                    | 4,585.00                       | 5,000.00                    |
| 801.2.2 · Sexton Foundation Fees              | 4,045.33                    | 3,000.00                       | 5,000.00                    |
| 801.2.3 · Sexton Miscellaneous Fees           | 517.50                      | 550.00                         | 1,000.00                    |
| Total 801.2 Sexton                            | 9,012.83                    | 7,915.01                       | 11,000.00                   |
| 700-851 · Mail & Postage                      | 50.92                       | 1.45                           | 50.00                       |
| 700-900 · Printing & Publishing               | 102.64                      |                                |                             |
| 700-920.1 · Electric North Cemetery           | 306.58                      | 280.04                         | 330.00                      |
| 700-920.1 · Electric East Cemetery            | 294.77                      | 277.09                         | 310.00                      |
| 700-930 · Land & Building Repairs N. Cemetery | 4,494.55                    | 3,239.50                       | 5,000.00                    |
| 700-930 · Land & Building Repairs E. Cemetery | 2,579.92                    | 1,833.62                       | 3,000.00                    |
| 700-964 · Refunds & Rebates                   |                             | 175.00                         | 500.00                      |
| 700-965 · Bad Debt Expense                    | 180.68                      | 1,625.28                       | 500.00                      |
| <b>Total 567-700 · EXPENDITURE</b>            | <b>35,841.24</b>            | <b>33,980.99</b>               | <b>38,990.00</b>            |
| <b>FUND BALANCE CONTRIBUTION (USAGE)</b>      | <b>11,818.48</b>            | <b>(13,055.18)</b>             | <b>(18,990.00)</b>          |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>        |                             |                                | <b>326,315.76</b>           |
| <b>FUND BALANCE, PROJECTED YEAR END</b>       |                             |                                | <b>307,325.76</b>           |



The restricted fund balance includes the Grand Traverse Regional Community Foundation endowment, the North Cemetery endowment, the East Cemetery Augenstein endowment and perpetual care amounts that can be spent only for the specific purposes stipulated by external resource providers or legislation.

The committed fund balance includes amounts that can be used only for specific purposes determined by a formal board action.

In governmental funds other than the general fund, such as the Cemetery Fund, assigned fund balances represent the remaining amount that is not restricted or committed.

The unassigned classification would also be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The above figures reflect the Cemetery Fund balances as of Sept. 30, 2019.

## CEMETERY FUND ACCOUNT DESCRIPTIONS

| Acct. Number       | Account Name                            | Description   |
|--------------------|---|---|
|                    | <b>REVENUES</b>                         |   |
| <b>567-600-407</b> | <b>Miscellaneous Income</b>             | Funds received from sources other than burial rights, interment fees, foundations or interest.  |
| <b>567-600-600</b> | <b>CHARGES FOR SERVICES</b>             |   |
| 567-600-642.1      | N. Cemetery Burial Right (Taxpayer)     | The sale of a burial plot or a right of earth interment, in the North Cemetery, by a Crystal Lake Township taxpayer.                                    |
| 567-600-642.2      | E. Cemetery Burial Right (Taxpayer)     | The sale of a burial plot or a right of earth interment, in the East Cemetery, by a Crystal Lake Township taxpayer.                                     |
| 567-600-642.3      | N. Cemetery Burial Right (Non-Taxpayer) | The sale of a burial plot or a right of earth interment, in the North Cemetery, by a non-taxpayer.  |
| 567-600-642.4      | E. Cemetery Burial Right (Non-Taxpayer) | The sale of a burial plot or a right of earth interment, in the East Cemetery, by a non-taxpayer.   |
| 567-600-642.5      | N. Cemetery Interment (Taxpayer)        | The sale from the disposition of human remains by earth interment, entombment or inurnment, in the North Cemetery, by a Crystal Lake Township taxpayer. |
| 567-600-642.6      | E. Cemetery Interment (Taxpayer)        | The sale from the disposition of human remains by earth interment, entombment or inurnment, in the East Cemetery, by a Crystal Lake Township taxpayer.  |
| 567-600-642.7      | N. Cemetery Interment (Non-Taxpayer)    | The sale from the disposition of human remains by earth interment, entombment or inurnment, in the North Cemetery, by a non-taxpayer.                   |

|                    |  |  |
|--------------------|--|--|
| 567-600-642.8      | E. Cemetery Interment (Non-Taxpayer)           | The sale from the disposition of human remains by earth interment, entombment or inurnment, in the East Cemetery, by a non-taxpayer. |
| 567-600-642.9      | Monument Foundations                           | The sale of a cement foundation for monuments and headstones.  |
| 567-600-664        | Investment Income & Rent                       | Interest amounts earned from financial institutions.   |
| <b>567-600-671</b> | <b>OTHER REVENUE</b>                           |  |
| 567-671-674        | Private Contributions & Donations              | Funds received from donors or foundations not to be used for the care of a specific lot or crypt.                                    |
| 567-671-676        | Reimbursements                                 | The refund of a delivered good or service (i.e. burial right).   |
|                    | <b>EXPENDITURES</b>                            |  |
| 567-700-752        | Supplies                                       | Cemetery expenses for ordinance packets, office supplies, etc.   |
| 567-700-771        | Inventory/Cost of Goods Sold                   | Costs of monument foundations.   |
| 567-700-800.1      | Bank Service Charge                            | Fees incurred by financial institutions.   |
| <b>567-700-801</b> | <b>Professional &amp; Contractual Services</b> |  |
| 567-700-801.2      | Grounds Contractual Services                   | The expense of contracted service for landscaping of cemeteries.   |
| 567-700-801.2.1    | Sexton Interment Expenses                      | The expenses incurred from the disposition of human remains by earth interment, entombment or inurnment in a cemetery.               |
| 567-700-802.2.2    | Sexton Foundation Fees                         | The expenses incurred from the installation of a cement foundation for monuments and headstones.                                     |
| 567-700-802.2.3    | Sexton Miscellaneous Fees                      | The expenses incurred from minor, non-invoiceable transactions in the cemeteries.  |
| 567-700-851        | Mail & Postage                                 | Expense for USPS postage.  |
| 567-700-900        | Printing & Publishing                          | Expenses for newspaper printing and/or online  |

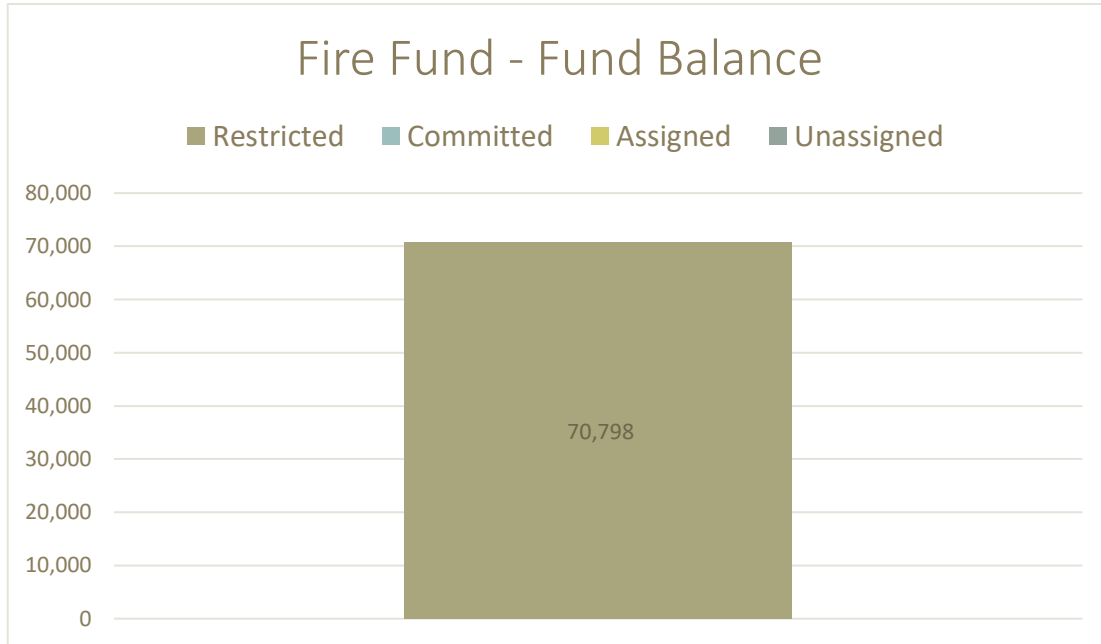


|               |                                    |  |
|---------------|------------------------------------|--|
|               |                                    | publication of meeting synopsis, notices, etc.                   |
| 567-700-920.1 | Electric - N. Cemetery             | Utility fee for electricity to North Cemetery.                   |
| 567-700-920.2 | Electric - E. Cemetery             | Utility fee for electricity to East Cemetery.                    |
| 567-700-930.1 | Land & Bldg. Repairs - N. Cemetery | Repairs and maintenance to North Cemetery grounds and buildings. |
| 567-700-930.2 | Land & Bldg. Repairs - E. Cemetery | Repairs and maintenance to East Cemetery grounds and buildings.  |
| 567-700-964   | Refunds & Rebates                  | The refund of a delivered good or service (i.e. burial right).   |
| 567-700-965   | Bad Debt Expense                   | The uncollectible amount for delivered goods or services.        |

## Fire Fund Detailed 2020 – 2021 Budget

|  | Apr '18 - Mar '19<br>Actual | Apr '19 - Mar '20<br>Projected | Apr '20 - Mar '21<br>Budget |
|--|-----------------------------|--------------------------------|-----------------------------|
| <b>336-400 · REVENUE</b>                 |                             |                                |                             |
| 400-401 · TAXES                          |                             |                                |                             |
| 401-402 · Cur. Real Prop. Taxes          | 83,820.71                   | 83,000.00                      | 90,000.00                   |
| 401-411 · Del. Real Prop. Taxes          | 3,938.52                    | 3,000.00                       | 3,000.00                    |
| Total 400-401 · TAXES                    | 87,759.23                   | 86,000.00                      | 93,000.00                   |
| 400-664 · Interest & Rents               | 414.22                      | 1,500.00                       | 1,500.00                    |
| 400-699 · Interfund Transfer In          |                             | -                              |                             |
| <b>Total 336-400 · REVENUE</b>           | <b>88,173.45</b>            | <b>87,500.00</b>               | <b>94,500.00</b>            |
| <b>336-700 · EXPENDITURE</b>             |                             |                                |                             |
| 336-751 · Supplies                       |                             |                                | 100.00                      |
| 336-800 · Other Services & Charges       |                             |                                | 100.00                      |
| 336-801 · Prof. Contractual Services     |                             |                                |                             |
| 801.1 · Fire Services                    | 66,115.32                   | 70,065.89                      | 71,000.00                   |
| 801.2 · First Responders                 | 15,166.93                   | 16,087.78                      | 16,500.00                   |
| 801.3 · Hazardous Materials<br>Response  | 395.00                      | 395.00                         | 395.00                      |
| <b>Total 336-700 · EXPENDITURE</b>       | <b>81,677.25</b>            | <b>86,548.67</b>               | <b>88,095.00</b>            |
| <b>FUND BALANCE CONTRIBUTION (USAGE)</b> | <b>6,496.20</b>             | <b>951.33</b>                  | <b>6,405.00</b>             |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>   |                             |                                | <b>113,757.22</b>           |
| <b>FUND BALANCE, PROJECTED YEAR END</b>  |                             |                                | <b>120,162.22</b>           |

The Apr. 2020 – Mar. 2021 budget anticipates an increase in revenues to \$94,500.00, due to the township board approved 0.6000 township fire millage. Costs for services will also increase for the new budget year creating a projected year end fund balance in Mar., of 2021, of \$120,162.22.



The restricted fund balance includes amounts that can be spent only for specific purposes stipulated by external resource providers or legislation.

The committed fund balance includes amounts that can be used only for specific purposes determined by formal board action.

In governmental funds other than the general fund, such as the Fire Fund, assigned fund balances represent the remaining amount that is not restricted or committed.

The unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The above figures reflect the Fire Fund balances as of Sept. 30, 2019.

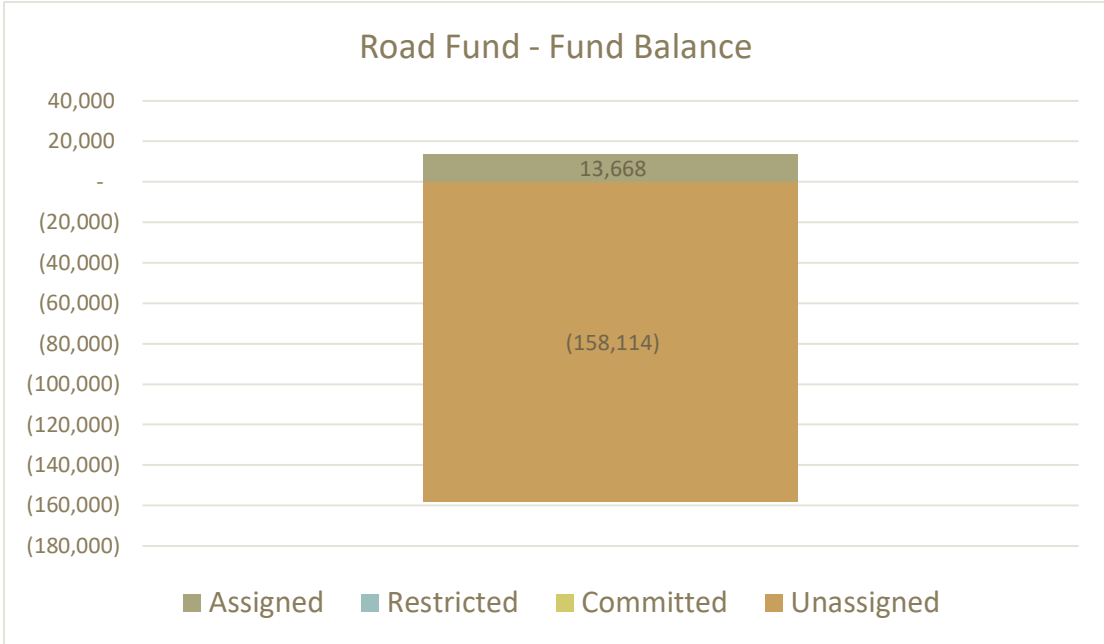
**FIRE FUND  
ACCOUNT DESCRIPTIONS**

| <b>Acct. Number</b> | <b>Account Name</b>               | <b>Description</b>  |
|---------------------|-----------------------------------|---|
|                     | <b>REVENUES</b>                   |   |
| <b>336-400-401</b>  | <b>TAX COLLECTION</b>             |   |
| 336-401-402         | Current Real Property Taxes       | Taxes on real estate (land) and anything permanently attached to the land, in current tax year.         |
| 336-401-411         | Del. Real Prop. Taxes             | Real property tax funds received, from county, for prior year tax levies.                               |
|                     |                                   |   |
| 336-400-664         | Interest                          | Interest amounts earned from financial institutions.  |
| 336-400-699         | Interfund Transfer In             | Funds receive from another Crystal Lake Township fund.  |
|                     |                                   |   |
|                     | <b>EXPENDITURES</b>               |   |
| 336-700-751         | Supplies                          | Expenses for office supplies, etc.  |
| 336-700-800         | Other Services & Charges          | Fees incurred by financial institutions.  |
| 336-700-801         | Professional Contractual Services | A professional independent contractor performs a service by a contract agreement.                       |
| 336-700-801.1       | Fire Services                     | A contracted firefighting service with the City of Frankfort, for Crystal Lake Township.                |
| 336-700-801.2       | First Responders                  | A contracted rescue service with the City of Frankfort, for Crystal Lake Township.                      |
| 336-700-801.3       | Hazardous Materials Response      | A contracted hazmat incident and chemical spill service with the City of Traverse City Fire Department. |

## Road Fund Detailed 2020 – 2021 Budget

|  | Apr '18 - Mar '19<br>Actual | Apr '19 - Mar '20<br>Projected | Apr '20 - Mar '21<br>Budget |
|--|-----------------------------|--------------------------------|-----------------------------|
| <b>446-400 · REVENUE</b>                 |                             |                                |                             |
| 400-401 · TAXES                          |                             |                                |                             |
| 401-402 · Current Real Property Taxes    | 160,213.50                  | 160,000.00                     | 160,000.00                  |
| 401-411 · Delinquent Real Prop. Taxes    | 7,154.97                    | 5,000.00                       | 5,000.00                    |
| Total 400-401 · TAXES                    | 167,368.47                  | 165,000.00                     | 165,000.00                  |
| 400-664 · Interest & Rents               | 112.46                      | 100.00                         | 100.00                      |
| 400-699 · Interfund Transfer In          |                             |                                |                             |
| <b>Total 446-400 · REVENUE</b>           | <b>160,480.93</b>           | <b>165,100.00</b>              | <b>165,100.00</b>           |
| <b>446-700 · EXPENDITURE</b>             |                             |                                |                             |
| 700-751 · Supplies                       |                             |                                | 100.00                      |
| 700-800 · Other Services & Charges       |                             |                                |                             |
| 800.1 · Bank Fees                        | 35.00                       |                                | 100.00                      |
| 700-970 · Capital Outlay                 |                             |                                |                             |
| 970.1 · Road Surfacing                   | 123,578.17                  | 218,113.83                     | 160,000.00                  |
| <b>Total 446-700 · EXPENDITURE</b>       | <b>123,613.17</b>           | <b>218,113.83</b>              | <b>160,200.00</b>           |
| <b>FUND BALANCE CONTRIBUTION (USAGE)</b> | <b>43,867.76</b>            | <b>(53,013.83)</b>             | <b>4,900.00</b>             |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>   |                             |                                | <b>20,553.88</b>            |
| <b>FUND BALANCE, PROJECTED YEAR END</b>  |                             |                                | <b>25,453.88</b>            |

The Apr. 2020 – Mar. 2021 budget anticipates stable revenues of \$165,100.00, utilizing the renewed 1.0000 township road millage. Asphalt road resurfacing will likely continue in the summer, of 2020, for a projected year end fund balance in Mar., of 2021, of \$25,453.88.



In governmental funds other than the general fund, such as the Road Fund, assigned fund balances represent the remaining amount that is not restricted or committed.

The unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The above figures reflect the Road Fund balances as of Sept. 30, 2019.

## ROAD FUND ACCOUNT DESCRIPTIONS

| Acct. Number       | Account Name                | Description   |
|--------------------|-----------------------------|---|
|                    | <b>REVENUES</b>             |   |
| <b>446-400-401</b> | <b>TAX COLLECTION</b>       |   |
| 446-401-402        | Current Real Property Taxes | Taxes on real estate (land) and anything permanently attached to the land, in current tax year. |
| 446-401-411        | Delinquent Real Prop. Taxes | Real property tax funds received, from county, for prior year tax levies.                       |
|                    |                             |   |
| 446-400-664        | Interest                    | Interest amounts earned from financial institutions.  |
| 446-400-699        | Interfund Transfer In       | Funds receive from another Crystal Lake Township fund.  |
|                    |                             |   |
|                    | <b>EXPENDITURES</b>         |   |
| 446-700-751        | Supplies                    | Expenses for office supplies, etc.  |
| 446-700-800        | Other Services & Charges    | Fees incurred by financial institutions.  |
| 446-800-970        | Capital Outlay              |   |
| 446-700-970.1      | Road Surfacing              | Fees incurred to resurface existing asphalt township roads.                                     |

## Capital Improvement Plan

The Capital Improvement Plan (CIP) is an essential planning tool that will serve to guide Crystal Lake Township on the multi-year planning and management of its capital assets. The CIP promotes coordination between the Township's capital and annual operating budgets, resulting in a greater capacity for sound budgetary practices and a focus on long-term sustainability. The Township's CIP also provides a mechanism to stabilize the operating budget by reducing large fluctuations that are often caused by capital purchases. The development of a CIP allows for the evaluation and prioritization of capital expenditures that are either necessary or desirable in the Township's future.

The purpose of the CIP is to coordinate the Township's operating budget with major capital needs over a 6-year period. The CIP shall serve as a tool for the Township's long-range capital expenditure planning. The Capital Improvement Plan and the projects included shall form the development of the Township's annual capital budget. The development of the Capital Improvement Plan budget will be deliberately coordinated with the development of the Township's operating budget so as to enhance congruence between capital improvement projects and operating expenses, and to help the Township prepare for anticipated future expenditures.

Goals of the Capital Improvement Plan:

- Plan for capital expenditures in a fiscally responsible manner
  - Improve financial and budgetary transparency
  - Stabilize the Township's operating budget
  - Coordinate the Township's capital expenditures with the goals set out by the Township Master Plan
  - Coordinate capital projects and purchases with other township departments
  - Ensure the Township is prioritizing and using its resources appropriately
  - Provide time to identify potential external funding
- The Michigan Planning and Enabling Act of 2008 provides for the development and implementation of the CIP.

In addition to its legal foundations, the CIP is recognized by many credit rating agencies as a critical planning and budget tool. The adoption of a CIP reflects a community's dedication to financial management and fiscal responsibility. Capital improvement planning is a practice also highly recommended by the Government Finance Officers Association, the Michigan Townships Association, the Michigan Municipal League, and a number of best practice guides for local government.



## CIP Definitions

For the purposes of the Township's Capital Improvement Plan, expenditures are considered capital if the following two criteria are met:

- A physical asset or project with an expected useful life of at least a year. This involves improvements to or replacement of existing assets. Recurring major capital outlays are included only if their replacement cycle is greater than a year.
- Costs \$5,000 or more. These costs may include associated engineering, site preparation, inspections, permits, and other ancillary costs.

Examples of common capital expenditures include:

- New building construction or the expansion of existing buildings.
- The purchase of land for parks or municipal buildings.
- Sanitary sewer, water or storm water drainage improvements excluding maintenance.
- Improvements to or construction of new streets, bridges, and sidewalks.
- The purchase of large equipment items such as fire trucks, police and fire radios, computer systems, playground equipment, parking lots, and HVAC systems, among others.

## CIP Planning Process

Development of the CIP is an annual process. The plan is prepared for a six-year period. Year one of the plan is adopted by the Township Board as part of its annual budget cycle, and expenditures are incorporated into the annual Township operating budget. Year two of the plan is adopted for the following year's budget as part of the annual budget cycle. Future years are intended for planning purposes, to help the Township prepare for anticipated future expenditures. Such preparation might include collaboration with other agencies, internal coordination, identification and pursuit of external funding sources, and budget allocation of necessary Township resources to ensure adequate resources are available in future years.

The CIP process begins with a department level review of existing assets. Each major asset is assessed with regard to current condition, expected remaining life, ability to meet intended needs, public health and safety impacts, efficiency and impact on operating budgets. Departments are encouraged to take preventive measures wherever possible to extend the useful life of an asset through service and maintenance, rather than allowing an asset to deteriorate and require replacement.

Capital assets requiring replacement should be evaluated with respect to anticipated future needs, availability of alternative resources within the community, potential for expanding the function of the asset to increase its usefulness, and opportunities for collaboration with other agencies. The size, quality, location, and function of replacement assets may differ substantially from those being replaced. Following the review of existing assets, each department submits project proposals based on needs anticipated for the following seven years. The project proposals are submitted to the Township Building and Grounds Committee. At a minimum, proposals must include a description of the project, estimated cost of the project, estimated duration, sources of potential funding, and the anticipated impact on the operating budget.

Once submitted, the Township Building and Grounds Committee is charged with the task of evaluating and ranking each project proposal. Projects are categorized as “urgent,” “important,” or “desirable.” After members of the Township Building and Grounds Committee reach consensus on the ranking of each project, a draft Capital Improvement Plan is submitted to the Planning Commission and the Chief Administrative Officer for review. In this stage of the process, the Planning Commission evaluates the plan within the context of land use issues. This is also the time in which citizens are given opportunities to participate in the capital improvement planning process.

The role of the Planning Commission in the CIP is to review proposed projects that present land use issues and to evaluate if those projects fit within the context of the community’s master plan. As required by the Michigan Planning Enabling Act of 2008, any CIP projects that involve the opening, widening, or extension of a street, or the acquisition or enlargement of any square, park, playground, or other open space must be approved by the community’s Planning Commission.

Upon completion of the review process and revisions, the Planning Commission or the Chief Administrative Officer submits the final Capital Improvement Plan draft to the Township Board for approval. Once approved, the Board must also approve the necessary allocation of monies from the Township’s capital and operating funds. This fund scheduling for capital improvement projects is known as the capital improvement “program”. This plan and its corresponding program must be reviewed and re-approved each subsequent year.

**CIP Timeline:**

|               |  |
|---------------|--|
| Jan. 2019     | Departments review existing assets.  |
| May 2019      | Departments complete and submit CIP project requests.  |
| June 2019     | Township Building and Grounds Committee review and prioritize project requests.              |
| July 2019     | Draft CIP is submitted to Township Planning Commission and the Chief Administrative Officer. |
| Sept. 2019    | Township Board receives and adopts CIP.  |
| Oct. 2019     | CIP is incorporated into 2020-2021 Budget.   |
| Jan. 14, 2020 | Public Hearing for the 2020-2021 Budget.   |
| Jan. 14, 2020 | The Township Board reviews the 2020-2021 Budget.   |
| Feb. 11, 2020 | The Township Board adopts the 2020-20201 Budget.   |

## Scoring and Priority Ranking

The Township Building and Grounds Committee is charged with the responsibility of scoring and ranking projects following the submission of projects by department heads. Projects are scored on the following criteria: health and safety impact, timing of need, level of service, ability to proceed, project funding, impact on efficiency/operating budget, and economic efficiency.

| Priority Category | Characteristics  |
|-------------------|--|
| <b>Urgent</b>     | <ul style="list-style-type: none"> <li>• Corrects an emergency or condition dangerous to public health, safety, or welfare;</li> <li>• Complies with federal or state requirement whose implementation timeframe is too short to allow for longer-range planning; or</li> <li>• Is vital to the economic stability of the Township</li> </ul>  |
| <b>Important</b>  | <ul style="list-style-type: none"> <li>• Prevents an emergency or condition dangerous to public health, safety, or welfare;</li> <li>• Is consistent with an adopted or anticipated component of the Township’s master plan, a federal or state requirement whose timeframe allows for longer-range planning, or a Board-approved policy; or</li> <li>• Is required to complete a major public improvement (this criterion is more important if the major improvement cannot function without the project being completed, and is less important if the project is not key to the functioning of another project)</li> </ul> |
| <b>Desirable</b>  | <ul style="list-style-type: none"> <li>• Provides a benefit to the community;</li> <li>• Worthwhile if funding becomes available;</li> <li>• Can be postponed without detriment to present services; or</li> <li>• Validity of planning or validity of timing have been established</li> </ul>   |

In 2015, Dr. Richard Nielsen, a long-time Crystal Lake Township Board Trustee, recognized the need for critical asphalt road repairs. The resurfacing of township roads was designated as a capital infrastructure project priority and a 1.0000 millage was passed in Nov., of 2015. The Road Fund was established.

|             | <b>Cost</b>  | <b>Roads</b>   |
|-------------|--------------|--|
| <b>2016</b> | \$199,547.65 | Airport Rd.<br>Bacon Rd.<br>Bellows Ave.<br>Carlson Rd.<br>Didrickson Rd.<br>Forrester Rd.<br>Graves Rd.<br>Marquette Rd.<br>Pautz Rd.<br>Thomas Rd. |
| <b>2017</b> | \$332,633.87 | Adams Rd.<br>Elm Rd.<br>Glory Rd.<br>Mollineaux Rd.<br>Palcich Rd.<br>Robinson Rd.   |
| <b>2018</b> | \$123,578.17 | Martin Rd.<br>Nelson Rd.<br>Nugent Rd.<br>Runway Rd.<br>Snell Rd.  |
| <b>2019</b> | \$218,348.91 | Bridge St.<br>Figg Rd.<br>Thomas Rd.   |
| <b>2020</b> | \$160,000.00 | To be determined.  |
| <b>2021</b> | \$160,000.00 | To be determined.  |
| <b>2022</b> | \$160,000.00 | To be determined.  |
| <b>2023</b> | \$160,000.00 | To be determined.  |
| <b>2024</b> | \$160,000.00 | To be determined.  |
| <b>2025</b> |              | To be determined.  |

## **Budget Resolution and Appropriations Act**

A resolution to establish a general appropriations act for Crystal Lake Township; to define the powers and duties of the Crystal Lake Township officers in relation to the administration of the budget; and to provide remedies for refusal or neglect to comply with the requirements of this resolution.

The Board of Trustees of Crystal Lake Township ordains:

### **Section 1: Title**

This resolution shall be known as the Crystal Lake Township General Appropriations Act.

### **Section 2: Chief Administrative Officer**

The Treasurer, as approved by the board, shall be the Chief Administrative Officer and shall perform the duties of the Chief Administrative Officer enumerated in this act.

### **Section 3: Fiscal Officer**

The Clerk and the Treasurer shall be the Fiscal Officers and shall perform the duties of the Fiscal Officer enumerated in this act.

### **Section 4: Public Hearings on the Budget**

Pursuant to MCLA 141.412, notice of a public hearing on the proposed budget was published in a newspaper of general circulation on Jan. 8, 2020, and a public hearing on the proposed budget was held on Jan. 14, 2020.

### **Section 5: Estimated Revenues**

Estimated township general fund revenues for fiscal year 2020-2021, including an allocated millage of 1.2100 mills minus Headlee Millage Reduction Fraction; voter-authorized millage of 1.000 mills for the road fund; a special assessment of 0.6000 for the fire fund and various miscellaneous revenues shall total \$554,910.00.

### **Section 6: Millage Levy**

The Crystal Lake Township Board shall cause to be levied and collected the general property tax on all real and personal property within the township upon the current tax roll an amount estimated to equal to 2.2913 mills as set forth by the Tax Allocation Board (*or as authorized under state law and approved by the electorate*).

### Section 7: Estimated Expenditures

Estimated township general fund expenditures for fiscal year 2020-2021 for the various township activities are as follows:

|              |                                  |              |
|--------------|----------------------------------|--------------|
| 100-000-000  | General Government               | \$ 100.00    |
| 100-101-000  | Township Board                   | \$ 13,858.00 |
| 100-171-000  | Supervisor                       | \$ 24,630.00 |
| 100-191-000  | Accounting Department            | \$ 1,000.00  |
| 100-215-000  | Clerk                            | \$ 31,425.00 |
| 100-223-000  | Audit Services                   | \$ 6,500.00  |
| 100-228-000  | Information Technology           | \$ 6,600.00  |
| 100-247-000  | Board of Review                  | \$ 2,770.00  |
| 100-253-000  | Treasurer                        | \$ 29,190.00 |
| 100-257-000  | Assessing                        | \$ 35,820.00 |
| 100-262-000  | Election                         | \$ 21,000.00 |
| 100-265-000  | Building & Grounds               | \$ 39,500.00 |
| 1000-266-000 | Attorney Counsel                 | \$ 8,500.00  |
| 100-300-000  | Public Safety                    | \$ 2,680.00  |
| 100-440-000  | Public Works                     | \$ 18,150.00 |
| 100-700-000  | Community & Economic Development | \$ 26,350.00 |
| 100-000-00   | TOTAL                            | \$268,073.00 |

Estimated township cemetery fund expenditures for fiscal year 2020-2021 are as follows:

|             |                       |              |
|-------------|-----------------------|--------------|
| 567-700-000 | Cemetery Expenditures | \$ 38,990.00 |
|-------------|-----------------------|--------------|

Estimated township fire fund expenditures for fiscal year 2020-2021 are as follows:

|             |                   |              |
|-------------|-------------------|--------------|
| 336-700-000 | Fire Expenditures | \$ 88,095.00 |
|-------------|-------------------|--------------|

Estimated township road fund expenditures for fiscal year 2020-2021 are as follows:

|             |                   |               |
|-------------|-------------------|---------------|
| 446-700-000 | Road Expenditures | \$ 160,200.00 |
|-------------|-------------------|---------------|

### Section 8: Adoption of Budget by Cost Center

The Board of Trustees of Crystal Lake Township adopts the 2020-2021 fiscal year general fund budget by cost center. Township officials responsible for the expenditures authorized in the budget may expend township funds up to, but not to exceed, the total appropriation authorized for each cost center, and may make transfers among the various line items contained in the cost center appropriation. However, no transfers of appropriations for line items related to personnel or capital outlays may be made without prior board approval by budget amendment.

### **Section 9: Appropriation not a Mandate to Spend**

Appropriations will be deemed maximum authorizations to incur expenditures. The fiscal officer shall exercise supervision and control to ensure that expenditures are within appropriations, and shall not issue any town order for expenditures that exceed appropriations.

### **Section 10: Periodic Fiscal Reports**

The fiscal officer shall transmit to the board at the end of each of the first three quarters, and at the end of each month occurring during the fourth quarter, a report of financial operations, including, but not limited to:

- a. a summary statement of the actual financial condition of the general fund at the end of the previous quarter (*month*);
- b. a summary statement showing the receipts and expenditures and encumbrances for the previous quarter (*month*) and for the current fiscal year to the end of the previous quarter (*month*);
- c. a detailed list of:
  - i. expected revenues by major source as estimated in the budget; actual receipts to date for the current fiscal year compared with actual receipts for the same period in the prior fiscal year; the balance of estimated revenues to be collected in the then current fiscal year; and any revisions in revenue estimates resulting from collection experience to date.
  - ii. for each cost center: the amount appropriated; the amount charged to each appropriation in the previous quarter (*month*) for the current fiscal year and as compared with the same period in the prior fiscal year; the unencumbered balance of appropriations; and any revisions in the estimate of expenditures.

### **Section 11: Limit on Obligations and Payments**

No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

### **Section 12: Budget Monitoring**

Whenever it appears to the Chief Administrative Officer or the Township Board that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures shall exceed an appropriation, the Chief Administrative Officer shall present to the township board recommendations to prevent expenditures from exceeding available revenues or



appropriations for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

**Section 13: Violations of This Act**

Any obligation incurred or payment authorized in violation of this resolution shall be void and shall subject any responsible official(s) or employee(s) to disciplinary action as outlined in Public Act 621 of 1978) and the Crystal Lake Township personnel manual.

**Section 14: Board Adoption**

Motion made by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt the foregoing resolution.

Upon roll call vote:

Amy Ferris, Supervisor, \_\_\_\_\_,

Tammy May, Trustee, \_\_\_\_\_,

Richard Nielsen, Trustee, \_\_\_\_\_,

Sue Sullivan, Clerk, \_\_\_\_\_,

Brooke Trentham Popp, Treasurer, \_\_\_\_\_.

The Supervisor, declared the motion carried and the resolution duly adopted on the 11th day of February, 2020.

\_\_\_\_\_  
Sue Sullivan, Township Clerk

## Glossary of Terms

|                |  |
|----------------|--|
| Accrual Basis  | The basis of accounting under which generally accepted accounting principles are followed in recognizing revenues when earned and expenditures as soon as they result in liabilities for benefits received. This contrasts with the cash basis of accounting where revenues and expenditures are only recognized when cash receipts or payments take place.  |
| Activity       | A department within a fund to which specific expenses are allocated.   |
| Adopted Budget | Fiscal year plan of revenues and expenditures approved and adopted by Township Board.  |
| Agency Fund    | The agency fund of the Township is used to receipt and disburse tax collections.   |
| Amended Budget | Township Board approved changes to current budget amounts.   |
| Appropriation  | Authorization granted by the Township board body to incur obligations and to expend public funds for a stated purpose. Resources cannot be expended, nor can obligations be incurred without this formal authorization.  |
| Assessed Value | The amount calculated by the assessor estimating 50% of the true cash value of real or personal property.  |
| Asset          | Resources owned or held by the township, which have monetary value.  |
| Audit          | A comprehensive review of the financial operations of the township for a specific time frame. The purpose of an audit is to express an opinion on the presentation of the financial statements. In addition, the internal controls over the safekeeping of assets is tested and recommendations are made. The audit is performed by certified public accountants. Per 141.425, Sec. 5. (1) A local unit having a population of less than 4,000 shall obtain an audit of its financial records, accounts, and procedures not less frequently than biennially. |

However, if any audit under this subsection discloses a material deviation by the local unit from generally accepted accounting practices or from applicable rules and regulations of a state department or agency or discloses any fiscal irregularity, defalcation, misfeasance, nonfeasance, or malfeasance, the department of treasury may require an audit to be conducted in the next year.

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| Balanced Budget                 | Revenues shall equal or be greater than expenses for all governmental funds.  |
| Budget                          | Serves as the annual financial plan which provides the resources to meet board approved goals and objectives.   |
| Budget Calendar                 | The schedule of key dates which the township follows in preparation and adoption of the budget.   |
| Capital Assets                  | Long-term (with an expected life of more than one year) assets with a value in excess of \$5,000.00.  |
| Capital Improvements Plan (CIP) | A detailed list of capital outlays to be incurred over the six years to meet the capital needs of the township. The lists include each contemplated project or outlay and specifies the resources or funding estimated to be available to finance them. |
| Capital Outlay                  | Expenditures relating to the purchase of vehicles, equipment, facilities, land, and other fixed assets. Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities.             |
| Capital Project Fund            | A fund created to account for financial resources to be used for the spending of appropriations made or incurred in accordance with the Capital Improvement Plan.   |
| Cemetery Fund                   | The Cemetery Fund accounts for revenues sources that are legally restricted to expenditures for the cemeteries.   |

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| Chief Administrative Officer (CAO) | The official granted general administrative control of an authority or organization of government established by law that may expend funds of the authority or organization. The CAO may also be the manager of a township or, if the township does not employ a manager, the supervisor of the township.   |
| Consumer Price Index (CPI)         | A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e. economic inflation).   |
| Contingency Account                | An account set aside to meet unforeseen circumstances.  |
| Debt Service Fund                  | The debt service fund of the Township; used to separate the revenues and expenditures related to the voted debt millage of the Township.  |
| Deficit                            | An excess of liabilities and reserves of a fund over its assets.  |
| Department                         | The basic organizational unit of government which is functionally unique in its delivery of services.   |
| Expenditure                        | Cost of goods delivered, or services rendered, whether paid or unpaid, including expenses, debt retirement not reported as a liability of the fund from which retired, or capital outlay.   |
| Expenses                           | Decreased in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.  |
| Fund                               | A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Crystal Lake Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds. |

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| Fiduciary Fund                                  | The fiduciary fund of the Township; used to account for assets held by the Township in a trustee capacity (Tax Fund).   |
| Fire Fund                                       | The Fire Fund accounts for revenue sources that are legally restricted to expenditures for fire protection.   |
| Fiscal Year                                     | The twelve-month period designated as the operating year. Crystal Lake Township's fiscal year is April 1 through March 31.  |
| Fund  | Independent fiscal entity with a self-balancing set of accounts.  |
| Fund Balance                                    | Excess fund equity's accumulated assets over its liabilities. (Excess revenues over expenditures at year-end will typically increase a fund's fund balance.)  |
| Fund Equity                                     | The excess of fund assets and resources over liabilities. A portion of the fund equity may be reserved or designated; any remaining amount is referred to as Fund Balance.  |
| Generally Accepted Accounting Principles (GAAP) | GAAP are those accounting principles that are considered essential if a government entity is to report and fully disclose its financial condition and results of operations for a given period. The primary sources of these principles are: Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB), and American Institute of Certified Public Accountants (AICPA). |
| General Appropriations Act                      | The budget as adopted by the legislative body.  |
| General Fund                                    | The general operating fund of the Township; used to account for the revenues and expenditures associated with providing services traditionally associated with local government. Transactions are recorded on the modified accrual basis.   |
| Governmental Fund                               | Governmental funds are used to account for essentially the same functions reported as governmental activities and focus on near-term inflows and outflows of spendable resources, as  |

well as on balances of spendable resources available at the end of the fiscal year.

#### Headlee Amendment

1978 Amendment to Michigan State Constitution limiting property tax rate increases without voter approval. Headlee requires tax rates to be “rolled back” if the increase in a taxing unit’s equalized valuation (excluding changes from new construction, improvements and losses) is greater than the rate of inflation. Headlee also requires the State to appropriate necessary funds to local units for any new state-required services and prohibits the State from reducing State share of existing required services.

**Homestead Affidavit** A form filed by taxpayers to claim an exemption from 18 mills of schools operating millage. This form is filed on homestead properties only.

**Interfund Transfers** The movement of monies between the township funds.

#### Intergovernmental Revenues

Those revenues received from another governmental entity, such as State grant or Federal Revenue sharing.

**Infrastructure** Basic physical framework or foundation of the Township, referring to its buildings, roads, bridges, sidewalks, water and sewer systems.

**Legislative Body** The five elected members of the Township Board.

#### Michigan Dept. of Transportation (MDOT)

Crystal Lake Township works in conjunction with MDOT regarding State highways that transverse the Township.

**Mil** A monetary unit equal to one dollar of tax obligation for every \$1,000 of the taxable value of property.

**Millage** The total tax obligation per \$1,000 of taxable valuation of property.

|                                      |   |
|--------------------------------------|---|
| Modified Accrual Basis of Accounting | A form of accrual accounting in which (1) expenditures are recognized when the goods or services are received and (2) revenues, such as taxes, are recognized when measurable and available to pay expenditures in the current accounting period.   |
| Operating Budget                     | A budget which applies to all outlays other than capital outlays.   |
| Personal Property Tax                | A businesses assessable property such as machinery, equipment, furniture and fixtures.  |
| Proposal A                           | Proposal A was approved by the voters in March 1994 to cap the growth in taxable values of property, excluding new construction, to the lesser of 5% or the rate of inflation, until sold. Revisions were also made during the same time period to shift financing school operations from property taxes to state tax increases; primarily the sales tax. |
| Public Hearing                       | An open meeting regarding proposed operating or capital budget allocations, which provides citizens with an opportunity to voice their views on the merits of the proposals.  |
| Real Property Tax                    | Taxes levied on physical real estate.   |
| Reserve:                             | An account used to indicate a portion of a fund's equity is legally restricted for a specific purpose and is not available for general appropriation.   |
| Resolution                           | A special or temporary order of the township requiring less legal formality than an ordinance or statute.   |
| Retained Earnings                    | An equity account reflecting the accumulated earnings of a fund.  |

|  |   |
|--|---|
| Revenues                                     | An addition to the assets of a fund which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets and does not represent a contribution of fund capital in enterprise or in intergovernmental service funds. |
| Road Fund                                    | The Road Fund accounts for revenue sources that are legally restricted to expenditures for road improvements.   |
| SEV (State Equalized Value)                  | The assessed value after equalization at the county and state level. The SEV of a property approximates 50% of the true cash value.   |
| Special Assessment                           | Amount levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.   |
| State Revenue Sharing                        | Revenue sharing received from the State of Michigan for sales tax, single business tax, and income taxes.   |
| Tax Abatement                                | State law allows a local municipality to recommend a maximum 50%, 12-year reduction in qualified businesses personal and real taxes.  |
| Tax Rate                                     | The amount of taxes (in mills) levied for each \$1,000 of assessed valuation.   |
| Taxable Value                                | The value millages are levied against. This amount, as adjusted annually, cannot increase greater than the rate of inflation and is based on State Equalized Value (SEV).   |
| Transfers In/Out                             | Amounts transferred from one fund to another to finance services in the recipient fund.   |
| Uniform Budgeting and Accounting Act of 1968 | An act to provide for the formulation and establishment of  |



uniform charts of accounts and reports in local units of government; to define local units of government; to provide for the examination of the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the state treasurer, the attorney general, the library of Michigan and depository libraries, and other officers and entities; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

#### Unreserved Fund Balance

Money left over from prior years that are not committed for other purposes and can be allocated in the upcoming budget.